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Master's Thesis in Public Administration

**An Enhanced Salary's Influence on
Improved Public Service Delivery:
A Case study of the Office of the Auditor General,
Uganda**

**급여 인상이 공공서비스 전달의
향상에 미치는 영향에 관한 연구:
우간다 감사원 사례**

August, 2015

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Abstract

Like any other developing country, Uganda today is plagued by poor public service delivery. This has not always been the case as in the 1960s her public service was branded as one of the best in sub Saharan Africa. This study was born out of the teachers' numerous strikes in agitation for increased salary to provide better services and the Government's failure to uphold the agreed on increments, with the claim of not having the resources, but still demanding better services. This was extended to the entire public service and hence the topic 'An enhanced salary's influence on improved public service delivery: The case of the Office of the Auditor General, Uganda.'

From 4th October 2008 with the enactment of the National Audit Act, 2008, the Office of the Auditor General (OAG) became an autonomous public agency and left the mainstream public service. This entailed meaningful autonomy in the management of her human resources, budgetary process and other resources. Key to this was the enhancement of the salaries of her staff for purposes of motivating them to produce expected results.

Through the case study, it was established that her performance after 2008 greatly improved compared to the earlier period when she was still part of the mainstream public service which has incidentally remained with those problems and more.

However, by considering the massive hemorrhage of government resources through corrupt tendencies and in this instance from only the payroll management related areas of the ghost workers phenomenon in salary and pension as well as the bloated structure, if these were appropriately handled they would generate savings and contribute resources to enhance the salary of public servants. Also discovered was a serious distortion in salaries paid to public servants.

In conclusion it was observed that an enhanced salary contributes to improved public service delivery and all efforts should be made by the Government to find the necessary resources and address the issue. Policy recommendations ranged from the actual increment of salaries and government meeting its own targets set to effectively fighting corruption, capping the haphazard increase of the public service and harmonization of the salaries across the public service.

Key words: Pay reform, salary enhancement, payroll management, ghost workers, ghost salary, ghost pension, payroll cleaning, bloated structure, salary distortions

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Table of Contents

Abstract.....	i
List of figures:.....	viii
List of Tables:	ix
CHAPTER 1 INTRODUCTION	1
1.1 Background to the study	1
1.2 Statement of the problem.....	3
1.3 Study objectives.....	4
1.4 Research questions	5
1.5 Hypothesis	5
1.6 Justification for the study	5
1.7 Definition of terms	6
1.8 Conceptual Frame work.....	7
CHAPTER 2 LITERATURE REVIEW	9
2.1 Introduction.....	9
2.2 Pay reforms that have been implemented in Sub-Saharan Africa.....	9
2.3 The influence of pay reforms on service delivery in Public Service	13
2.4 Possible strategies in which pay reforms can be used to enhance service delivery in the Public Service	16
3.1 Introduction.....	22
3.2 Selecting Content.....	23
3.3 Data and Units of Analysis	24
3.3.1 Categorizing Content of Articles	24
3.3.1.1 Salary Payroll Management	25
3.3.1.2 Pension Payroll Management.....	25

CHAPTER 4 HISTORY AND OVERVIEW OF THE UGANDA PUBLIC SERVICE AND ITS REFORM.....	26
4.1 Pre-Independence Period	26
4.2 Post-Independence	29
4.3 An Over view of the Uganda Public Service	32
4.3.1 The Legislature	33
4.3.2 The Judiciary.....	34
4.3.3 The Executive	34
4.3.4 The Local Government	37
4.4 The Public Service Reform Programme	40
4.4.1 Vision and Objectives of the PSRP.....	41
4.4.2 Results of the PSRP	43
4.5 Overview of the Ministries of Public Service and of Finance, Planning and Economic Development.....	48
4.5.1 Ministry of Public Service	48
4.5.2 Ministry of Finance, Planning and Economic Development	51
Chapter 5 The Unavailability of Resources for Salary Enhancement – Government Claim.....	55
5.1 Introduction.....	55
5.2 Articles on payroll management in the Public Service	58
5.2.1 Number of Articles – Pre-Autonomy (2003 – 2008)	59
5.2.2 Number of Articles – Post-Autonomy (2009 – 2013).....	60
5.3 Length of Articles	61
5.3.1 Length of Articles – Pre-autonomy.....	62
5.3.2 Length of Articles – Post-autonomy	63
5.4 Reference Sources of Articles.....	64

5.5 Concerns of the Payroll management Articles.....	67
5.6 Salary Payroll Management	69
5.6.1 Salary Payroll Management during Pre-autonomy	70
5.6.1.1 Ghost salary Pre-autonomy	71
5.6.1.2 Payroll Cleaning Pre-autonomy	73
5.6.1.3 Bloated Structure Pre-autonomy.....	74
5.6.1.4 Salary Distortions Pre-autonomy	75
5.6.2 Salary Payroll management during Post-autonomy	76
5.6.2.1 Ghost Salary Post-autonomy	77
5.6.2.2 Payroll Cleaning Post-autonomy	79
5.6.2.3 Bloated Structure Post-autonomy	81
5.6.2.4 Salary Distortion Post-autonomy.....	84
Table 16: Summary table of Newspaper Salient Findings on Salary Distortions – Post-autonomy	84
5.7 Pension Payroll Management.....	87
5.7.1 Pension Payroll Management during the Pre-autonomy period.....	88
5.7.1.1 Ghost Pension Pre-autonomy	89
5.7.1.2 Pension Payroll Cleaning Pre-autonomy	90
5.7.2 Pension Payroll Management during Post-autonomy	91
5.7.2.1 Ghost Pension Post-autonomy.....	92
5.7.2.2 Pension Payroll Cleaning Post-autonomy	95
CHAPTER 6 THE OFFICE OF THE AUDITOR GENERAL	98
6.1 Introduction.....	98
6.2 History of Office of the Auditor General.....	98
6.3 The OAG Mandate.....	100

6.4 OAG Move to Autonomy and her Performance	103
CHAPTER 7 CONCLUSIONS AND RECOMMENDATIONS	120
7.0 Conclusions.....	120
7.1 Analysis of conclusions	120
7.2 Salary enhancement, improved performance and service delivery.....	122
7.3 The lack of resources for salary enhancement	125
7.4 Policy Recommendations.....	127
7.5 Limitations	132
7.6 Areas for further studies.....	133
REFERENCES	134
APPENDICES	144
Appendix 1: Daily Monitor Newspaper Articles used.....	144
Appendix 2: New Vision Newspaper Articles used.....	148
Appendix 3: Observer Newspaper Articles used	152
Appendix 4: Translated Abstract	154
Acknowledgement	157

List of figures:

Figure 1: Conceptual Framework	7
Figure 2: Structure of Local Government	38
Figure 3: Organogram of MFPED	53
Figure 4: Content Analysis Decision Tree	57
Figure 5: Reference Sources of Newspaper Articles from 2003 to 2013.....	66
Figure 6: Concerns of the Payroll Management Articles, 2003 - 2013	67
Figure 7: Pre-autonomy percentage categorisation of salary payroll management (2003 - 2008).....	70
Figure 8: Post-autonomy percentage categorisation salary payroll management (2009 - 2013).....	76
Figure 9: Pre-autonomy Percentage Categorisation of Pension Management (2003 - 2008)	88
Figure 10: Post-autonomy Percentage Categorisation of Pension Management (2009 - 2013).....	91
Figure 11: Illustration of the role of the OAG - Accountability Cycle	102
Figure 12: The OAG macro structure	107
Figure 13: Illustration of Audits Scope – 2007/8.....	109
Figure 14: Illustration of Audit Scope – 2012/2013	109
Figure 15: Showing OAG budget performance for period 2007/8 - 2012/13.....	115

List of Tables:

Table 1: Illustration of Uganda public service over the years	39
Table 2: Performance of Pay Reform against existing MoPS Plan, as at Year 3-2003/4 (Basic Pay only).....	48
Table 3: Pre-autonomy Number of Articles.....	59
Table 4: Post-autonomy Number of Articles	60
Table 5: Pre-autonomy Length of Articles	62
Table 6: Post-autonomy Length of Articles.....	63
Table 7: Reference Sources at First Tier.....	64
Table 8: Reference Sources at Second Tier	66
Table 9: Summary table of Newspaper Salient Findings on Ghost Salary – Pre-autonomy	71
Table 10: Summary table of Newspaper Salient Findings on Payroll Cleaning – Pre-autonomy	73
Table 11: Summary table of Newspaper Salient Findings on Bloated Structure – Pre-autonomy	74
Table 12: Summary table of Newspaper Salient Findings on Salary Distortions – Pre-autonomy	75
Table 13: Summary table of Newspaper Salient Findings on Ghost Salary – Post-autonomy	77
Table 14: Summary table of Newspaper Salient Findings on Payroll Cleaning – Post-autonomy	79
Table 15: Summary table of Newspaper Salient Findings on Bloated Structure – Post-autonomy	81
Table 16: Summary table of Newspaper Salient Findings on Salary Distortions – Post-autonomy	84
Table 17: Summary table of Newspaper Salient Findings on Ghost Pension – Pre-autonomy	89
Table 18: Summary table of Newspaper Salient Findings on Pension Payroll Cleaning – Pre-autonomy	90
Table 19: Summary table of Newspaper Salient Findings on Ghost Pension – Post-autonomy	92

Table 20: Summary table of Newspaper Salient Findings on Pension Payroll
Cleaning – Post-autonomy 95

Table 21: Comparison of Pay levels between Public Service and other Public
Agencies..... 106

Table 22: Performance of the OAG 2006/7 - 2012/13..... 111

Table 23: Trends in the number of Professional Accountants since 2004/5 113

List of acronyms

AG Auditor General

Bn Billion

COSASE Committee on Commissions, Statutory Authorities and State Enterprises

DPAC District Public Accounts Committee

ICT Information Communications Technology

IFMS Integrated Financial Management System

IT Information Technology

LGAC Local Government Accounts Committee

LLGs Lower Local Governments

MDA Ministries, Departments and Agencies

MFPED Ministry of Finance, Planning and Economic Development

MPS Ministry of Public Service

NAA National Audit Act

OAG Office of the Auditor General

PAC Public Accounts Committee

OAG Office of the Auditor General

ROM Results Oriented Management

Shs Shillings

CHAPTER 1 INTRODUCTION

1.1 Background to the study

African public sectors went through many changes during the 1960s and 1970s in response to political, economic and social challenges. Although they expanded in size they remained very poor at delivering services. They were true replicas of the traditional (Weberian) model of public service characterized by a strictly hierarchical model of bureaucracy composed of clearly defined division of labour, an impersonal authority structure, a hierarchy of offices, dependence on formal rules, employment based on merit, the availability of a career and the distinct separation of members' organizational and personal lives (Turner and Hulme, 1997).

While Max Weber (1968) was essentially optimistic about the bureaucracy, several of its features including excessive observance and submission to rules and regulations, have inadvertently led to inefficiency, political interference, misuse of power, poor decision-making, corruption, job dissatisfaction, concentration of power, low creativity, managerial frustration, organizational conflict, and many other dysfunctions that have come to characterize the public sector throughout Africa (Guma, 2012). This has led the term bureaucracy to attain a negative taint and its frequent use on the public service is in this light of organizations with poor performance and service delivery.

This poor performance, inefficiency and corruption in public sectors have contributed to pressures for new reforms which have been inspired by the entrepreneurial-like new public management (NPM) or new managerialism paradigm which aims at improving efficiency and effectiveness in the performance of the public service through the introduction of entrepreneurial management practices. These practices promote competition, continual change and improvement. The NPM wave spread out in the late 1980s and early 1990s and Africa was not to be left behind.

In this regard, the government of Uganda has over the years sought to have pay reforms and enhancement of salaries for her public officers. It is not known whether these pay reform policies have achieved their aims of motivating and retaining public servants, and made them committed to and satisfied with their jobs.

We should not lose sight of the fact that service delivery is a function of good human resource management practices. This implies the quality and state of human resources is paramount in service provision. The failure of the past Government's to provide quality services is partly attributed to lack of proper human resource policies for public servants' motivation and development¹.

The Uganda Revenue Authority (URA) for instance in the late 1990s increased staff remuneration significantly above that of public servants in ministries (mainstream public service) to dissuade them from being

¹ Policy Paper on the Transformation of the Uganda Public Service, Ministry of Public Service, March 2011, p 10.

compromised by would – be taxpayers and, hence, improve their effectiveness. Although, revenue collections jumped up significantly in the first years of its implementation, they have since stagnated at below 12% of GDP over the past few years. (Tim Williamson, 2003) This means that there is a clear link between improved remuneration and performance.

The Office of the Auditor General (OAG) until 2008, had always been in the mainstream public service, and just like the URA, was also under Ministry of Finance, Planning and Economic Development. From then, when it was transformed into a public corporate entity and had the salaries of its staff enhanced (in some cases resulting into quadrupled salaries), all indications are that its performance has greatly improved following in the footsteps of URA, above.

1.2 Statement of the problem

The question of public servants remuneration/salaries has long been a raging debate, thus the need to understand the dynamics revolving around pay reforms and service delivery. In many sub Saharan countries, Uganda inclusive, the ineffectiveness of civil service threatens all development efforts as well as basic public administration (Mamadou, 1996). Weaknesses in key central functions of government are particularly damaging since they can affect all government activity and the economy as a whole.

In Uganda, there has been growing discontent among civil/public servants over low salaries, an issue which has been marked by strikes, as a norm for grievance expression. Teachers and University lecturers have often laid down their tools demanding for salary increment. Teachers have been ranked among the lowest paid in the East African country's public sector [primary school teachers are paid Shs250,000² (100 dollars) per month while secondary school teachers receive Shs450,000 (180 dollars) per month]. Worse still they often go for months without receiving this little salary. What they demand now is a 20% pay rise. In 2011, Uganda National Teachers Union (UNATU) and the President of Uganda made an agreement which provided for the increase of teachers' wages by 50% in three instalments (15% in 2012/13, 20% in 2013/14 and 15% in 2014/15). However, the 20% increment has not yet been honoured. More still, in April 2013, Makerere University Lecturers demanded a 100% salary increment. This particular strike was only called off after the University Council agreed to give a 70% salary incentive to the staff effective October 2013. These scenarios often lead to inefficiency and ineffectiveness in service delivery. It is against the above background that I seek to investigate the influence of salaries/pay on service delivery in the Uganda Public Service (UPS).

1.3 Study objectives

² Ugandan currency is called shillings and used exchange rate of shs2,500 to 1 United States dollar.

1. To discover the pay reforms that have been undertaken in the Uganda Public Service over the last 30 years.
2. To determine the influence of pay on service delivery in Uganda Public Service and OAG.
3. To suggest possible strategies in which pay reforms can be used to enhance service delivery in the Uganda Public Service.

1.4 Research questions

1. What are the pay reforms that have been undertaken in the Uganda Public Service over the last 30 years?
2. Is there a relationship between salary increase and service delivery?
3. Is government claim of lack of funds/ resources to enhance salary true?

1.5 Hypothesis

“Government’s claim of lack of funds to enhance salary is not justification enough for the low salary that leads to poor performance.”

1.6 Justification for the study

The growing concern about the impact of pay reform on service delivery has resulted in numerous studies being conducted to ascertain whether there is a link between salary/pay/remuneration and performance and how to attract and retain motivated and committed public servants. Although pay reforms have often been linked to poor service delivery, the Government of Uganda has not

been as fast in addressing this issue. This study will try to generate knowledge that can enhance our understanding of the dynamics of pay reform, and the impact it has had on the UPS. Consequently, it will help to inform how government and other actors can best address the challenges it poses. By undertaking an evaluation of the performance of the OAG and UPS over the last 30 years, the study will aid in answering the question and challenge of ensuring that efficient and effective service delivery can grow and develop in a sustainable manner, to meet the needs of all actors and stakeholders.

Some may argue that there is no money to increase salaries and that though there are various sources of Government revenue it's still not much. But it's also known that a lot of money continues to leak from these same government coffers. This through the incredible levels of corruption that bleed the nation and other leakages like through numerous and unnecessary workshops among others. So too are some of the large monies allocated to allowances, many of which are fictitious, to enable bridging gap of very low salary. Plugging these, among other measures, would go a long way in providing the required monies to enhance the salaries of public servants.

1.7 Definition of terms

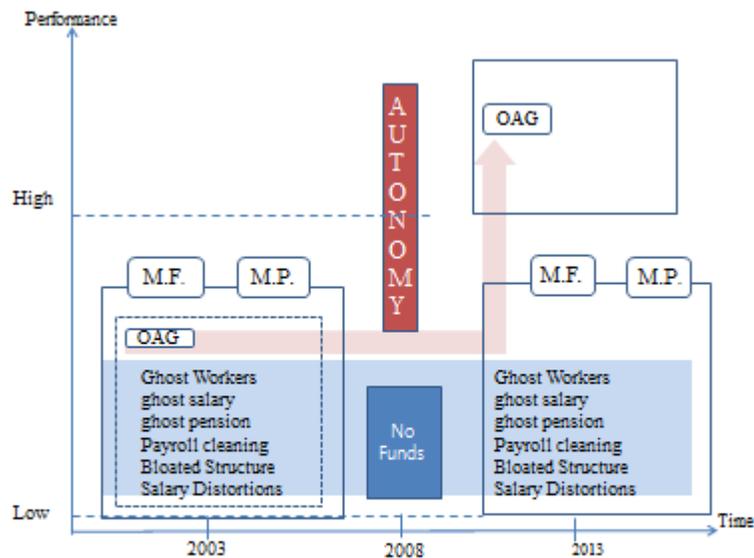
According to the Uganda Public Service Review and Reorganization Commission (PSRRC) of 1989, Pay Reform meant salary enhancement and monetization of non-cash benefits. In this research, Pay reform will therefore refer to improving the pay and remuneration of public officers/servants in the

public service to attract, retain, motivate and draw commitment from them in order to offer improved service delivery.

Public service delivery in public administration will refer to the supply of services to citizens by the government. Public service delivery is advanced by the government through government institutions and organisations, parastatal organisations, private companies, non-profit organisations or individual service providers as contracted by government. Improved service delivery in relation to this research will be interpreted as a situation where the citizens who are treated as customers have some choice of delivery channels in which to receive services which should be consistently provided for their convenience (Mpanga, 2009).

1.8 Conceptual Frame work

Figure 1: Conceptual Framework



From the figure1 above, it can be seen that before the year 2009, the OAG was part of the mainstream public service like the Ministry of Public Service (MPS) and Ministry of Finance, Planning and Economic Development (MFPED) wherein she also exhibited low performance and service delivery which was attributed to low salary. After her attainment of autonomy on 4th October 2008 and moving out of the mainstream public service, her performance is shown to have drastically improved to high performance and service delivery levels. This was attributed to the enhancement of salary of the staff of OAG that motivated them to meet the required results.

Meanwhile the mainstream public service, as depicted by the two ministries, did not have the salary enhancement and continued with her low performance as the Government claimed that it did not have the resources (no funds) to enhance the salary. The payroll management problems before 2008 of Ghost workers (Ghost salary and Pension), Payroll cleaning, bloated structure and salary distortions were carried on.

CHAPTER 2 LITERATURE REVIEW

2.1 Introduction

This section reviewed the literature that is most relevant to the research objectives that have been raised for the study. The different pay reforms in other public services for the last 30 years, their relationship to service delivery and how their salaries and pay grades are set were considered. Possible solutions to improving service delivery were suggested. I contend that pay reform is a key, and precursor, to all and any meaningful intervention to improve service delivery in the case of Uganda.

2.2 Pay reforms that have been implemented in Sub-Saharan Africa

Some people are of the view that public servants are overpaid and under worked. But I posit that this is a sweeping and misguided statement that is not in context with facts on the ground, as for starters to say that civil servants are overpaid is bordering on the ridiculous.

Theodore R. Valentine (2002: 9) states that as many of the problems associated with the poor performance of the public service are related to the low level of public service compensation and the lack of an appropriate incentive regime, addressing these problems necessitate that pay reform plays

a crucial role in the overall PSR (Public Service Reform). Thus many a PSR, has Pay reform as one of the key and requisite ingredients.

The capacity of the Rwanda Public Sector (RPS) to attract, retain and adequately motivate its personnel, and build the requisite human resource (HR) capabilities, are prerequisites to facilitating the transformation of the public sector to become a more effective and efficient institution, capable of addressing the needs of the citizenry. As many of the attraction, retention and motivation challenges are related to pay and weaknesses within the incentives regime, addressing these challenges necessitates that pay and retention policy is central to the improvement of civil and public service performance (MoPSL, 2012).

But even when being done these pay reforms are at a snail's pace. Take an example of Tanzania where the plans to implement annual salary adjustments have not been followed through. The wage-bill-to-GDP ratio, which was expected to rise progressively, has been declining, going below the pay reform benchmarks. For example, the ratio for the FY 2001/02 was 4.2%, which is below the 4.4% proposed by the MTPRS (Medium-Term Pay Reform Strategy). The MTPRS proposed wage-bill ceilings were supposed to rise progressively from a wage bill/GDP ratio of 4.4% in FY 1999/00 to 4.9% by FY 2003/04 (United Republic of Tanzania, 1999).

In 2001 under the new PSRP (Public Service Reform Programme) the GoK (Government of Kenya) set out to develop a comprehensive pay reform

strategy, which has two elements: [a.] A MTPRS, which presents a framework for achieving a target salary structure six years hence; and [b.] A SASE-type scheme (Selective Accelerated Salary Enhancement Scheme) for key qualified professional and technical personnel (see Valentine, 2001b).

Moreover, in addition to not meeting the pay reform targets as seen above, the average public service salary remains far below the level of the mid-1970s (Theodore R. Valentine, 2001), when these countries are said to have been comparable even to their colonial masters like Britain. This is a double jeopardy. This is so in Tanzania, and should be the case in many an African country. In real terms then, one would be right to say that we are moving backward in regard to pay incentives and hence de-attracting, de-motivating and de-retaining staff in the Public Service which affects service delivery.

According to Kiragu and Mukandala (2005:22), there was overall decline or stagnation in salary levels in the sample countries throughout the period of the 1990s to 2001.

Nigeria was remarkable before this. The western regional government was singled out for its extraordinary performance and described by a close observer and student of Nigerian politics as “a pacemaker in model for other civil services in Anglophone Africa, matching the British civil service in terms of formal organization and formal working” (Murray, 1978). The political head of that region (a man not given to showering praises) noted that the civil service that served his government was “exceedingly efficient,

absolutely incorruptible in its upper stratum, and utterly devoted and unstinting in its many and onerous duties” (Awolowo, 1960)

It is observed that since independence, the Kenya civil service salaries and other terms and conditions of service have been reviewed after intervals averaging five years through external commissions or committees appointed by the government in an effort to motivate civil servants for increased efficiency and productivity. Due to problems of affordability however, the implementation of recommendations of these Committees is done in phases thus impacting negatively on civil servants ability to absorb inflationary shocks. Civil service salaries have been greatly eroded by rises in the cost of living over the years. This has led to the clamour for civil service departments to want to de-link from the mainstream in order to be able to negotiate for higher remuneration (Theodore R. Valentine, 2002). When these entities are not tied to the ‘mainstream’ civil/public service and are now seen as Government Agencies, they are smaller and can therefore vouch for salary increases that are normally given rather very quickly.

Telling also is that Ad hoc commissions and committees that have reviewed public service remuneration and conditions of service have offered piece-meal solutions to addressing the problems of the public service. This created further distortions across the various groups of personnel employed by the public service and within groups themselves, giving rise in recent years to call for

harmonising public service remuneration and conditions of service (Theodore R. Valentine, 2002).

Further ad hoc and piece-meal solutions to pay reform are still observed in Tanzania. One of the major achievements of pay reform had been the move towards a more integrated and unified job grade structure. This was somewhat reversed in 2006 with the introduction of separate salary scale and then job grades for health cadres. Ad hoc re-grading of these job grades was contrary to the pay policy, which indicates that the objective outcome of JERG exercise will be the determinant of job grades. Whereas the current thinking in pay reform is for public services to move towards a more unified and simplified grade structure, in the case of the Tanzania public service the move appears to be in the opposite direction (Valentine, 2009:28-29). This gives rise to job grade and compensation (pay) distortions and is tantamount to taking the reform back to the where it started, the unfortunate beginning.

2.3 The influence of pay reforms on service delivery in Public Service

There is acknowledgement that pay reforms, however limited, have resulted in better pay packages for public servants and improved morale. Nevertheless, it is unclear and probably impossible to quantify the difference this has made to performance. On the whole, government is unable to attract top calibre staff because salaries are not very attractive, though they are better than they used to be, relative to the private sector. Basic pay for ministry staff is still very

low with entry level technical staff earning around \$150 a month, middle management earning \$400 to \$500 a month, rising to about \$800 a month for top level managers. Although such wages are largely adequate for rural areas, they do not represent adequate remuneration in Kampala where most ministries are situated [and] the cost of living is far higher (Tim Williamson, 2003).

It is observed that in the United States of America, “by the 1980’s, federal salaries were falling behind those in business and large numbers of federal executives were leaving for the private sector because of it. In 1990, Congress addressed these problems by enacting the Federal Employees Pay Comparability Act. Not only did the Act implement large pay hikes, but it also set federal pay by position’s comparability with the private sector and by locality [73 percent of federal employees work in places other than the District of Columbia]” (Nicholas Henry, 2010: 213).

As a result, the Act speedily reinvigorated morale in the federal service. The proportion of top federal administrators satisfied with their salaries grew by nearly eightfold following its passage [In 1989, 11 percent of SES executives were satisfied with their salaries; in 1991, 78 percent were] “...and the percentage of all federal workers who were satisfied with their salaries almost doubled.” It is then seen that whereas “...in 1989, 28 percent of all federal workers were satisfied with their salaries; in 1992, 42 percent were.” (Nicholas Henry, 2010: 214, 247). These are quite some improvements.

More so, according to Mutahaba (2005), theories on employee motivation generally assumed that performance of any employee (public or private) will depend, to some measure, on how he/she is compensated. There is, however, a counter proposition that monetary rewards to public servants, in and of themselves alone, cannot act as a motivator for enticing public servants to maintain and improve their performance.

As expected by goal theorists, the availability of extrinsic rewards contingent on performance was also found to have a significant influence on the degree of importance employees placed on their jobs. This influence, however, was less than exhibited by the intrinsic value afforded by the organization's mission. Again, this suggests the basic framework provided by the goal theory cannot only incorporate but also support the fundamental assumption of public service motivation: that the intrinsic rewards provided by the nature or function of the organization may be more important to the public sector employees than - or compensate for the limited availability of - performance-related extrinsic rewards (Perry and Wise, 1990). This is suggestive of pro-social behaviour and altruistic motivation in public employees where individuals are not fully selfish, as they can also put effort into an action without expecting direct monetary reward in contrast to the rational choice perspective.

However, this should not be generalized but only taken into consideration well knowing that this is more so for societies (read developed countries) that are well past the point of having issue with the basic pay levels of their employees. For it is known that in the least developed countries, which is most of Africa, pay levels can barely enable employees grapple with their basic needs.

Salaries of public employees at the low end of the pay scale are often commensurate with or higher than in the private marketplace. But at the high-skill end, even after a recent trend toward widening differentials as part of reform programs, earnings are often far below market levels... Unless a way can be found to improve pay at the higher levels, it will be impossible to attract, retain, and assure the integrity of highly skilled public officials (World Bank, 2000: 95).

2.4 Possible strategies in which pay reforms can be used to enhance service delivery in the Public Service

To streamline the pay and grading system, the Uganda Ministry of Public Service (MPS) undertook a job evaluation exercise in 1996 whose objective was to evaluate all jobs defined in the ministerial structures and allocate grades to these jobs, and to develop a new rational salary structure for the civil service taking into account restructuring (MoPS, 1996). This resulted into Circular Standing Instruction No. 2 of 2003 on the Implementation of the

Single Spine Salary Structure – 2003/2004 Financial Year, for the entire public Service.

However, the multi-spine Salary structure is creeping back as the Legal Cadre has been segregated again with enhanced payments, but the same pay scale/grade as those on the Single Spine Salary Structure. Other government agencies (executive) have their own salary structures.

The various cross-country studies indicate that where salary growth stagnate sitting allowances, attendance fees and honoraria begin to feature prominently in public servants income-maintenance strategies, influencing work patterns and time spent [on] regular office duties (Theodore R. Valentine, 2004: 17). There is need for a Scheme to complement pay policy and to support an accelerated pace of salary enhancement for managerial, professional and technical personnel.

The existence of the pay reform strategy, with clear targets, is important; coupled with political backing...nonetheless the current policy remains for government to implement wage increases to all conventional civil servants, regardless of location (Tim Williamson, 2003). Therefore there is also an urgent need for harmony.

In the South Korean case it was established that incentives for excellence are an important concern for the Civil Service Commission. Government should be a place where quality and effort can be appropriately rewarded (Kim, 1999, 2000). The major plan for this aim is the 5-year plan to balance the wage level

of the civil service. The average pay level of Korean public servants amounts to 87 percent of that of the private sector as of 1998. By 2004, the Civil Service Commission will try to set the wage level of the civil service on par with the private sector [Related information available from <http://www.csc.go.kr>] (Kim, 2000: 86).

Korea also adopted the British type of executive agency to incorporate competition and the market principle into organizational management. This idea is ‘agencification’ or creating semi-autonomous agencies responsible for operational management. The key notion is distance from the central department, so there is freedom to manage. It is expected that ‘agencification’ will enhance customer-oriented service delivery, greatly foster a performance-oriented culture in the government with increased autonomy for agencies, provide flexibility in resource use and establish business like management...Agencies will remain part of the civil service, but will have greater autonomy in financial, organizational, and personnel matters (Kim, 2000: 86).

It can be argued that these agencies have lessened, or no, undue political interference in their daily operations and thus have better performance. But needless to say their salaries, in the Ugandan parallel, are doubling what had previously been paid when they were part of the mainstream public service. And, though there seems to be a conspiracy of silence around the matter, this

was one of the first items on their order paper of business when the Agencies became semi-autonomous.

Alexander Hamilton (America's first Treasury Secretary) extolled a strong chief executive, equating a strong executive with the 'energy' needed to make a government function: "A feeble executive (by contrast) implies a feeble execution of government. A feeble execution is but another phrase for a bad execution; and a government ill executed...must be, in practice, a bad government" (Henry, 2010:6).

He went further and advocated a very strong bureaucracy. Hamilton urged that department heads be paid exceptionally well, that they possess substantial powers, and that their tenure in office should extend beyond that of the chief executive who appointed them (Henry, 2010:6).

Of the globe's nations, the city-state of Singapore seems to have adopted Hamilton's ideas the most thoroughly. Its Prime Minister, cabinet Ministers and Supreme Court Justices are paid approximately \$1 million per year with comparable salaries down the line. For pointed review see Thomas L. Friedman, "Singapore and Katrina," New York Times (September 15, 2005)" [Henry, 2010:20].

Initially, governments concentrated on "first-generation" reforms—those contributing primarily to macroeconomic stabilization. These focused on

quantitative adjustments to the wage bill, particularly by reducing staff or redeploying them to priority sectors.

If public sector wages continue to be eroded vis-a-vis private sector salaries, skilled staff members leave the civil service; those who remain become demoralized; and absenteeism, moonlighting, and corruption increase. To address these problems, countries are now attempting to attain a more appropriate balance between *quantitative* and *qualitative* adjustments.

"Second-generation" reforms include the following:

- Restructuring remuneration so as to narrow differentials with the private sector.
- Changing promotion and personnel management policies so that merit and initiative are rewarded.
- Reassessing the mix of wage and nonwage spending, particularly in priority sectors.
- Providing training to upgrade skills.

<http://www.imf.org/external/pubs/ft/fandd/1998/06/lienert.htm>

Therefore in the longer-term, there is a need to broaden the pay reform strategy into a comprehensive systematic total reward strategy. A research in Tanzania and Uganda had it that the Governments should introduce a total reward approach, which emphasizes both monetary and non-monetary rewards (career development, meaningful job content, improvement in work environment, etc). This approach is actually implied in the public sector

reform designs in both countries, but in practice the former type of reward is prioritized (pay, pension). The argument is undoubtedly that this is a matter of sequencing: monetary rewards must be improved before non-monetary rewards can be dealt with. However, a key finding in the HRM-literature (supported by our study) is that various HRM-practices should be introduced as a bundle to enhance organisational performance [e.g. Ichniowski and Shaw 2003: 164 & 172] (Therkildsen, et al, 2007: 13).

CHAPTER 3 METHODOLOGY

3.1 Introduction

This chapter presents methods that are to be used to carry out the study and discuss the choices made regarding the methods in relation to the research design, area of study and the characteristic of the population or the research. It also outlays the methods used in collecting and analyzing the data as well as the research procedure and the limitations encountered during the process of data collection.

The study was descriptive and mainly qualitative in nature using case study and content analysis approach. The Case study method focused on in-depth analysis of the OAG to show her performance before and after the salary enhancement. Neuman (2000:32) asserts that the “researcher carefully selects one or a few key cases to illustrate an issue and analytically study it (or them) in detail.” Creswell (2009:13) states that “case studies are strategies of inquiry in which the researcher explores in depth a program, event, activity, process, or one or more individuals. Cases are bounded by time and activity...”

Content analysis on the other hand was used to show the performance of, as well as the leakages of government resources in, the MPS and MFPED. According to Babbie (2010:333) content analysis “is the study of recorded human communications. Among the forms suitable for study are books,

magazines, web pages, newspapers...” Neuman (2000:34) asserts that in content analysis, “a researcher first identifies a body of material to analyze (e.g., books, newspapers, films, etc.) and then creates a system for recording specific aspects of it.” It is seen that Mirola (2003:273) in trying to discover the role of religions in the movements to establish the 8-hour working day in America took his data from Chicago’s labour, religious and secular presses, pamphlets and speeches given by the proponents.³ This was used because I sought an answer to the Government claim that there are no resources to enhance salary of public servants alongside commentary in the public domain on the performance of the 2 ministries also before and after the OAG salary enhancement when she left the mainstream public service (2003 – 2008 and 2009 – 2013 respectively). And content analysis is well suited to the study of communications and answering the classic question of communication research: “Who says what, to whom, why, how and with what effect?” (Babbie, 2010:333).

3.2 Selecting Content

For the content analysis, three daily newspapers were used namely the Daily Monitor, New Vision and Observer for the period 2003 to 2013. These were purposively selected for the study as they are the three leading daily newspapers in Uganda, have a national coverage and were also online with good accessible archives. They were in a position to provide information on

³ Babbie, E. R.(2010). *The Practice of Social Research. 12th ed.* Wadsworth: Cengage Learning, 333.

the unethical behaviour of public servants. The use of 3 sets of newspapers served as a checking mechanism to verify the accuracy of the stories carried in each. The case study relied on the use of OAG performance reports and strategic plans.

3.3 Data and Units of Analysis

The study sampled newspaper articles that were concerned with payroll management and the ghost worker phenomena in the public service as well as its size in light of the government claim of not having the resources to enhance the salary of public servants. To enable me develop themes and analytical categorization, I reduced the data to manageable levels by use of coding. Neuman (2006:460) asserts that “coding data is the hard work of reducing large mountains of raw data into small, manageable piles.” Coding was thus done for the two periods of 2003 – 2008 and 2009 – 2013 according to the following variables.

3.3.1 Categorizing Content of Articles

The newspaper articles were then grouped into two broad categories, moving from the generalized payroll management into the Salary as well as the Pension payroll management.

3.3.1.1 Salary Payroll Management

On further analysis of salary payroll management, 4 categorisations of ghost salary, salary payroll cleaning, bloated structure and salary distortions were generated to try and show that resources to enhance salaries were actually available.

3.3.1.2 Pension Payroll Management

Just as above, the pension payroll management was categorized, but here it was into only 2 categories of ghost pension and pension payroll cleaning and it was done also for the same reason as above.

CHAPTER 4 HISTORY AND OVERVIEW OF THE UGANDA PUBLIC SERVICE AND ITS REFORM

4.1 Pre-Independence Period

Uganda, located in East Africa, attained independence from her colonial masters, Britain, on 9th October 1962. Pre-colonial Uganda was composed of kingdoms and chiefdoms at various levels of socio-economic as well as political and administrative development. The kingdoms were Ankole, Buganda, Bunyoro and Toro, the chiefdoms included Acholi, Busoga and Lango while other areas were organised along complex clan and lineage and age-sets interplay as in the northeast among the karamajong. It is seen that “the East African interlacustrine kingdoms and chiefly societies possessed a political structure with well-articulated authority roles with varying degrees of differentiation from the kinship system...which suggests that in at least two of the Uganda Kingdoms (Buganda and Bunyoro) a type of civil service had existed before British intervention” (Fleming, 1966: 389).

The British used these as stepping stones for their colonialism in the territories and eventual protectorate, hence indirect rule. In this system, the existing indigenous political machinery and people were used for the implementation of colonial rule and her attendant policies (this from the 1870's). A protectorate was an area under British rule where levy and collection of taxes was successfully enforced. According to Burke (1964), “British influence and administration in Uganda were first established in the Kingdom of Buganda.

There the early English explorers, administrators and missionaries found a sophisticated political system replete with king, court, and hierarchy of chiefs which resembled that with which they were already familiar.” The British colonialists found a government system centered on the king (the Kabaka) with an army and navy, a royal court with even tax and tribute collection. There was a hierarchical administrative structure with him at the top, the County (Saza) chief, Sub-county (Gombolola) chief, and further down to a Parish (Muluka) chief. This well-developed system was manipulated and used by the British to enforce their administration and hegemony throughout the Protectorate (Kyarimpa, 2009: 83).

These other areas (in the north and northeast) were thus latecomers into the protectorate, for instance 1921 for Karamoja, because the Buganda and now British systems were alien to them. They could also have been less collaborating and accommodating and in these circumstances the Baganda were used to gradually extend British colonial rule, in a case of divide and rule. Though lacking a king, these other parts of the eventual Uganda had workable administrative systems based on clans, lineages, age sets, headsmen, and chieftainship with consensual decision making. (Kyarimpa, 90 – 91).

Bunyoro, among the kingdoms, was also a latecomer in 1896. Hers was a case of non-collaboration and resistance against the colonialists unlike Buganda, who was also her lesser rival. By the nineteenth century, the kingdom was at its peak stretching into much of current Uganda, Democratic Republic of

Congo, Tanzania, Kenya and South Sudan. She did also have an intricate political and socio-economic setup as Buganda. “For nearly ten years, 1891-1899, Kabalega resisted British rule, hounded from one part of his kingdom to another, until he was overcome by armed violence in 1899 and deported to the Indian Ocean islands.” (Semakula, 1970: 295-315)

It is therefore seen that the colonial masters used what they were presented with on the ground and with some modification did go about setting up bureaucratic systems, with traditional authority surrendered to the British Crown, similar to what they were familiar with back home in Britain. “The chiefs were given executive, legislative, and judicial powers to regulate social relations in their chiefdoms, vast authority which was supposed to be grounded in preexisting tradition or custom, not bureaucratic rules.” (Lange, 2004: 904) These were all geared towards their interests to extract resources and the additional collection of taxes by enforcing law and order.

Kyarimpa (2009: 1) further observes that “the British Colonial Service bureaucracy, later named Her Majesty’s Overseas Service, administered the East African territories with a highly elaborate and hierarchical structure of roles. Procedures for dealing with local masses, with Europeans, and with Asians were specified, as were processes of recruitment into the bureaucracy...It was not required to deal with complex issues of the present day administration like formulation of developmental economic and political policies, because such functions were not the immediate rational reasons for acquiring the colony.” The administrative and most professional jobs were for

the British, Asians took a few professional and the executive ones and lastly the natives took up the clerical and lower jobs.

“The colonial bureaucracy possessed a near monopoly of power in the African territories. Broadly defined directives emanated from the Colonial Office in London (or its equivalent in Paris, Brussels or Lisbon), but the administrative hierarchy, with Governor at the apex and the native chiefs, headmen or functionaries at the base, formulated and executed actual administrative policy.” (Burke, 1967: 1)

The terms and conditions of the civil service were to later be reviewed through commissions that looked into its structure, recruitment and pay such as the Holmes Commission of 1947. In 1955, the Public Service Commission was established to advise the Governor on civil service matters and oversee her recruitment. These bore among others ‘meritocracy’ and the opening up of jobs to the qualified. That is why at independence the Ugandan civil service was considered as one of the best in Sub-Saharan Africa.

4.2 Post-Independence

On her attainment of independence on 9th October 1962, Uganda got her first president His Majesty King Edward Muteesa II, King of Buganda, who also doubled as the ceremonial Head of State, though he was shortly replaced by Dr. Apollo Milton Obote who had been his Executive Prime Minister, in 1966. Kingdoms were then abolished in the hastily made ‘pigeon hole’ Republican

Constitution of 1966⁴. This was then replaced with the 1967 Constitution in which he proclaimed himself as President with executive powers and ruled the country without holding elections. With this new 1967 Republican Constitution as well as the Local Administration Act, there was a centralisation of powers previously enjoyed by the Local Governments. All Local Government officials were from then on appointed by the Central Government.

It is thus seen that right from the top, the 1962 dawn of independence brought Africanization i.e. the process of indigenization of the civil service and other sectors whereby the non-natives were replaced. It was perceived then, as the only way to truly show independence and was seemingly the only change. For it is seen that the post-colonial Public Service retained the structure, workings and narrow interests of its predecessor i.e. maintenance of law and order and tax collection which were not well suited to grapple with the new and wider challenges and calls for improved political and socio-economic wellbeing of the now independent citizenry. This, as noted by Burke (1967: 22) when he stated that “these inherited roles, procedures and rules were not designed to achieve the goals of the newly-established polity, but rather worked to perpetuate a pre-existing distribution of values.”

⁴ It was called a ‘pigeon hole’ constitution because Members of Parliament only picked copies of the new constitution that had already been written without their consent and input in their pigeon holes at Parliament.

However, despite this kind of foundation on a ‘false start’, it should be noted that from the 1962 up to 1971, the public service was characterized by a strong and strict adherence to the code of conduct which had been inculcated by the colonial state. Ethics and morals of public officials were regularly monitored through surveillance reports, and since remuneration levels were largely satisfactory, civil servants served the public meticulously (IGG, 2008: 1).

So on this so-called ‘false start’ the Public Service tried to limp on. But further down the road the work was hardened by the economic crisis of 1973 fuelled by the global oil crisis, low agricultural prices, increased debt burdens and decreased service delivery in terms of quality and quantity, leading to the further questioning of the capacity of Public Service and its institutions to deliver goods and services to the public in a cost effective manner (World Bank 1991).

Worst of all, the gains that the Public Service in Uganda had enjoyed from 1962-1971 were further eroded when dictator Idi Amin Dada took over state power in a *coup de tat* that toppled Apollo Milton Obote on 25th January 1971. This collapse of the public administration machinery was quickly followed by economic decay, civil strife, and political instability (Olum, 2003: 5 – 6). This until 1986 when there came a semblance of stability after yet another *coup de tat* that resulted from a protracted guerilla war (‘bush war’) waged in 1980 following on from the rigged elections. This was led by the current President, Yoweri Kaguta Museveni, who has been in power to-date.

He had overthrown the prior short lived government of General Tito Okello Lutwa (1985 - 1986).

Confronted by the litany of problems and challenges President Museveni and the National Resistance Movement (NRM) government have, over the years, set into play a number of measures to counter this situation of poor and under performance in public service delivery. First off was continuation of the 1980's Structural Adjustment Programmes (SAPs) as advanced by the World Bank and International Monetary Fund as...“Uganda's civil service in 1986 was bloated, highly corrupt and inefficient. It was incapable of performing basic service delivery or policy implementation functions. Many civil servants did not turn up for work as rates of pay were nominal and most had other sources of income to meet basic needs” (Robinson, 2006:14). These SAPs were then bolstered by the Public Service Reform Programme (PSRP) that is highlighted later.

4.3 An Over view of the Uganda Public Service

Uganda is a republic with a unitary system of government governed under the Constitution of 1995 (as amended) in which the President is both head of State and head of government. S/he is elected by a popular vote for a five-year term through universal adult suffrage. The attendant principles of separation of powers and checks and balances as well as ultra-vires make for

the foundation of the 3 arms of government i.e. the Executive, Legislature and Judiciary.

4.3.1 The Legislature

Legislative power is vested in the National Assembly or Parliament with the Members of Parliament also elected for five-year terms through universal adult suffrage. The law making powers on any matter for the peace, development as well as good governance of Uganda and the attendant processes are generally like those in Britain and America. Bills for legislation are introduced by the Government, Committees or private members. A Committee system is used for the efficient discharge of its functions. Bills passed by Parliament can become law with the President's assent, or if having been returned by him it is passed for the third time with a two-thirds vote (Constitution of the Republic of Uganda, 1995).

Through her parliamentary committees, she also exercises the oversight function over the executive and government programmes. It does have the powers to approve ministerial appointments and as such to disappoint as well. In the exercise of the oversight function the Committees of parliament have the powers of the High Court and can summon any Minister or person, public or private, before them to give evidence or produce given documentation.

4.3.2 The Judiciary

The Judiciary is mandated to administer and deliver justice through the adjudication of civil and criminal cases as well as interpretation of the constitution and giving effect to its provisions as well as other laws. In the exercise of her judicial power, she shall be independent and not be interfered with by any person or authority but rather accorded all necessary assistance it being financial or administrative. All her expenses are to be charged on the consolidated fund, she is to be self-accounting and may deal directly with the Ministry responsible for finance in relation to her finances. The emoluments of all exercising judicial power shall not be varied to their disadvantage (Constitution of the Republic of Uganda, 1995).

4.3.3 The Executive

The executive authority of Uganda is vested in the President to exercise in accordance with the Constitution and laws of Uganda. The executive branch of government, with the bulk of the public servants, is mandated to implement government policy. At the helm is the Cabinet which consists of the President, the Vice-president, Prime Minister and such number of Ministers as may appear to the President to be reasonably necessary for the efficient running of the State. These are subject to approval by Parliament. Cabinet Members are appointed from among members of Parliament or persons qualified to be elected as members of Parliament. The total number of Cabinet Ministers may not exceed twenty-one except with Parliamentary approval. Ministers of State,

to assist Cabinet Ministers in the performance of their functions, may be appointed by the President but still with parliamentary approval (Constitution of the Republic of Uganda, 1995).

The Prime Minister assists the president in the supervision of the cabinet. Article 108(A) of the Constitution mandates the Prime Minister to (a) Be the Leader of Government Business in Parliament and be responsible for coordination and implementation of Government Policies across Ministries, Departments and other Public Institutions and (b) Perform such other functions as may be assigned to him or her by the President or as may be conferred on him or her by the Constitution or by law (Constitution of the Republic of Uganda, 1995).

The Ministries are headed by the respective Cabinet Minister and deputized by Minister(s) of State. In the day to day running of the ministries, they are assisted by the Permanent Secretary (who is the Chief Executive and Accounting Officer) and his/her technical staff, the civil/public servants, to undertake the mandate and functions of the ministry. These are part of the Central Government and constitute the 'mainstream public service'. S/he, alongside the public servants, is appointed by and to serve at the pleasure of the president, who has duly delegated the appointing powers to the respective Appointing Authorities - Service Commissions, in which functions they are to be independent from any person or authority. These are the Public, Health, Education and Judicial Service Commissions as well as the District Service

Commissions in the case of Local Governments in line with the decentralization policy. In Uganda, a district is the basic administrative unit of the local governments.

The Ministry of Local Government oversees local governments' administration and these are further expounded on later.

Another important ministry that is further highlighted on later is the Ministry of Public Service. She shoulders the function of determining the terms and conditions of service of all public servants, alongside the Public Service Commission. The salaries and duty facilitating allowances are included therein. Therefore the salary structure at Central and Local Government is the same and so too are the allowances. These are said to be the 'mainstream public service'.

Following on from this, it should then be observed that there are the other Government Departments and Agencies like the Office of the Auditor General, Electoral Commission, Uganda Human Rights Commission, Uganda Revenue Authority, Uganda Wildlife Authority, Uganda National Roads Authority, Electricity Regulatory Authority, Uganda Registration Services Bureau and Kampala Capital City Authority, among others, which are removed from what is commonly referred to as the 'mainstream public service', they being autonomous Agencies of Government. They have different terms and conditions of service. Their remunerations are competitive and are comparable to the higher ones paid in the private sector. This is a bone of

contention given that these are also government employees and hence public servants but are earning higher than their colleagues in the mainstream public service. To make matters worse, these are then lauded for their good performance in service delivery. Many of these had the remuneration issue as one of the key factors in their reasons to be de-linked from the mainstream public service in order to improve service delivery.

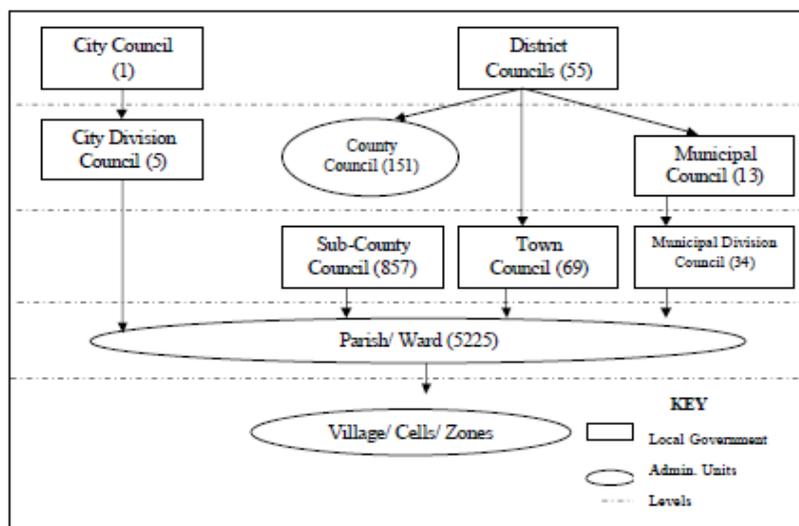
4.3.4 The Local Government

As noted earlier, these are overseen by the Ministry of Local Government their basic unit being the district under which there are lower local governments and administrative units (Uganda, 1995). Uganda currently has 111, districts plus Kampala Capital City Authority with a special status, it being the capital city from 17 at independence. These then have sub-divisions of 4 lower local government levels/tiers with councils at each, to make a 5 tier local government. There is a high level of decentralization with functions, powers and services transferred from the central government to the local governments and hence districts. These are also manned by public servants appointed by their respective District Service Commissions. Before decentralization, the central government decided how funds were to be utilized and remitted them directly to the departments in the district, with the district authorities having no control over their use. The legal reforms for decentralization begun with the 1987 statute and the Local Governments (Resistance Councils) Statute of 1993 that were later entrenched in the 1995

Constitution. These were further expanded by the Local Governments Act, 1997 (Mpanga, 2009: 30 – 31).

There are three types of local government and these are: first the local governments in a district rural area are the district council and the sub county council; secondly the local governments in a city are the city and the city division councils; and thirdly the local governments in a municipality are the municipal council and the municipal division councils (Uganda, 1997) as is shown in figure 2 below.

Figure 2: Structure of Local Government



Source: Steffensen, Tidemand, and Ssewankambo (2004).

Source: Kritika Saxona et al, 2010

Table 1 below is an illustration and summary of some key features of the Public Service over the years.

Table 1: Illustration of Uganda public service over the years

FEATURE	YEAR			
	At independence	1960s -1970s	1980s -1990s	2000s – to date
Number			352,000 (July 1990) 163,000 (1998)	237,732 (2008) 400,000 (2012)
Grading system	Senior & middle ranks by whites and Asians respectively.	Africanisation		
Recruitment	Public Service Commission		*Public Service Commission; *Sector Service Commissions – Education, Judicial & Health; *District Service Commissions with decentralisation.	
Salary	Same rates as in Britain (colonial master).	Government as ‘Wage leader’ i.e. used as benchmark.	*Consolidation of allowances & the now monetized in-kind benefits into salary. *Stagnation of salaries.	*Neither competitive nor comparable to private sector at higher levels. *Inequitable across public service. *Commonality of salary delays and arrears. *Increased ‘ghost workers.’
Performance and Service	Very good – one of best in	*Poor *Deteriorated	Poor	Fair

Delivery	Sub-Saharan Africa.	from 1971. *Virtual collapse of public service.		
Corruption synthesis	*‘Gifts’ in-kind as appreciation Strong. *Strict adherence to code of conduct.	Seeds of corruption due to collapse of public service.	Petty corruption	Petty, Grand and Systemic corruption.
Public Service Reforms	*Started in early 1990s with main objective ‘ <i>to have a smaller, well remunerated Public Service & improved service delivery.</i> ’ These after study & report by the Public Service Review and Re-organisation Commission (PSRRC) of 1989. *Have had different phases. *Implementation of reforms is well behind set targets.			

Sources: Burke, 1967; Langseth, 1995; Olum, 2003; Opio, 200; Robinson, 2006; IGG, 2008

4.4 The Public Service Reform Programme

Despite the earlier noted SAPs by the IMF and World Bank, the dire prevailing socio-economic and political conditions found by the NRM government (in 1986) necessitated a revamp of the country through reform. This could not be done without the Public Service, which was then in a poor state, hence the set-up of the Public Service Review and Reorganization Commission (PSRRC) in 1989, to examine the Public Service problems and make appropriate recommendations for a new way forward.

The PSRRC reported that the Ugandan Civil Service was a bloated structure, inefficient and with poor performance. The Commission identified several key problems that included inadequate pay and benefits, poor management, dysfunctional civil service organization, and inadequate personnel management and training (Langseth, 1995).

Altogether, the PSRRC made 255 recommendations on how to revamp the Public Service that were then concretized and prioritized into seven critical categories namely: 1) Rationalization of Government Structures and Functions including Decentralization of power to districts; 2) Reduction of the size of the Public Service; 3) Pay Reform through salary enhancement and monetization of non-cash benefits; 4) Personnel and Establishment control; 5) Improvement of Records Management; 6) Introduction of Results Oriented Management [ROM]; and 7) Capacity Building.⁵

4.4.1 Vision and Objectives of the PSRP

The PSRRC recommendations formed the basis of the Civil Service Reform Program (CSRFP) with the adoption of her report in 1989 and the programme's

⁵ The Public Service Review and Reorganization Report, 1989, Kampala: Uganda Printing and Publishing Corporation.

launch in 1990s (Andrews and Bategeka, 2013: 3). Herein, CSRP is used interchangeably with Public Service Reform Programme (PSRP). The CSRP articulated a vision of the public service as smaller, better paid, and more efficient and effective (Langseth, 1995: 369). In essence it also aimed to create a public service that was motivated, accountable, productive, and responsive. It was a given that for all the other country development reforms to take root, the public service too had to be reformed.

Then following on from the above, the aims, and therefore the overall objectives, of the reform were to:- (1) achieve sustained macroeconomic stability, (2) improve financial viability in the short- and medium-term, (3) strengthen capacity, and (4) reverse the progressive decline in public service efficiency and effectiveness- thereby building public respect and confidence (Langseth, 1995: 369 – 370).

These objectives were then sought to be attained through measures that included:-

(a) Clear demarcation of the respective roles and responsibilities in general and functional allocations and lines of authority between central Ministries and field staff working under Local Authorities.

(b) Revitalisation of decentralised selection, promotion and disciplining of professional staff.

- (c) Management by results operational system incorporating success indicators which allow performance to be judged and appropriately rewarded or sanctioned.
- (d) A salary and incentive system which provides a “Living Wage” on the basis of appropriate levels of staffing and comparability with similar tasks in the private sector, and which contains strong performance-based incentives.
- (e) A systematic capacity and skills development process which related training to function to all levels of the Service⁶.

4.4.2 Results of the PSRP

The reform was conducted in segments over years i.e. 1989 – 1992; 1993 – 1997; 1997 – 2002 and after 2003 which can be generalized into three (3) phases. Phase 1 included Restructuring and Rightsizing, Phase 2 had the enhancement of efficiency and effectiveness and had ROM first introduced while Phase 3 was “...to ensure that the Public Service, as the main implementing machinery of the Poverty Eradication Action Plan (PEAP) is effectively managed, well motivated, affordable and has the required capacity to perform effectively and efficiently.”⁷ The reforms have thus involved but not been limited to:- Rationalisation and review of

⁶ Government of Uganda, Ministry of Public Service. 1994. *Management of Change: Content, Vision, Objectives, strategy and Plan*. Kampala: Uganda Printing and Publishing Corporation, p. 24.

⁷ Ministry of Public Service Quarterly Bulletin January – March 2012, Kampala, Uganda.

Ministries, Departments and Agencies as well as Local Governments; Divestiture; Downsizing and Retrenchment; Decentralisation as well as Pay Reform.

Uganda's Civil Service Reform Programme in the 1990s was widely regarded as being among the most successful in sub-Saharan Africa. From 1992 until 1997, through rationalization and review the ministries were streamlined/restructured and reduced from thirty-eight (38) to twenty-two (22), though this was still seen as being high with a number of duplications. During the restructuring exercise a number of non-core functions in Ministries were identified for divestiture. This led to the establishment of autonomous agencies to be run on commercial basis like the earlier mentioned Uganda Revenue Authority, Civil Aviation Authority and Uganda Wildlife Authority wherein there was improved service delivery. The staff numbers on the government payroll that had expanded from 298,000 in January 1988 to about 320,000 in 1992 were reduced to about 160,000. Payroll and establishment controls were also put in place. Most in-kind and non-cash benefits were monetized and together with allowances consolidated into a unique salary. This take-home-pay was then modestly increased through some progress in pay reform with three successive salary increases amounting to 43 per cent in 1991/92, 85 per cent in 1992/93 and further increments in 1993/94. These increments, however, did not significantly raise remuneration scales to the "living wage" levels recommended by

the PSRRC. The effects of these reforms based on the principles of new managerialism, are yet to be fully understood and appreciated in relation to the performance of the Public Service (Langseth 1995; Kiragu and Mukandala 2003: 163, 175 – 176; Opio 2004; Olum 2003: 6 – 7).

Though the Public Service Reform had started in 1989, it was re-launched in 1997 to bring it in line with the promulgation of the 1995 Constitution of Uganda and enactment of the Local Governments Act, 1997, as some functions of the central government were to some extent devolved through decentralization. Coupled with it, the need for the reform of the Public Service (1997-2002) was also indicative of the identification of the short falls of the earlier reforms.

In the mid-1990s, policy attention focused principally on pay reform with the ultimate goal of paying public servants living wages and to this end further voluntary retirement schemes for civil servants were undertaken. In July 1998, pay reform was designated as one of five national priority programme areas. But later in December 1998, the earlier declared recruitment freeze, as downsizing and retrenchment went on, was lifted largely to accommodate recruitment of teachers for the governments Universal Primary Education (UPE) Programme (Nkata,

2010:6). So the hope for savings from retrenchment to bolster pay reform and salary enhancement was kind of watered down.

The Government employees' size from then on started expanding with the various other policy decisions like decentralization hence the recruitment pressures in local governments and schools. Precise data are difficult to come by, given the many conditions of employment for public servants, but it is suggested that Government employees are between 290 and 330 thousand – double the number in the late 1990s. This scenario is further complicated with the 'ghost workers' phenomenon and endless arrears across government. (Andrews and Bategeka, 2013: 10). Audits conducted by the Ministries of Public Service and that in-charge of Finance, OAG and other agencies have endlessly unearthed ghost workers, and other ghosts like schools, travels and workshops, as frequently reported in the country's media. The public service can therefore be regarded as bloated in size.

The Government of Uganda having commissioned a firm of consultants to implement a pay reform project in late 1998 had been given some key recommendations. These included: reducing public service employment to levels that were affordable and consistent to raising the pay levels; moving to a unified public service-wide salary structure; adopting a target salary compression ratio of

20 to 1; and raising salaries to levels that were benchmarked (at about 75 percent) to comparable private sector (market) levels over a five-year period⁸. These are all geared in the opposite direction of where government was heading.

It should not be forgotten that among the measures to attain the vision and objectives of the PSR noted earlier, under 4.4.1, was to have an incentive system that pays a living wage and is comparable to the private sector. In this regard the PSR can be said to have performed miserably for the comparability of salaries is only for a handful of public agencies that are not part of the larger mainstream public service, which has caused another problem of salary distortions across the service.

It is further seen that the salaries in the mainstream Public Service though increased annually have fallen short of the government's own targeted salary levels. It is a fact that pay reform is falling behind the target by between 6% and 35%, with the worst hit grades being UISE, UIE and U7⁹ as shown below in Table 2.

⁸ KPMG Peat Marwick (June 1999), Report to Ministry of Public Service, Government of Uganda.

⁹ Policy Paper on the Transformation of the Uganda Public Service, Ministry of Public Service, March 2011, p 27.

Table 2: Performance of Pay Reform against existing MoPS Plan, as at Year 3-2003/4 (Basic Pay only)

Grade	Median Monthly Salary in Ug. Shs.					
	Plan Year 1 (2001/2)	Plan Year 3 (2003/4)	Average Actual (2003/4)	Shortfall Actual Vs Yr. 3 Plan	Shortfall Actual Vs Plan (% terms)	% to reach target (Yr. 10)
U1 Special	1,965,706	2,125,182	1,840,720	284,462	13%	27%
U1SE	1,928,804	2,025,244	1,313,000	712,244	35%	49%
U1E	1,142,175	1,294,466	1,039,043	255,423	20%	45%
U2	709,701	878,677	841,855	36,822	4%	41%
U3	557,118	689,765	650,675	39,090	6%	42%
U4	398,623	493,533	480,880	12,653	3%	40%
U5	233,707	289,352	252,160	37,192	13%	47%
U6	164,029	203,084	188,365	14,719	7%	43%
U7	122,707	151,923	113,565	38,358	25%	54%
U8	72,242	80,498	75,720	5,228	6%	60%

Source: Ministry of Public Service, 2006

The pay has thus remained low which causes the public servants to seek alternate means of survival to acquire their basic needs.

4.5 Overview of the Ministries of Public Service and of Finance, Planning and Economic Development

4.5.1 Ministry of Public Service

Recalling the earlier description of the Uganda Public Service, government ministries fall under the Executive arm of government since they are headed by a

cabinet minister. The Ministry of public service (MPS) in Uganda is comprised of four Directorates and one major department namely a) Directorate of Human Resources Management, b) Directorate of Efficiency and Quality Assurance, c) Directorate of Research and Development and d) Finance and Administration Department.

The ministry is headed by a minister who is appointed by the president. Her foundation rests on:-

- a) Vision: A Public Service that is Affordable Efficient and Accountable in Steering Rapid Economic Growth and Social Transformation;
- b) Mission: To provide Policies, Systems and Structures that facilitate Efficient and Effective Public Service Performance for National Development and Improved Quality of Life in Uganda; and
- c) Mandate: To develop, manage and administer human resource policies, management systems, procedures and structures for the public service. (<http://www.publicservice.go.ug/>).

This mandate is expounded as to:-

- a) Formulate, Implement Policies of human resource management in the Public service.

- b) Sustain, manage and oversee systems and structures of public service in Uganda.
- c) Regulate and Quality Assure human resource in the public service.
- d) Negotiate, conclude and implement bilateral and multilateral agreements regarding human resource in Uganda's public service.

The foregoing is to ensure that the ministry is able to develop HR policies, systems and structures that provide for an effective and harmonized public service; supported by a well developed and motivated human resource that delivers timely and cost effective public services affordable by the Ugandan government and responsive to the needs of the people (Ministry of public service, 2008).

Her Key Result Areas upon which her service delivery can be measured is provided in the Ministry's Client Charter (2007). These are a) Pay and incentives management; b) Payment of terminal benefits; c) Performance and accountability enhancement; d) Records and information management; e) Public Service Reform Programme monitoring and evaluation f) Human Resources development; g) Policy review and development; h) Development of organisational structures and systems; i) Leadership enhancement and management development; as well as j) Development of Ministerial Annual Performance Plans and Budgets. But of all these KRAs, (a) and (b) above that translate into Salary and Wage Bill Management

and Payment of Terminal Benefits (Pension and Gratuity) to Public Officers stand out most in the public's eye.

In order to deliver on this mandate, the Ministry of public service had laid out its strategic objectives as below (Ministry of public service, 2008):

- a) To ensure that the Public Service attracts, develops and retains high caliber staff;
- b) To develop and maintain a competent, innovative and motivated Human Resource for the Public Service;
- c) To develop appropriate organisational systems and structures for the public service that is responsive to the needs of the people;
- d) To spearhead, coordinate, monitor and evaluate the public service reform programme;
- e) To ensure good governance, accountability and transparency in the public service;
- f) To promote harmonious working relationships in Ministries, Departments, Agencies and Local Governments (Ministry of public service, 2008).

4.5.2 Ministry of Finance, Planning and Economic Development

The ministry has the important role to ensure mobilization of public resources and oversee how these are accounted for in the pursuance of the country's sustainable

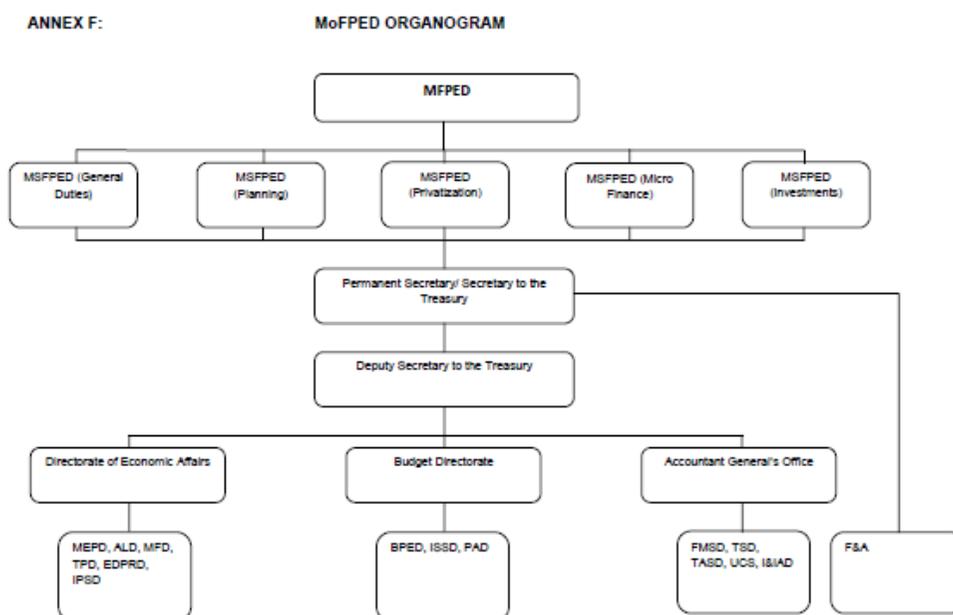
economic growth and development. As drawn from her website (<http://www.finance.go.ug>), the Ministry's foundation is based on:-

- a) Vision: A most effective and efficient Ministry of Finance, Planning and Economic Development (MFPED) that is capable of achieving the fastest rate of economic transformation among the emerging economies.
- b) Mission: To formulate sound economic policies, maximise revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development.
- c) Mandate: This is to i) formulate policies that enhances economic stability and development; ii) mobilize local and external financial resources for public expenditure; iii) regulate financial management and ensure efficiency in public expenditure; and iv) oversee national planning and strategic development initiatives for economic growth.

The functioning of the Ministry is executed through three specialized Directorates namely, Budget Directorate, Directorate of Economic Affairs and Accountant General's office. These Directorates comprise of various departments. The Finance

& Administration Department provides logistical and support services to the entire ministry¹⁰. This as illustrated in Figure 3 below:-

Figure 3: Organogram of MFPEd



Source: Sector MFPEd – Strategic Plan for Statistics, 2008/09-2011/12.

The Budget Directorate is responsible for the initiation, formulation, co-ordination, implementation, monitoring, and evaluation of budgetary policies and procedures. It ensures that Government Ministries, Departments, and Agencies are allocated the

¹⁰ Sector Strategic Plan for Statistics, 2008/09-2011/12. Ministry of Finance, Planning and Economic Development, Kampala: Uganda Printing and Publishing Corporation, 1.

financial resources necessary for the execution of its programs (<http://www.finance.go.ug>).

This Directorate of Economic Affairs is comprised of four departments. The objectives of the Directorate include effective management of resource inflows; stable macroeconomic framework, and economic development planning (<http://www.finance.go.ug>).

The Accountant General's office comprises five departments. It is responsible for initiating, formulating, and coordinating of policy for management of public funds, assets, and debt. It provides guidelines and procedures for management of public funds¹¹.

The OAG was under the MFPED and thus part of the mainstream public service up to 4th October 2008 when it became autonomous. Its study and analysis is done later.

11

http://www.finance.go.ug/index.php?option=com_content&view=article&id=34&Itemid=3

Chapter 5 The Unavailability of Resources for Salary Enhancement – Government Claim

5.1 Introduction

This chapter covers the summaries, interpretations and analysis of the findings of the study in relation to the unavailability of resources for salary enhancement. From the history of the public service above, it has been observed how its performance and service delivery have declined to poor levels as the salary has been eaten away and failed to adjust to inflation and cost of living over the years. This picture of poor performance is brought to the fore through the analysis of the performances of the MPS and MFPED, these being part of the mainstream public service.

As earlier noted, the government posits that it does not have the resources to enhance the salary and pay of its public servants. It has indeed failed to meet her own set pay reform (salary enhancement) targets as shown in Table 2 under Results of PSRP (4.4.2) falling behind by between 6% to 35%. But in the face of the pervasive corruption that has witnessed a ceaseless leakage of government resources (funds), which has also denied the country of good service delivery, and for which low pay is cited as a leading cause, one is apt to think twice about this government claim of unavailability of funds.

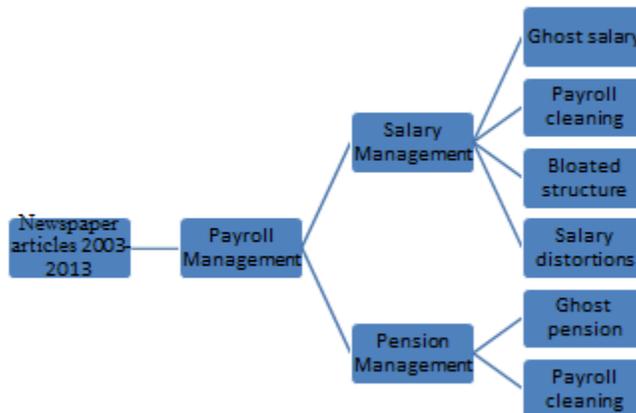
The 3rd National Integrity Survey (2008:43) in its ranking of the main reasons for corruption in Public Institutions throughout the country had the first being "...Greed as indicated by 51.0% of total respondents. The same trend is portrayed in the regions as indicated by 60.0% in Western Uganda, 51.9 % in Northern, 50.0% in Eastern, and 45.4% in Central. The second most significant reason for corruption in Public Institutions as indicated by 37.8% of total respondents in the Country is low salary. ... Overall, these findings concur with those of the Household Survey, which showed that Greed is the main cause of corruption in the country."

This corruption is manifested in different forms as shown in the Monitor newspaper (24/2/2013) report on 'high profile corruption scandals registered under NRM' (i.e. the current government). These included ghost soldiers (2003) \$324 million estimate over 20 years; Valley dam scandal (2003) 3.5 billion shillings; Global Fund scandal (2005) \$37m unaccounted for; GAVI funds scandal (2007) 1.89 billion shillings lost; chogm scandal (2007) over 200 billion shillings lost and the NSSF-Temangalo land scandal (2008) whether had value for money in the 11.2 billion.

This Chapter explores newspaper articles on payroll management in the public service from 2003 to 2013. Through content analysis (as illustrated in Figure 4

below) it, among others, shall highlight one aspect of corruption – the ghost worker phenomenon – as a show of poor performance in public service delivery but more importantly as one of the avenues through which there is a continued leakage of government resources (funds) and which, if checked, would then avail contributory funds for enhanced salary payment. This phenomenon arises out of payroll management in the public service with both salary and pension payroll management taken into account. Added to the payroll management are the issues of a bloated structure of the public service as well as the salary distortions across the service, which also hinge on the availability of resources to enhance salary payment.

Figure 4: Content Analysis Decision Tree



Source: Author

5.2 Articles on payroll management in the Public Service

The articles on payroll management in the public service are drawn from three leading newspapers in Uganda i.e. the Government owned New Vision, the independent, and at times said to be opposition leaning, Daily Monitor as well as the Observer newspaper. Various aspects of payroll management are looked and they are divided into the two periods of Pre-autonomy (2003 – 2008) and Post-autonomy (2009 – 2013) of the OAG. This is to try and depict that the problems of poor performance that were in existence when the OAG was part of the mainstream public service are still being witnessed and could have become worse. The OAG left the mainstream and is no longer associated to the said poor performance that is afflicting the MPS and MFPED.

The year 2003 provided the earliest accessible article online in regard to payroll management in the public service. So it marks off the start of the ‘Pre-autonomy’ period. And since the National Audit Act was effective from October 2008 which is the last quarter of the year, the year 2009 was taken as the start of the ‘Post-autonomy’ period i.e. 2009 – 2013, with 2008 being the cut-off of the Pre-autonomy period. The two periods combined had a total of 174 newspaper articles.

5.2.1 Number of Articles – Pre-Autonomy (2003 – 2008)

Table 3: Pre-autonomy Number of Articles

Pre - Autonomy (2003 - 2008)		
Newspaper	Frequency	Percentage
New Vision	20	80
Monitor	4	16
Observer	1	4
Total	25	100

Source: Primary data

The three newspapers had articles written on the subject matter of payroll management prior to the OAG’s autonomy (Pre-autonomy) and the period considered was 2003 – 2008, as shown in table 3 above. As earlier noted, the year 2003 provided the earliest accessible article online in regard to payroll management and this was found in the New Vision newspaper dated February 6th 2003. It was titled “*Govt Loses Sh2b In Ghost Salaries.*” These articles were of generally different titles across the said newspapers and totaled to a number of 25, with the New Vision highest (20).

The percentage share of articles from the respective newspapers that were considered in this study ranked them as New Vision (80%), Daily Monitor (16%) and Observer (4%). This ranking also follows that of the newspapers establishment

with the government owned New Vision still in the lead having started before the rest in 1986. The Daily Monitor started as Monitor in 1994 while the observer began in 2004. The ranking and the big difference in share of articles could also be attributed to the rate at which the said newspapers have uploaded the earlier issues of their papers onto the online archives of their websites. This because though the leakages through payroll management may have been dwarfed in significance by other government leakages at the time, the ghost soldiers case (earlier noted as the first article) was a very big issue in its own right that was widely talked about and covered in the media. The huge amounts of money as well as the personalities involved in the case were a drawing factor.

5.2.2 Number of Articles – Post-Autonomy (2009 – 2013)

Table 4: Post-autonomy Number of Articles

POST - Autonomy (2009 - 2013)		
Newspaper	Frequency	Percentage
New Vision	52	35
Monitor	67	45
Observer	30	20
Total	149	100

Source: Primary data

The articles written in the post-autonomy period were a combined 149 in total, table 4 above. This time round the Monitor newspaper with 67 articles leads the ranking in percentage share of the articles (45%) and the Observer 30 articles' share (20%) retains the last slot. There is a more even distribution of percentage share here (35%, 45% and 20%) as compared to the pre-autonomy period (80%, 16% and 4%) depicting a great leap forward for the other two newspapers. This change in scenario from that of pre-autonomy could be well because the newspapers during this period were now into media convergence with the use of the international web (internet) and having online versions in tandem with the physical paper versions.

5.3 Length of Articles

The articles written on payroll management in the public service span different sizes and hence the lengths in words was looked at. Were the issues being given sizeable coverage by amount of space in the newspaper or were they just stories in brief that would take say take up to only 50 words or 100 words to qualify for the 'smaller' stories, and as such be considered as stories not match talked about or given attention in the public domain.

5.3.1 Length of Articles – Pre-autonomy

Table 5: Pre-autonomy Length of Articles

Year: 2003 - 2008			
Newspaper	Frequency	Total Length	Av Length
New Vision	22	9860	448
Monitor	4	4039	1010
Observer	1	646	646
Total	27	14545	701

Source: Primary data

From the tallied number of articles in each newspaper i.e. the frequency, word counts of all the articles were undertaken that then provided the total length, as shown above in table 5. Here the New Vision (9860 words) topped the others. The Monitor provided the highest average length (1010 words) and the New Vision had the least with 459 words. The Observer had the least total length of article with its one article of 646 words. These articles can then be said to have been of significance and much concern in the public domain as they were on average higher than 400 words for all the newspapers.

5.3.2 Length of Articles – Post-autonomy

Table 6: Post-autonomy Length of Articles

Year: 2009 - 2013			
Newspaper	Frequency	Total Length	Av Length
New Vision	56	25411	454
Monitor	69	41166	597
Observer	27	21810	808
Total	152	88387	581

Source: Primary data

Here again the word counts of all the articles from the respective newspapers were undertaken that then provided the total length, shown in table 6. The Daily Monitor (41166 words) topped the others from its 69 articles. The ranking in total length of articles did follow that of the number of articles with the New Vision second (25411 words) from 56 articles and Observer last (21810) with 27 articles. Then, the Observer again provided the highest average length (808 words) and the New Vision had the least (454 words). Though the Daily Monitor had the highest number of articles as well as total length of words, it did not have the lowest average length of words (597) ranking. Her articles could then have been said to be of far greater length than those of the New Vision. But her average length of articles fell by a great margin from 1,010 to 597 words in pre-autonomy and post-autonomy

respectively, while there was a marked increment for Observer and not much increase for the New Vision. These articles can then be said to have been of significance and of much concern in the public domain as they were on average higher than 400 words for all the newspapers.

5.4 Reference Sources of Articles

The reference sources of articles were considered as a continuous block and not split into the two periods of pre and post-autonomy. It is well known that for articles to appear in the newspapers they are attained from different sources, to which they are said to have made reference to when the article or story is published. These were considered as the reference sources and stretched from Civil Society Organisations (CSOs) to the Police as the first tier. The number of times they were referred to as a source is captured as Frequency and so too is the share as a reference source under Percentage as detailed in table 7 below.

Table 7: Reference Sources at First Tier

Reference source	Frequency	Percentage
Civil Society Organisation	8	5
Concerned citizen	30	17

Court	10	6
Editorial	2	1
IGG	2	1
Minister	8	5
Ministry	68	39
OAG Report	6	3
Paper investigation	9	5
Parliament	16	9
Police	15	9
Total	174	100

Source: Primary data

From this first tier referencing, the Ministry ranked highest (39%) while the Editorial and IGG were joint least with 1% share as sources as shown above.

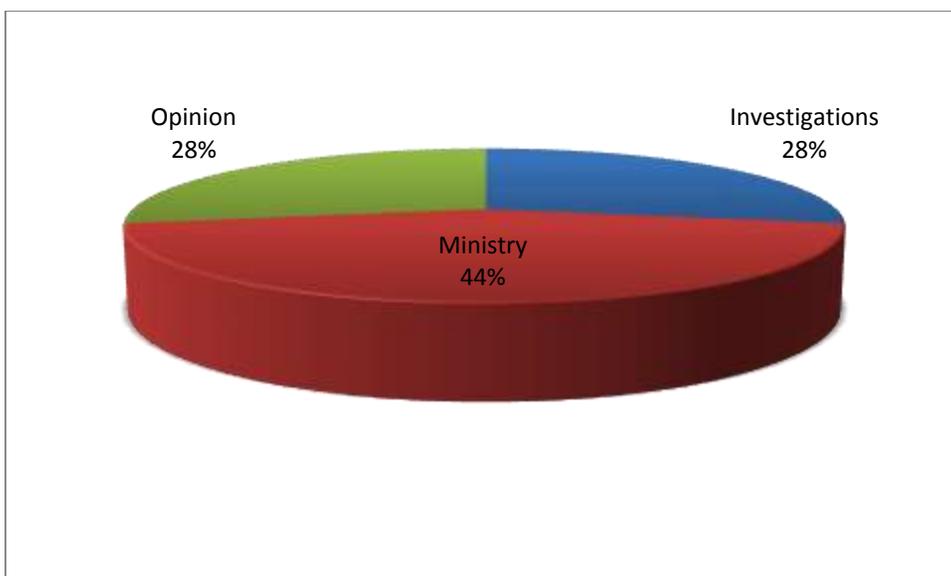
These 11 first tier sources were then turned into the 3 second tier sources – generic groups, namely Investigations, Ministry and Opinion. Under Investigations were Court, IGG, OAG, Parliament and Police; Ministry had Minister and Ministry while Opinion was made of CSOs, Concerned Citizens, Editorial and Paper Investigations with these last two being by the newspapers themselves. This second tier referencing is presented by table 8 and pie chart in Figure 5 below.

Table 8: Reference Sources at Second Tier

Reference Source	Frequency	Percentage
Investigations	49	28
Ministry	76	44
Opinion	49	28
Total	174	100

Source: Daily Monitor, New Vision & Observer Newspapers

Figure 5: Reference Sources of Newspaper Articles from 2003 to 2013

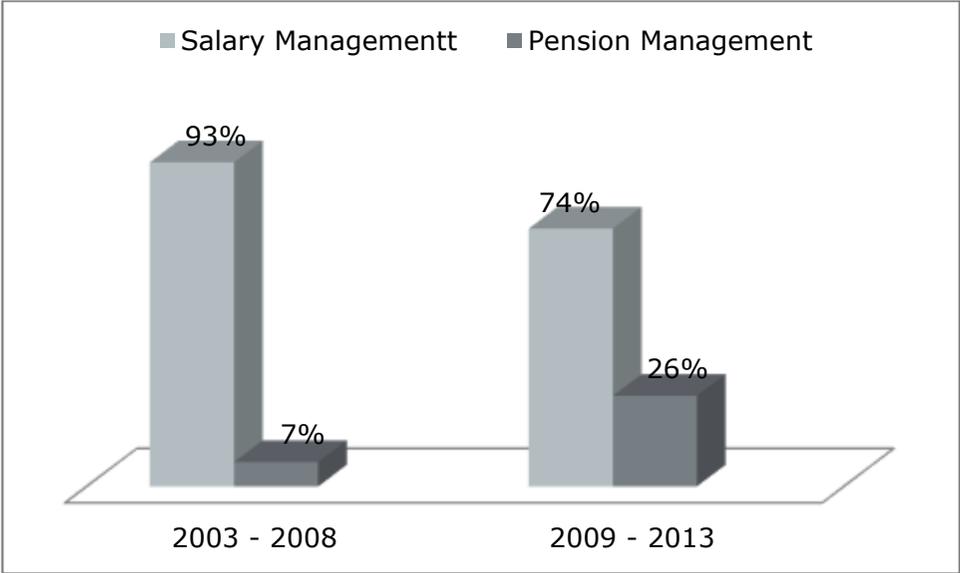


Source: Daily Monitor, New Vision & Observer Newspapers

The above table 8 and figure 5 of a pie chart, show that the Ministry still ranked highest with 44% and the other two at 28%. The Ministry was also highest source at first tier in table 7. This is attributed to the Ministries not just being accountable and transparent to the citizens, or even more responsive to inquiries being made, but they having to save face in light of the mainly leaked facts of the stories. The newspapers were then mainly only following up on their respective leads before going to press and publishing them.

5.5 Concerns of the Payroll management Articles

Figure 6: Concerns of the Payroll Management Articles, 2003 - 2013



Source: Daily Monitor, New Vision & Observer Newspapers

From the newspaper articles of all the three newspapers, two key concerns in payroll management were highlighted that is salary and pension payroll management as illustrated in Figure 6 above. The pre-autonomy period had 25 and 2 articles while the post-autonomy had 113 and 39 articles on salary and pension payroll management respectively. The articles were more in the latter post-autonomy period with a marked increase in pension payroll management (from 7% to 25%) though salary payroll management still more than doubled it in concern; it had reduced from 93% to 74 % in share of articles. The overall increase of concern about both issues in the newspaper articles from 27 to 152 can be due to the increased significance of the negative connotations of either concern that are elaborated on and discussed later.

The salary and pension payrolls in the mainstream public service are under the ministries of Public Service (alongside determination of the terms and conditions) and that of Finance, Planning and Economic Development for their day to day management. This includes access and eventual exit and all that happens in between. It is meant to ordinarily follow that on exit from the salary payroll one then accesses the pension payroll. The wage bill is charged on the Government Consolidated

Fund¹². Other Government Executive Agencies and Authorities may not necessarily have their wage bills through the said ministries, where hence they determine their own terms and conditions (salary inclusive), but those salaries as self-determined, are also charged on the same source, the Government's Consolidated Fund.

This is the same fund that was said not to be able to accommodate the enhancement of salaries for public servants, but the leakages witnessed from it in salary and pension payroll management, among others, lets on a lingering doubt about this assertion.

5.6 Salary Payroll Management

The 'negative' connotations on salary payroll management drawn from the newspaper articles were categorized into four i.e. Bloated structure, Ghost salary, Payroll cleaning and Salary distortions. Bloated structure was in reference to the unnecessarily very large structural size of the public service in terms of number of employees; Ghost salary was the salary paid out to fictitious public servants who either exist or don't but are paid for no work done and the money is accrued to those

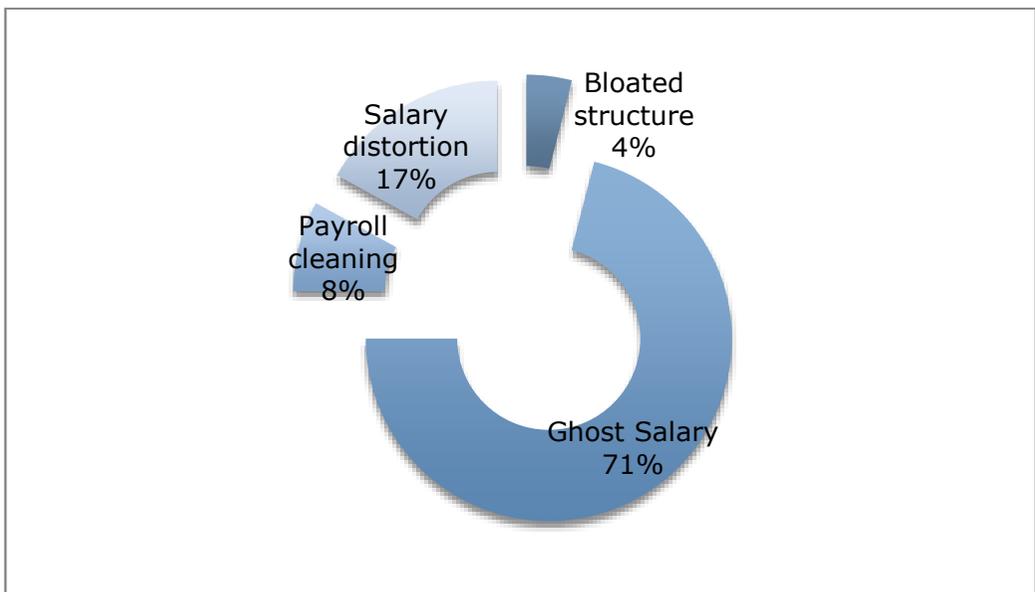
¹² There shall be a Consolidated Fund into which shall be paid all revenues or other monies raised or received for the purpose of, or on behalf of, or in trust for the Government (Art. 153 of Uganda Constitution)

in charge of the payroll who created them; Payroll cleaning were efforts aimed at ridding the payroll of these ghost salary earners including audits and pay system upgrades while salary distortion made referred to the lack of a harmonious salary pay structure for the entire public service and hence pay differentials for same job across the service.

These were considered across the two divides of pre and post autonomy.

5.6.1 Salary Payroll Management during Pre-autonomy

Figure 7: Pre-autonomy percentage categorisation of salary payroll management (2003 - 2008)



Source: Daily Monitor, New Vision & Observer Newspapers

As shown above in figure 7, here it was seen that ghost salary presented 17 times, salary distortion 4, payroll cleaning 2 and the bloated structure 1 which gave a percentage share of the 24 articles as 71%, 17%, 8% and 4% respectively. Ghost salary (71 percent) outstripped the other categories and more than tripled even the closest share of salary distortion (17 percent).

5.6.1.1 Ghost salary Pre-autonomy

Table 9: Summary table of Newspaper Salient Findings on Ghost Salary – Pre-autonomy

S.N	Paper/Date/Article	Amount & No. involved	Salient issues
1.	New Vision, 6/Feb/2003; Govt loses 2bn on ghost soldiers	Shs ¹³ .2.1 billion (bn) p.a ¹⁴ using conservative figure of 250,000 per ghost & month; 716 ghosts	Lost to teachers annually that have died, absconded, quit or on unauthorized study leave. Negligence or collusion.
2.	Monitor, 11/Aug/2007;	About 4000 ghosts	Include Rwandan soldiers

¹³ Uganda shillings

¹⁴ Per annum

	Rwandan ghosts shock Museveni		who deserted in 1990 to form Rwandan Patriotic Army.
3.	New Vision, 12/Nov/2007; Ghost teachers earn sh.11bn & 5/Dec/2007; Who is behind ghost teachers?	Shs.11 bn; 5,134 ghosts (4% of teachers reduced from 20% of 1993);	Have 128,371 teachers on salary payroll; Weak payroll information systems and fraud as well as connivance between district and Ministry officials led to ghosts.

Source: Daily Monitor, New Vision & Observer Newspapers

From the summary table 9, it can be deduced that the problem of ghost salary is a long raging one that began as early as 1990. The ghost salary loss is colossal and is across all sectors but in this period the Army and Teachers were highlighted. It is also seen that though the actual numbers involved were said to have reduced from the 1993 figure of 20% to 4% of the teacher's payroll in 2007, in this same article, the Ministry of Public Service commissioned study done by PriceWaterhouseCoopers in 2005 put the teacher irregular appointments at between 9.2% - 12% while a 2006 USAID report put it at between 9.2% - 20% in the

different districts. Therefore the figure of only 4% ghosts on the teachers' payroll could be too much on the brighter side.

5.6.1.2 Payroll Cleaning Pre-autonomy

Table 10: Summary table of Newspaper Salient Findings on Payroll Cleaning – Pre-autonomy

S.N	Paper/Date/Article	Amount & No. involved	Salient issues
1.	New Vision, 19/May/2007; 3000 ghost soldiers discovered in UPDF.	3000 ghosts	Cleanup exercise started August 2006 and ended early 2007; Took advantage of insurgency in northern Uganda to create the ghosts; Prosecution of those involved ongoing in general court martial.

Source: Daily Monitor, New Vision & Observer Newspapers

Though the cleanup exercise and then the prosecution is a welcome show of commitment, many of these cases have been known to take forever and then dying out with neither convictions nor refund of said monies adding onto the impunity with which some of the vices continue.

5.6.1.3 Bloated Structure Pre-autonomy

Table 11: Summary table of Newspaper Salient Findings on Bloated Structure – Pre-autonomy

S.N	Paper/Date/Article	Salient issues
1.	Monitor, 16/May/2008; Who needs a mafia cabinet? The next President shouldn't.	“It is possible that a smaller leaner cabinet which is well paid can take charge of state affairs and reduce the profligacy that has bloated public administration expenditure. A reduction built on a different set of principles and not the disgraced code of thievery....”

Source: Daily Monitor, New Vision & Observer Newspapers

This wants to point to there being a largeness right from the cabinet that births the same in the public sector which is riddled with corruption that then multiplies public expenditure, poor performance and service delivery. The Government Ministers for one are in excess of 50. This added to fact that the national budget is already unsustainable, the country being a member of the HIPC – highly indebted poor countries.

5.6.1.4 Salary Distortions Pre-autonomy

Table 12: Summary table of Newspaper Salient Findings on Salary Distortions – Pre-autonomy

S.N	Paper/Date/Article	Salient issues
1.	New Vision, 26/Nov/2008; Strategies we can use to fight corruption.	NIS ¹⁵ (1998) revealed major cause of corruption in public service as low salary then greed and to combat vice, public service salary structure be reformed to match private sector in addition to strengthening anti-corruption institutions and political will to fight corruption.
2.	Monitor, 26/Nov/2008, RDCs earn 1.4m/= more than doctors.	Analysis of 2008/9 public service salary structure shows <u>a doctor at Shs626,181¹⁶</u> on recruitment an <u>RDC at Shs2 million</u> (m) and <u>MP with basic of Shs2.1 plus other benefits earned Shs7.38m;</u> Caused corruption, work apathy and brain drain. Doctor earned shs1.05m (3,000 francs) in Rwanda and shs1.5m (kshs63,972) ¹⁷ in Kenya.

Source: Daily Monitor, New Vision & Observer Newspapers

¹⁵ National Integrity Survey

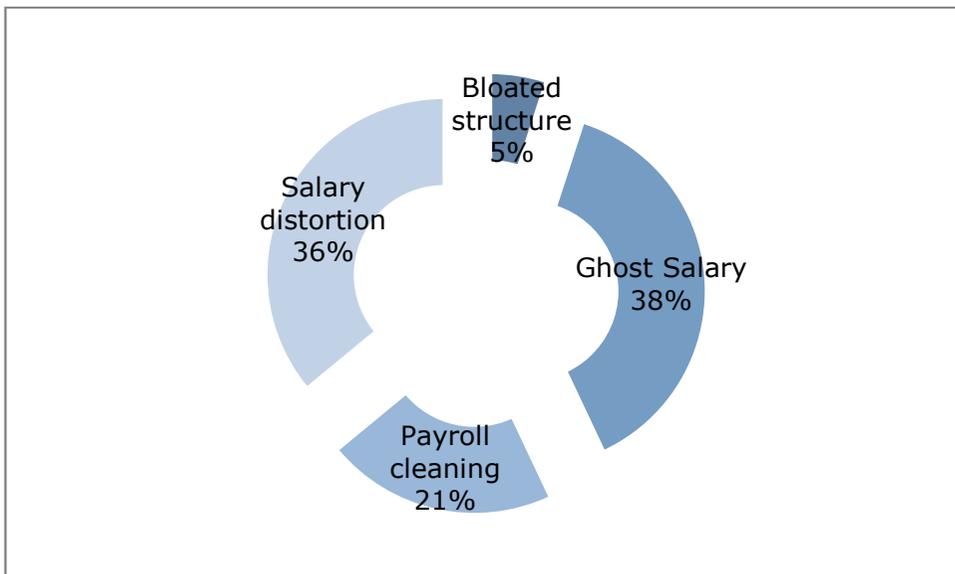
¹⁶ Salary amounts are per month unless stated otherwise.

¹⁷ Kenya shillings

From table 12, the figures speak for themselves with the disparity in pay so glaring and incomprehensible. Of the doctor's salary, an RDC earns thrice while an MP earns twelve times the amount. But all are public servants drawing salary from the same employer and source. These persons meet the same socio-economic costs of food, med-care and shelter among others which then largely explains the NIS findings on corruption. Apathy and poor service delivery are also created.

5.6.2 Salary Payroll management during Post-autonomy

Figure 8: Post-autonomy percentage categorisation salary payroll management (2009 - 2013)



Source: Daily Monitor, New Vision & Observer Newspapers

From the illustration in figure 8 above, the ranking order for share of articles did not change for it still presented ghost salary 44 times, salary distortion 42, payroll cleaning 25 and bloated structure a miserly 6 times with the shares as 38%, 36%, 21% and 5% respectively. This then made for a fairer articles' share distribution with a more than doubling for payroll cleaning and salary distortion (to 36 and 21 percent from 17 and 8 percent) to catch onto ghost salary that dropped in share by nearly half from 71 to 38 percent. The bloated structure category only had a one percent increment from 4 to 5 percent making for an outlier.

5.6.2.1 Ghost Salary Post-autonomy

Table 13: Summary table of Newspaper Salient Findings on Ghost Salary – Post-autonomy

S.N	Paper/Date/Article	Amount & No. involved	Salient issues
1.	Observer, 17/June/2009; Four sacked over ghosts in Police & New Vision, 29/Oct/2011; Police Officer held over ghosts	Shs.1 bn per annum for an unspecified period. Shs.2.1 bn	Suspected Officers suspended; Inquiry directed by Inspector General of Police; Mainly born out of porous recruitment of Special Police Constables

			(Estimated at 6,000) started in 2007; Duplicate names and multiple computer nos.
2.	Monitor, 8/May/2010; The rotten deals of ghost teachers & New Vision, 29/Oct/2011; Who is behind ghosts on payroll.	-	Racket of Head Teachers, district officials and some in Public Service Ministry; Lost to teachers that had abandoned and duplicate names; Names appear for months then disappear on being paid arrears;
3.	Monitor, 22/6/2012; Shs.70 bn paid to ghost workers & 25/Aug/2012; Payroll cleanup is good albeit tiny step.	Shs.70 bn annually; Approx. 4,000 ghosts (more than 1% of total civil servants);	Are duplicated or falsified names; Ghost teachers are highest; Could become another statistic like the cited loss of Shs.30 bn to ghost soldiers in 2000.
4.	Monitor, 24/2/2013;	US\$324	Lost to exaggerated ghost

	High profile corruption scandals registered under NRM (Ghost soldier scandal, 2003)	million in 20 years (Had popped up in earlier years)	soldiers in war against Joseph Kony, then also in Congo and western Uganda in units operating against Allied Democratic Force rebels.
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Source: Daily Monitor, New Vision & Observer Newspapers

From the above table 13, it can further be drawn that there was a growing problem of institutionalized corruption given the collusion, which was then responsible for poor performance. This could be because investigations and prosecutions seem to take forever with more or less no convictions at the end of it all, and there also is not much movement in the direction to making all forms of corruption a very high risk business.

5.6.2.2 Payroll Cleaning Post-autonomy

Table 14: Summary table of Newspaper Salient Findings on Payroll Cleaning – Post-autonomy

S.N	Paper/Date/Article	Salient issues
1.	Observer, 25/May/2011; Govt installs software to rid	IPPS ease recruitment, employee assessment & payroll management in mainstream public

	payroll of ghosts	service; Started as pilot then rolled out to all ministries in June but for entire service by July 2015.
2.	New Vision, 1/Aug/2012; Ministries given two months to clean payroll.	By MPS Minister up to September; After AG report to Parliament found ghost workers – died, abandoned duty or left service
3.	Observer, 24/Aug/2012, Payroll clean-up mishap hurts teachers’ pockets & 22/Mar/2012, Civil servants cry as payroll crashes.	30,000 teachers inconsolable as miss July salary after hasty deletions from payroll in panic after President directive to clean payroll; Directive after AG & IGG reports that 70 bn lost annually to 4000 ghost annually & racket of workers in MPS falsifying payroll; Another 10,000 not received salary for 7 months according to teachers union. IPPS technical glitch & malfunction as shifted payroll control from MFPED to MPS; Unprecedented salary distortions – exaggerated amounts or less payments or deductions or missing salary;

4.	Monitor, 30/June/2013, Law makers approve another Shs59 b supplementary budget.	Partly meant to offset salaries of public servants wrongly scrapped off payroll, along with ghosts, during clean-up exercise; Ghosts cases even included those with same names and dates of birth paid over long periods.
5.	Monitor, 27/Sept/2013, New BPO market to create jobs.	Should outsource Payroll cleaning like the Tanzanian Government that saved everyone time and pain.

Source: Daily Monitor, New Vision & Observer Newspapers

From table 14 above, IPPS was a good initiative and undertaking to rid the problems of payroll management, among others, but issues still arose with ghosts still existent alongside continued missed and delayed salaries. The recommendation to outsource payroll cleaning could be considered if the payroll cleaning was being undertaken by the same officers who may have created them in the first instance, to provide a system of checks and balances.

5.6.2.3 Bloated Structure Post-autonomy

Table 15: Summary table of Newspaper Salient Findings on Bloated Structure – Post-autonomy

S.N	Paper/Date/Article	Salient issues
1.	Monitor, 7/May/2010;	Have 214 constituencies with 111 districts, so

	All constituencies should be districts.	would create 103 new districts. “The number of new jobs that will be created...will be 25,750 (250 staff x 103)...it is unfortunate that we never emphasize the importance of a single job created for our people.” Added that the revenue collections, in surplus every year, can meet the annual extra cost of this policy of shs.134 bn. Was to counter key argument of increased public expenditure in creation of districts.
2.	Observer, 2/Jan/2013, New district runs under muvule tree.	The newly created Kibuku district had her headquarters housed in two small dilapidated buildings. “We had no option but to put some of the offices under a muvule tree and once it rained, we would all squeeze ourselves in the two buildings for shelter.” The president of ULGA warned that existing districts struggling due to poor funding and staffing so useless to create new ones.
3.	Monitor, 22/Aug/2011, A case of misplaced	Government can provide more money to professionals like teachers by cutting down on

	priorities.	number of political appointees and reducing size of government. For instance have 76 cabinet ministers, 75 Presidential Advisers, 43 Private Presidential Secretaries and deputies and 232 RDCs ¹⁸ .
4.	New Vision, 17/Oct/2009, Do MPs deserve sh15m per month?	Had 80 MPs ¹⁹ in 1980, but 332 now; Uganda with lower population of 31 million people has the highest number of MPs of the three countries (332). Kenya, with a population of 39 million, has 210 MPs while Tanzania, with a population of almost 44 million, has 295 MPs.

Source: Daily Monitor, New Vision & Observer Newspapers

Drawing from table 15 above, if on the creation of 25 new districts the President of ULGA²⁰ warned that existing ones are struggling to deliver services due to poor funding and staffing, the proposal to turn all constituencies into districts is just untenable and would only worsen the bad situation. These said extra monies should rather be put to enhance salaries of the existing public servants whose performance would then improve and thus service delivery, let alone just the triple down effects

¹⁸ Resident District Commissioners

¹⁹ Members of Parliament

²⁰ Uganda Local Governments Association,

of better pay to current public servants in spurring the economy. The same goes for ministries and the proliferation of Government executive agencies with the ‘Authority’ catch word.

5.6.2.4 Salary Distortion Post-autonomy

Table 16: Summary table of Newspaper Salient Findings on Salary Distortions – Post-autonomy

S.N	Paper/Date/Article	Salient issues
1.	New Vision, 10/Jan/2010, Corruption is caused by lack of effective sanctions & 29/Sept/2011, Local govt workers decry pay disparities.	A receptionist at one of the public agencies in health sector earns salary of Shs953,631 compared to medical doctor at the national referral hospital of Shs644,371. “This is not only ridiculous but scandalous and a serious form of corruption...” According to the NIS (2008) pay comparator, a Permanent Secretary (CEO in ministry) earns shs2.6m, top managers in URA ²¹ shs8.5m, NPA ²² shs6.5m, CAA ²³

²¹ Uganda Revenue Authority

²² National Planning Authority

²³ Civil Aviation Authority

		shs6.1m, NDA ²⁴ shs7.1m and AG shs36m per month. A nurse or secretary in mainstream earns shs221,365 while officer at same rank in NDA or OAG earns shs1.1m and shs1.4m respectively.
2.	New Vision, 18/Feb/2010, Union petitions govt on salaries & 21/July/2011, Local govt workers petition over pay.	The NULG called for immediate streamlining and harmonisation of pay across the public service to address the salary discrimination; Had affected workers performance; The cost of living had risen to unbearable levels to meet basic needs & necessities like food, transport, Medicare, education and clothing since there prices also increased.
3.	New Vision, 14/May/2012, Implement the recommended pay structure	The 6 to 30% salary increment proposed by government in the 2012/13 National Budget Framework is not only below the long term pay targets as approved by cabinet in 2006, but also below the cost of living; Pay reforms

²⁴ National Drug Authority

		are behind target by 6 to 35 percent.
4.	New Vision, 12/Sept/2011, Establish salary Commission urgently & 19/Dec/2012, Uganda needs donors.	The glaring disparities in salaries had among other things caused strikes; Government had been advised in its own study commissioned in 2010, to set up a Salaries Commission with the specific objective of streamlining the salary structure. In the latter article, Dr. Maxwell Adea, a Commissioner in MFPED, put that to fight corruption & mismanagement of public funds government should first streamline the salary structure then strengthening audit and internal control systems and others later.

Source: Daily Monitor, New Vision & Observer Newspapers

Drawing from table 16, the discrimination occasioned by the disparity and lack of a harmonized salary structure for the public service is contrary to Article 40 (1) (b) of the Constitution of the Republic of Uganda that guarantees ‘equal pay for equal work’. It is also against the universal declaration of Human Rights 1948 and the ILO conventions. The salaries of public servants should also be made responsive to the inflation rate as the increments and reforms made over the years were wiped out

by it. This includes the yearly budgetary salary increments. When salary increments are not in tandem with these, coupled with the rising living costs, there lies ground for corruption (as coping mechanism) as well as poor performance.

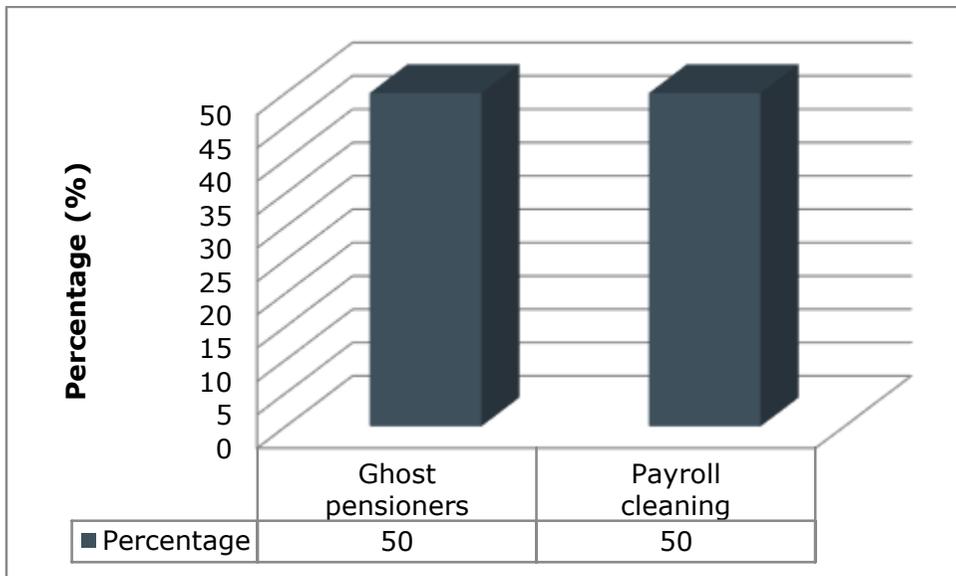
5.7 Pension Payroll Management

Just as with salary payroll management above, pension payroll management's 'negative' connotations were also categorized and they made for two i.e. Ghost pension and payroll cleaning. Ghost pension was to refer to monies actually remitted to fictitious pensioners created by those in charge of the pension payroll and could include totally new identities or even retaining those meant to be removed which monies are then taken by themselves. On the other hand, Payroll cleaning were efforts aimed at ridding the payroll of these ghost pension earners including audits and pay system upgrades.

They were also considered across the two divides of pre and post autonomy of the OAG.

5.7.1 Pension Payroll Management during the Pre-autonomy period

Figure 9: Pre-autonomy Percentage Categorisation of Pension Management (2003 - 2008)



Source: Daily Monitor, New Vision & Observer Newspapers

As illustrated above by figure 9, during this period, 2003 – 2008, only two newspaper articles with one article each for the two categories were found. They were both from the New Vision newspaper. The share of articles was therefore an even at 50 percent. There thus seemed not to be much interest in either during the period and those affected may have genuinely thought there was no money to pay their pension.

5.7.1.1 Ghost Pension Pre-autonomy

Table 17: Summary table of Newspaper Salient Findings on Ghost Pension – Pre-autonomy

S.N	Paper/Date/Article	Amount & No. involved	Salient issues
1.	New Vision, 25/Mar/2008; Payroll cleaning saves govt Shs.21 bn & 19/Sept/2006; Public Service has 6,000 ghost workers - Minister	Shs.21 bn saved from ghosts 6,000 ghost workers	Discovered during March – May payroll cleaning; Delays in pension payment were queried; this uncertainty of pension payment for life after retirement could also fuel corruption.

Source: Daily Monitor, New Vision & Observer Newspapers

From the above table 17, it could be said that the savings made can then be contributed for the enhancement of salaries. The delayed pension payments are against the pensioner's right of access to monthly pension six months after retirement. This does also create pension arrears which are then subject to abuse and manipulation by those who are in-charge.

5.7.1.2 Pension Payroll Cleaning Pre-autonomy

Table 18: Summary table of Newspaper Salient Findings on Pension Payroll Cleaning – Pre-autonomy

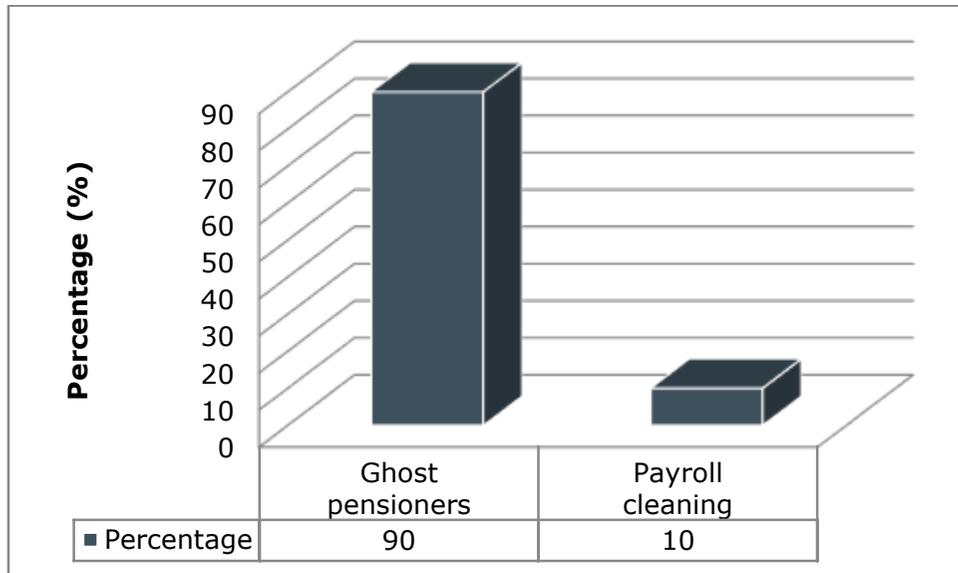
S.N	Paper/Date/Article	Amount & No. involved	Salient issues
1.	New Vision, 29/Aug/2008; Clean payrolls, President orders	-	Substantial overruns of wage bill due to ghosts; Overruns used for personal gain; Accounting Officers to clean payrolls or be dismissed by 30/Sept/2005.

Source: Daily Monitor, New Vision & Observer Newspapers

As shown in table 18, for the ghost issue to attract the President’s attention shows that it had become a major factor that seemed not to be attracting the attention it deserved to weed it out. His call on the Prime Minister to supervise this exercise and give him updates by October was an attempt to give the issue the much needed due attention.

5.7.2 Pension Payroll Management during Post-autonomy

Figure 10: Post-autonomy Percentage Categorisation of Pension Management (2009 - 2013)



Source: Daily Monitor, New Vision & Observer Newspapers

As shown above in figure 10, the newspaper articles presented ghost pension 37 times and payroll cleaning 4 times with a percentage share, from the total 41 articles, of 90% and 10% respectively. Ghost pension therefore far outstripped the payroll cleaning to a ratio of 9:1 with the same percentage (40%) increase and decrease from the 50% during the pre-autonomy period respectively.

This leap in interest in ghost pension was a result of the discovery of the pension scam that involved billions of shillings from the year 2012 as pay outs to ghost pensioners as the legitimate pensioners languished in poverty. But then payroll cleaning did not respond in equal measure as a counter force to the vice.

5.7.2.1 Ghost Pension Post-autonomy

Table 19: Summary table of Newspaper Salient Findings on Ghost Pension – Post-autonomy

S.N	Paper/Date/Article	Amount & No. involved	Salient issues
1.	Monitor, 25/Sept/2009; Halting pensioners pay raises more issues	Shs.200 bn remitted earlier for arrears lacked sensible accountability; Have 10,000 pensioners on payroll.	Pension arrears keep accumulating even after money was dispatched in 2007/8 budget; Collusion and falsification to profiteer in Pensions Department

2.	<p>Monitor, 18/9/2012; Ghosts: Time for reality check & 21/Sept/2012, Pension Scam suspects bailed out;29/Dec/2012, How did ghost pensioners come to be; 24/Apr/2013, 6,000 teachers back on govt payroll, Minister says; 23/Dec/2013, Top crimes that rocked Uganda in 2013; New Vision, 10/Jan/2013, Shs.165 bn paid to ghost pensioners; 27/11/2012, Pension suspects record fresh statements</p>	<p>Started as Shs.63 bn to 1000 ghost accounts; Expanded to Shs.165 bn and 169 bn to 2,605 ghost pension accounts. An additional US\$113,000 to ghost foreign pensioners who served under East African Community (EAC).</p>	<p>Due to endemic and rampant corruption, nepotism, impunity, incompetence and inefficiency; Senior ministry officials involved interdicted; Had stopped sharing lists of pension payments (No transparency); Should outsource payroll cleaning; This AG Report only covered 2009 to 2012 period as requested by MFPED and Police. Bulk (US\$887,438) paid out in 2009 to MPS official.</p>
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3.	Observer, 18/Sept/2012, Corruption may soon become a religion; 29/Nov/2012, Civil Society bosses to strip over corruption; 11/Nov/2012, Govt sets controls to curb mass fraud & New Vision, 11/Dec/2013, Take the battle to fight corruption to the grassroots	Shs. 63 bn to 1,018 former employees of EAC	Agreed on measures to fight fraud like cleaning payrolls, closing dormant accounts & transfer of officers; The government has fueled impunity by not bringing the accused to book.
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Source: Daily Monitor, New Vision & Observer Newspapers

The pension payment delays as earlier noted are an abuse of the rights of pensioners that are caused by a few who are corrupting the systems and institutions. These should be expeditiously investigated and brought to book. The measures proposed to curb fraud including payroll cleaning are already on the statute books but there enforcement is wanting. This probably explains the citizen apathy and passiveness in fighting the corruption vice.

5.7.2.2 Pension Payroll Cleaning Post-autonomy

Table 20: Summary table of Newspaper Salient Findings on Pension Payroll Cleaning – Post-autonomy

S.N	Paper/Date/Article	Amount & No. involved	Salient issues
1.	Monitor, 25/9/2009; Halting pensioners pay raises more issues	Shs.200 bn remitted earlier for arrears lacked sensible accountability	Pension arrears keep accumulating even after money was dispatched in 2007/8 budget; Collusion and falsification to profiteer in Pensions Department; Must be expedited.
2.	Monitor, 20/5/2010, AG exposes fresh rot in pensions Department & 2/6/2010, AG pins Public Service over accumulated pension arrears.	Shs.12 bn for 3 FY years diverted to other categories of pensioners. Shs.128 bn	Delayed pension access of up to 3 years; Delayed access to pension a violation of pensioners' rights; Denies them resources to live a better life; Caused

	New Vision, 19/8/2010, Rot in pensions office revealed.	arrears at start of FY 2008/9. 2,428, of 31,497 pensioners not accessed monthly pension by 24/Mar/2010.	unnecessary accumulation of arrears; Ministry set up pre-verification unit to improve client communication.
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Source: Daily Monitor, New Vision & Observer Newspapers

The delayed access of pensioners to their monthly pension of up to 3 years instead of stipulated 6 months is beyond explanation. AG report gave timelines as 16 months instead of 14 days to acknowledge receipt of application forms, 23 and 30 months to access pension payroll by traditional civil servants and teachers respectively. It is also noted that even after approval of pension payment there is an extra 8 months to effect it. The claim of no money does not hold as it has been shown that a lot is leaked out to ghost pensioners. The pension payroll cleaning has not yet received its required due attention to plug the massive leakages of money, which monies would be used elsewhere, like in enhancement of salaries. It can therefore be concluded that there is still poor performance in the pension department of the Ministry.

A number of recommendations to mitigate these problems were also suggested that included the installation of an integrated personnel payment system to take care of user requirements, proper records management which enables easy filing and retrieval of pension records as well as pension information and query desk. Though the ministry has adopted many of these, there does not seem to have been any marked improvement in performance.

CHAPTER 6 THE OFFICE OF THE AUDITOR GENERAL

6.1 Introduction

This chapter covers summaries, interpretations and analysis of the findings on the study of the OAG. As noted earlier, the OAG was part of the mainstream public service up to 4th October 2008 when it became autonomous. This was a result of the enactment of the National Audit Act, 2008. This autonomy brought with it an enhanced salary to enable the OAG ably meet the expected results and to provide an improved performance and service delivery. The chapter therefore shows the OAG performance post and pre-autonomy. It answers the question as to whether enhanced salary leads to improved performance and service delivery and hence the relationship between the two.

6.2 History of Office of the Auditor General

As with the rest of the public service, the OAG (External Audit function) history can be traced back to the 1900s, when it was an extension of the Directorate of the Colonial Audit Office based in London. Up until 1920, the accounts of the Uganda Protectorate Government were audited by a team of auditors from the Colonial

Audit Office in London with the Uganda Office being established in 1929 and headed by Mr. R. H Carter at a rank of Auditor. In 1952 the Headquarters of the office moved from Entebbe to Kampala the new capital city and had Mr. Haywood appointed as the Auditor General (OAG, 2008).

At independence in 1962, the Office became the Supreme Audit Institution of Uganda headed by the Comptroller and Auditor General (AG). During that time, there were three regional offices namely; Entebbe Branch for Central and Western Regions, Mbale Branch for Eastern and North Eastern region and Gulu Branch for Northern and North Western region (OAG, 2008). Currently the OAG has nine (9) regional offices situated in Arua, Fort Portal, Gulu, Jinja, Kampala, Masaka, Mbale, Mbarara and Soroti to enable it adequately handle the increased volume of work and to extend audit services closer to the Local Governments. Moroto and Hoima regional offices are in the pipeline (OAG, 2013).

There have been five Auditors General since independence. Mr. Night who was the last British AG handed over to Mr. G.H. Kabiswa who became the first African AG of Uganda in 1968 and served up to 1975. He was followed by Mr. Leo Outeke from 1975 to 1992 and Mr. James Kahooza 1992 to 2001 who in turn was followed by Mr. John F.S. Muwanga the current AG (OAG, 2008). All this time the OAG was functioning under the Ministry in-charge of Finance.

6.3 The OAG Mandate

The Office of the Auditor General (OAG) is the Supreme Audit Institution (SAI) of Uganda. It is mandated under Article 163(3) of the Constitution of the Republic of Uganda and Section 13 of the National Audit Act, 2008, to audit and report to Parliament, on the public accounts of Uganda and of all public offices, including the courts, the central and local government administrations, universities and public institutions of like nature, and any public corporation or other bodies or organizations established by an Act of Parliament. It is also to conduct financial and value for money audits in respect of any project involving public funds.

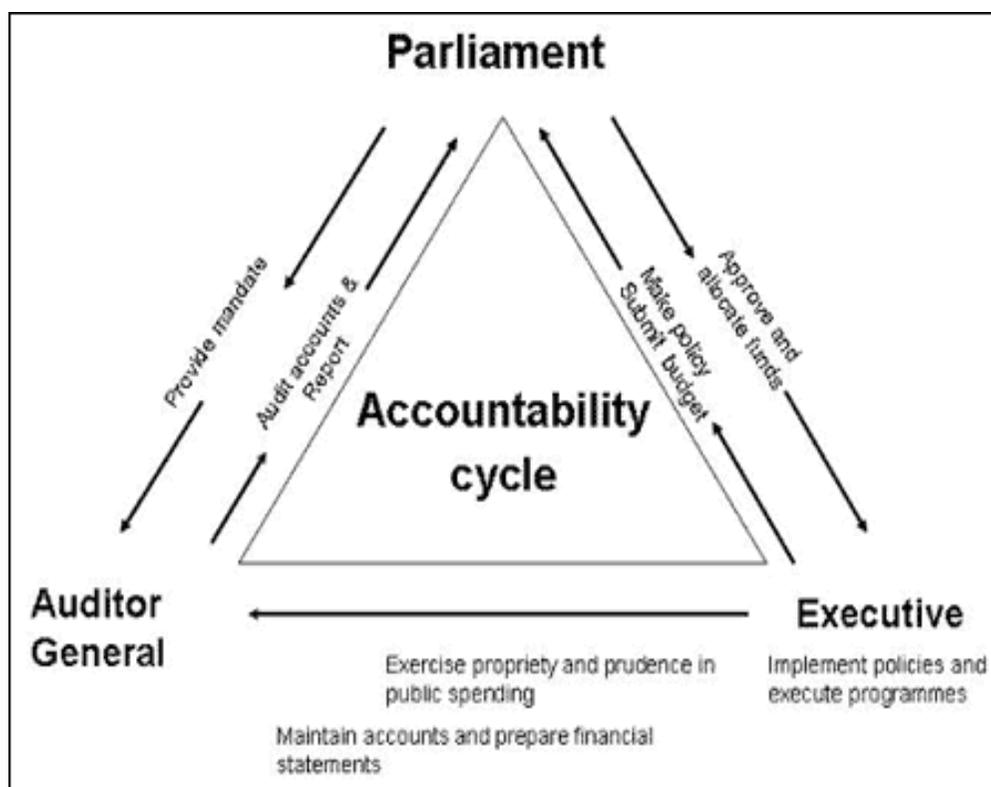
The Constitutional mandate of the OAG is amplified by the National Audit Act, 2008, which has among other things enhanced the financial and operational independence of the Auditor General.

The OAG's annual performance report (2013) states her mission as "To audit and report to Parliament and thereby make an effective contribution to improving public accountability and value for money." This is also underscored through the attainment of her core values that are Integrity (uprightness and honesty), Objectivity (impartiality) and Professional Competence (diligence, proficiency and team spirit). Additionally, in all its operations, the OAG conforms to values and

principles of the International and regional external audit bodies, the INTOSAI and AFROSAI-E respectively. By this it benchmarks and ensures that it stays in tandem with the best practices globally.

In her adherence to these core values and principles in the pursuance of her mission, the OAG provides assurance that the taxpayer's money is being spent wisely. It is as well helping these organisations to be in control of their costs, manage their risks, have adequate information about their performance and also understand how their services can be delivered most cost-effectively. In a way, the OAG can be likened to playing a big brother role of watching over these Ministries, Departments, Agencies and Local Governments.

Figure 11: Illustration of the role of the OAG - Accountability Cycle



Source: OAG website

The above figure 11 illustrates OAG’s role in the Government accountability cycle. It should be noted that the key role in the raising and expenditure of public funds by the Government is subject to authorization and control by the Parliament of Uganda. The Executive, and indeed the entire Government, while incurring expenditure of public funds in service delivery, is required to exercise commitment and expenditure control and ensure efficiency and economy of operations in accordance

with the intentions of Parliament. They are also required to prepare accounts and financial statements. It is these accounts and financial statements that are then audited by the Auditor General whose reports are then tabled in Parliament. The accountability cycle ends here with the review of the Public Accounts and the AG's Reports by the oversight accountability committees of Parliament which are the Public Accounts Committee (PAC) for Central Government, the Local Government Accounts Committee (LGAC) for Local Governments and Committee on Statutory Authorities and State Enterprises [COSASE] (www.oag.go.ug). These OAG Reports are only meaningful when tabled and discussed in Parliament with their recommendations enforced, as well as the audit entities adopting and implementing them rigorously. Then, it can be said that there is indeed service delivery.

6.4 OAG Move to Autonomy and her Performance

With the amendment of the Constitution in 2005, the OAG was removed from the domain of the mainstream Public Service. Her years of operation as part of and under the ambit of the Ministry of Finance, Planning and Economic Development as variously named over the years had come to an end. The Parliament, as empowered to, then made laws to regulate and facilitate her functions which did operationalize the amendment and made her an autonomous institution under a new law being the National Audit Act (2008). This was with the continued insistence of the OAG to

have the Constitution provisions followed through and to be step with best practice world over of having a country's Supreme Audit Institution as fully independent and not under the direction of any authority.

This was in light of Article 163 (17) of the Constitution of Uganda (2005) which provided that Parliament shall make laws to regulate and facilitate the performance of the functions of the Auditor General. Further still, article 163 (3) (c) did apportion the AG with powers over OAG staff as it provided that the AG shall in consultation with the Public Service Commission, employ and discipline his or her own staff. The terms and conditions of service were implied and these were mentioned with the operationalization in the Act.

As stated earlier, the NAA (2008) came into effect on 4th October, 2008 and was inaugurated by the Speaker of Parliament on 17th October, 2008. The OAG Corporate Plan 2011 – 16 (2011: 11) emphasizes the fact that, the enactment of the National Audit Act, 2008 granted financial and operational independence to the OAG. The Act gives the AG autonomy to recruit, promote and discipline OAG staff and manage the budgetary process of the office. A major principle of the Act is for the OAG to operate as a body corporate and all the expenses incurred in the discharge of its functions are charged to the consolidated fund.

In this regard therefore the OAG now has leeway in formulation of her own work-plans with her budget no longer submitted as a component of the Ministry of Finance, Planning and Economic Development and within its budget limits as she is now independent and an autonomous agency. The previous position of the office of Auditor general was different from the practice adopted in other countries where the AG is funded through a direct parliamentary appropriation that does not require executive endorsement (Nkata, 2010).

The NAA, 2008, provided for all persons employed in the OAG prior to its commencement to continue as such with terms no less favourable. These, plus the salaries and other benefits are to be determined by the AG. In effect, they thus left the mainstream public service pay structure which as noted earlier is very low, is neither competitive nor attractive and is also not a motivator for better performance for improved service delivery. Further still, the AG was given powers to appoint, promote and discipline OAG staff in consultation with the Public Service Commission. In 2009 this was formalized and the OAG staff were delinked from the mainstream Public Service. Under Establishment Notice No. 1 of 2009 OAG was declared “Other Public Service” in accordance with the Pensions Act (CAP 286).

In 2007, and as a precursor to the OAG's leaving the mainstream public service, there was a very large enhancement of the pay/salary for OAG public servants as part of the on and off selective pay awards by the Government. The OAG Annual Report 2007/2008 (2008:23) states that for purposes of motivating OAG staff to produce expected results they were paid enhanced salaries and wages with effect from October 2008. A comparison is made between the pay levels as indicated in the table 21 below.

Table 21: Comparison of Pay levels between Public Service and other Public Agencies

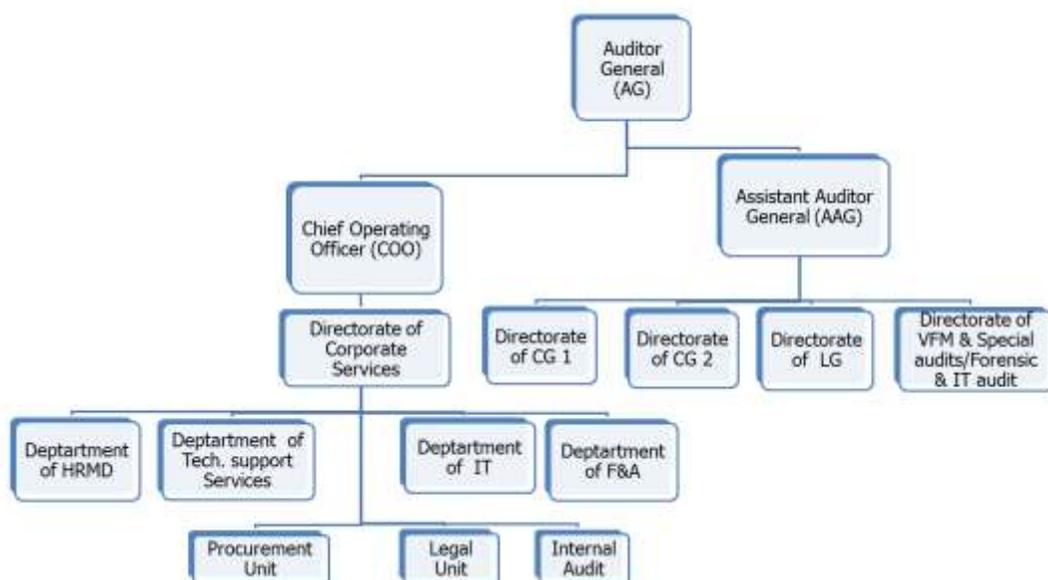
Scale	Amount in UG SHS				
	Public Service	NDA	NSSF	BOU	Auditor General
U1S	2,404,846	7,180,390			24,300,000
U1SE	1,965,269	5,239,454			16,000,000
U1E	1,357,139	4,403,081			11,869,498
U1	1,327,902		11,083,333	24,159,520	6,333,333
U2	1,199,462	3,131,120	8,266,523	11,492,096	5,910,782
U3	888,426	2,487,475	6,165,599	7,595,557	3,328,777
U4	705,621	1,984,117	4,598,621	5,207,356	2,700,000
U5	449,338	1,465,367	3,429,889	3,591,280	1,954,981
U6	256,705	1,156,070	2,558,189	2,438,479	1,443,127
U7	205,913	944,541	1,908,029	1,940,728	1,187,200
U8	129,217	654,276	1,423,107	1,135,347	956,430

Source: Ministry of Public Service, 2006; NSSF, August 2009; Bank of Uganda, July 2008.

Source: MPS: Policy Paper on the Transformation of the Uganda Public Service, March 2011

The OAG is headed by the Auditor General appointed by the President with the approval of Parliament under Article 163(1) of the Constitution. The Auditor General is deputised by the Assistant Auditor General (AAG) and supported by the Chief Operating Officer. The OAG is organised into three Financial Audit Directorates of Central Government 1, Central Government 2 and Local Governments/Authorities. The OAG has a separate Directorate for Value for Money and Specialised Audits/Forensic & Information Technology Audit and lastly Directorate of Corporate Support Services. This is as illustrated in her macro structure in figure 12 below. The total staff establishment is 481.

Figure 12: The OAG macro structure

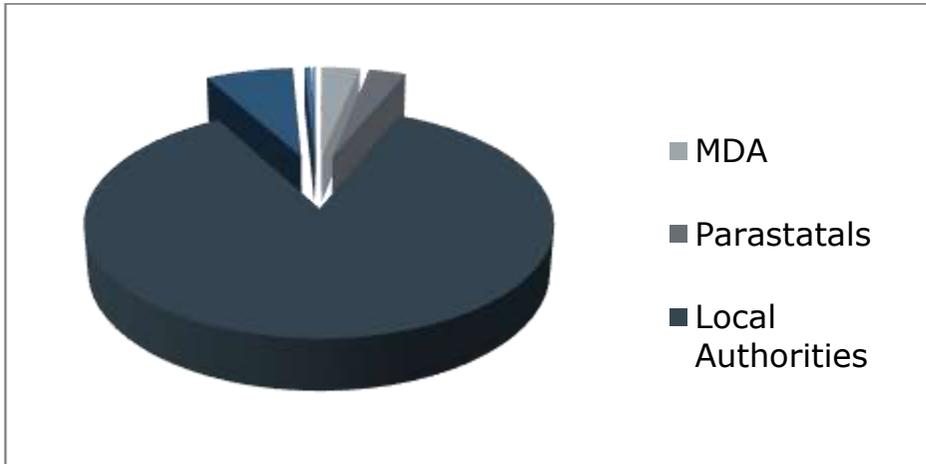


Source: OAG website

However the staffing of the OAG is still said to be inadequate in light of the National Audit Act. The National Audit Act (NAA) 2008 not only granted OAG greater autonomy and increased resources to undertake the audits of all public accounts of Uganda, but also increased the scope of the audits to be undertaken to include audit of public funds in private organizations, gender and environmental audits, procurement audits, audit of Government investments and audit of treasury memoranda besides the statutory financial and regularity audits, and Value for Money [VFM] audits (OAG, 2011).

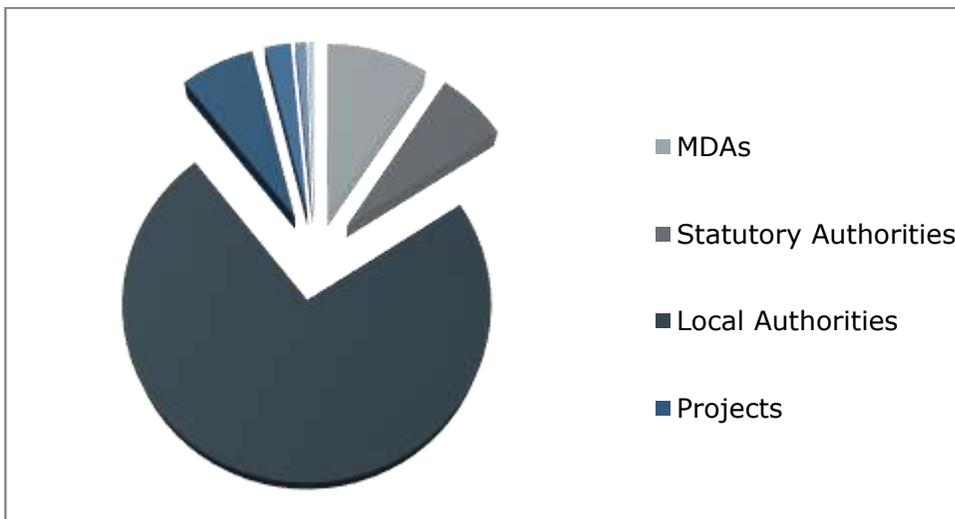
These added responsibilities and scope of audits had to be taken on board with officers assigned to undertake the said activities which necessitated structural re-organisation in the OAG. Thus during the FY 2013/14, a fully-fledged Directorate of Forensic Investigations and IT Audits, with a staff compliment of 47 was established, to carry out extensive examinations and investigations of irregularities and their underlying records in high risk entities and reported cases (OAG, 2012:2). These changes in scope are as illustrated below by the pie charts for the FY 2007/2008 and FY 2012/2013 in figures 13 and 14 respectively:-

Figure 13: Illustration of Audits Scope – 2007/8



Source: OAG report 2007/8

Figure 14: Illustration of Audit Scope – 2012/2013



Source: OAG report 2012

The existence of her second Corporate Plan 2011 – 16, depicts the OAG as a strategic entity that takes stock of past experiences, building on them to forecast and influence her future survival and sustainability, as well as performance, for improved public service delivery. It has broken from the past as noted here. “In the late 1980s, there were significant delays in reporting to parliament with backlogs of several years, which circumscribed the scope for identifying and acting on corrupt practices. The AG lacked qualified staff and used out-of-date methods for collecting and analyzing public expenditure data. Over time, the AG was able to recruit more capable staff with accountancy qualifications and to modernize systems through computerisation and the development of modern auditing methods” (Nkata, 2010). The 1990s and early 2000s were more-or-less the same.

The performance of the OAG for the period 2006/7 – 2012/13 is shown in the table hereunder. From the year 2007, even before the attainment of autonomy, but when there had been an enhancement in pay from 2007, there was already a marked change in performance at 89% compared to the 54% of the previous FY 2006/7. Then there is a spike in planned audits of accounts for the FY2008/9 which was due to the added audit arrears of especially LLGs accounts of the Financial Years 2004/2005 and 2005/2006, and thus the 48 percentage dip in performance. These

audit arrears speak volumes of the performances of the then OAG in the years prior to 2006/7, and they should have been below the 54% registered that year.

But from after the 2008/9 dip, the OAG performances were seen to have steadily picked up from there on. With the enhanced salary, the staff were more motivated to undertake their work, and even all the audit arrears in one go as seen in FY2008/9. In the FY 2010/11 and 2012/13, they surpassed the planned audits with 125 and 107 percentage performance rating. These performances are as below in table 22.

Table 22: Performance of the OAG 2006/7 - 2012/13

Year	Planned Audits	Completed Audits	Percentage Completed (%)
2006/7	1314	705	54
2007/8	2776	2471	89
2008/9	4,260	2,051	48
2009/10	3,463	2,368	68
2010/11	1,888	2,351	125
2011/12	1,805	1,627	90
2012/13	1,061	1,136	107

Source: OAG reports FY 2006/7 – 2012/13

In the FY2010/11, the OAG undertook automation of audit processing to now computerized audit tools in financial audit. Seventy five percent (75%) of audit staff were using teammate audit software. She also set up a Quality Assurance unit in accordance with International Standards of Supreme Audit Institutions (ISSAI) 40, which requires this to maintain an appropriate quality control system which covers all work (OAG, 2011). These have gone a long way in enabling the OAG to timely conduct quality audits and produce their reports as can be seen in the table above.

In the FY2011/12, the OAG established a Parliamentary Liaison Office so she could adequately and exhaustively engage her primary key stakeholder. This would coordinate all activities be it meetings or requests for technical guidance, information or clarification on any matter in a timely manner. This has enhanced her relationship with Oversight Committees of Parliament to ensure that Government accounts for public resources used in provision of public services.

She also came up with an initiative of the Production of Summarized Sector Audit Reports for dissemination to the respective sector secretariats and other stakeholders. This was aimed at facilitating peer reviews in these sectors and tracking their performance in addressing issues raised in the respective audit reports (OAG, 2012). These have all improved the service delivery of the OAG and projected her image

positively in the public domain as well given the availability and dissemination of this accountability information.

To attain and sustain these excellent performances, as well as her core value of professionalism, the OAG has over the years attracted, and also undertaken to develop, staff with professional skills and competences. The office undertook sponsorships of her Auditors to attain professional qualifications in accounting and more so the ACCA²⁵ qualification and membership. This has enabled the OAG to grow her stock of Professional Accountants as shown below in table 23:-

Table 23: Trends in the number of Professional Accountants since 2004/5

Year	No. at beginning	Increment	No. at end
2004/2005	48	4	52
2005/2006	52	6	58
2006/2007	58	5	63
2007/2008	63	7	70
2008/2009	70	6	76
2009/2010	76	7	83
2010/2011	83	15	98
2011/2012	93	9	102
2012/2013	104	2	106

Source: OAG report 2012/13

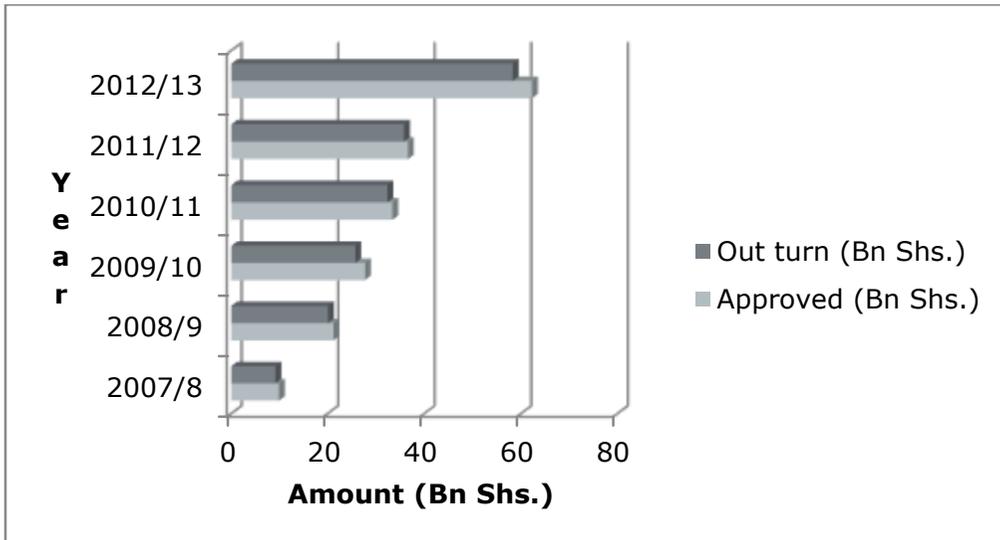
²⁵ Association of Chartered Certified Accountants

In light of these endeavours at professionalism, the OAG attained international recognition and received ACCA accreditation (ACCA Certified Employer Certificate) as third government institution in Uganda. Approved Employer status is an international standard of recognition for an organization's training and/or development that acknowledge the employer's high standards of staff training and development. In the furtherance of this ideal, technical cooperation Memoranda of Understanding (MOUs) were signed with the Swedish NAO and OAG Norway, the latter mainly for capacity building in petroleum audits in light of the country's recent discoveries of oil (OAG, 2011).

Since her autonomy, the exhibition of excellent performances every year has shown a good return on budget allocations to the OAG, and to facilitate and maintain all this improved performance, her budgetary requests, though increased, have always been approved and duly provided. As noted by the AG in the foreword to the OAG Annual Report 2007/2008 (2008:7), "the newly formed Directorate of Finance and Administration were faced with consolidating and presenting the OAG budget which had more than quadrupled to stand at shs.21 billion. It was a daunting experience for them which they successfully managed to achieve and obtain the requisite Parliamentary approval of the budget." Consequently the allocations have

been on a steady positive increase since as shown in her Budget performance in figure 15 below:-

Figure 15: Showing OAG budget performance for period 2007/8 - 2012/13



Source: OAG reports 2007/8 – 2012/13

The 'out turn' is how much of the 'approved' budget was actually released to and spent by the OAG which shows an over 95 percent allocation of requested budget. This means the OAG was very well funded to undertake her activities as planned and budgeted.

The OAG adopted and actually implemented the use of Results Oriented Management (ROM) and an open performance appraisal scheme as management

tools (OAG, 2008). ROM requires specifying strategic objectives and key outputs based on the mission which are then cascaded to the departmental and ultimately to the individual level. This enabled every officer to know how their individual, and then team, contribution linked into the section, department and then overall mission and plans of the OAG. This was tied in with the open appraisal system wherein each officer's yearly plan and targets were set together with their supervisor at the start of the assessment period. At the end of the period, an open and frank appraisal meeting was conducted that provided for the officers self-assessment alongside that of the supervisor. From this an agreed action plan is set to guide the next assessment period. This a departure from the earlier closed performance appraisal system of 'Annual Confidential Reports' where only the supervisor rated the officer and they never got to know how they were rated.

The OAG was able to improve her internal and external communications to raise her profile with all stakeholders. By setting up an intranet (intranet.oag.go.ug) and a Wide Area Network linking the Head office to the regional branch offices, there was eased in-house real time communication for consultations as well and a cost cutting in regard to paper usage and time. A weekly newsletter as well as the OAG quarterly bulletin were introduced that served the external stakeholders and clients (OAG, 2008).

The audit reports have had major findings that were carried by the media with some of them leading to prosecutions and convictions. For instance the Ministry of Local Government (MoLG) fraudulently paid 40% (US\$1,719,454) of Letter of Credit for supply of 70,000 bicycles for the Chairpersons of Parish and Village Councils before their supply and delivery. Then also a special audit undertaken in the MPS on the financial impropriety of pension funds established that a number of financial controls were circumvented and as a consequence, an estimated amount of Shs 165bn was misappropriated, of which Shs 93bn was related to the FY 2011/12 (OAG, 2011 & 2012). These came to be famously referred to as the ‘Ghost bicycle’²⁶ and ‘ghost pension’²⁷ cases. Other cases involved Shs.32,353,289,676 and Euro.2,474.5 paid to various contractors for unexecuted works and an unaccounted for expenditure of Shs17,040,364,920 identified in Local Governments in the FY2012/13 (OAG, 2013).

There was also an audit observance of the continued payment of various irregular allowances like the consolidated allowances, weekend allowances and monthly allowances to cater for extra income for staff by a number of Accounting Officers

²⁶ Kiyonga, D & Lubwama, S.- *Kashaka: 10 years for ghost bicycles*, Observer newspaper: 18/7/2014.

²⁷ Candia, S. & Masaba, S. - *Sh165b paid to ghost pensioners*, New Vision newspaper: 1/1/2013.

(Permanent Secretaries). They are not activity based but purely to motivate public servants given that government had failed to implement the pay policy of 2006 due to financial constraints. The MPS and MFPED were advised to find a viable course of action to address the pay and salary issue (OAG, 2013). This has thrown more light on the plight of the public servants. It is done out of realization of the very low salaries paid and in order to get their officers to perform better and thus attain improved public service delivery, the allowances are paid to try to bridge the salary pay gap and make for a 'win-win' situation.

However, in the pursuit of her mandate the OAG has also faced a number of challenges. These included Auditees not responding in time like by way of late submissions of financial statements and accounting records as well as responses to management letters which delayed audit reports. There was an increased size of mandate given the ever rising number of auditees and more so Local Governments (districts). There was also a shortage of office space and short notice of PAC meetings.

These challenges have been continually addressed as they arose as shown in her performance and initiatives addressed earlier for instance through the automation of auditing and the establishment of the Parliamentary Liaison Office. In the FY2011/12, the OAG was able to secure funding for the building of her own head

office (Audit House) to be comprised of 10 floors with 3 basement parking floors. This shall aid check the challenge of managing and physically controlling staff such that their independence is not compromised (OAG, 2012). This Audit House shall also cut back on need to rent office space given that OAG staff that had been housed in the Ministries they audited were recalled, and offices rented for them, as their independence there was threatened. This is in comparison to most ministries that were still renting their office space to-date.

CHAPTER 7 CONCLUSIONS AND RECOMMENDATIONS

7.0 Conclusions

In this chapter, after all the analysis and findings, the study then looked back at the two key issues or questions in the research framework that were whether salary enhancement improves performance and hence service delivery, as well as whether the government claim that it does not have the resources for this holds true. These new findings could then inform the efforts and new policies for the furtherance of improved service delivery in the public service.

7.1 Analysis of conclusions

From the analyses conducted above, it was concluded that the performance of the mainstream public service, as depicted by the content analysis of the newspaper articles, was poor for both the pre and post-autonomy periods of 2003 – 2008 and 2009 – 2013 respectively. This was done through the analysis of the payroll management function as shared between the MPS and MFPED. The function was segregated into salary and pension payroll management concerns.

It was observed that salary payroll management was plagued by the issues of Ghost Salary; that led to the need for Payroll Cleaning and also added the incessant salary delays; Bloated Structure and Salary Distortions. Pension payroll management on its part had the issues of Ghost Pension that then needed Payroll Cleaning and its attendant pension delays. These problems and issues had worsened in the period from 2009 – 2013. The Monitor editorial (25th August 2012) noted that officials from the MPS said the number of ghosts - duplicate or falsified names on the government payroll, may be as high 40,000 which is more than ten percent of the public servants. An October 2006 MPS report but only made public in 2009, found as many as 1 in 10 public servants was a ghost, costing tax payers as much as Shs1.6 bn per month through that leakage.

On the other hand, therefore these also provided the sources of the resources from which monies would be saved to contribute to the much needed salary enhancement and thus did away with the Government claim of no resources. The salary distortions with those public agencies out of the mainstream having much higher salaries were also indicative of the need for enhanced salary.

The study of the OAG on its part showed poor performance of the OAG when still part of the mainstream public service (pre-autonomy) and then a steady improved

performance rising to even excellent performance, beyond their set targets, after attaining autonomy (post-autonomy). This showed that there is a significant relationship between an enhanced salary and improved performance and service delivery.

7.2 Salary enhancement, improved performance and service delivery

There is a marked improvement in the performance of employees when their salary is enhanced. Although some would still wish to attribute it to other factors like their independence guaranteeing less or no political influence, and also the organization being better funded through the larger budgetary allocations among others.

However, take an instance where the funding is increased without salary enhancement. This would foment the same old scenario and vicious cycle with corrupt tendencies (bribery, embezzlement, diversion, stealing government property and cheating office hours) and their leakages as pertained in the mainstream public service as there would just be a larger budget from which to siphon for self-enrichment at the expense of actual service delivery.

And the same is true for independence, since many a time it would be compromised by promises of financial reward or otherwise to the very lowly paid public servant. According to Fjeldstad (2003: 172-173) the creation of a “proclaimed autonomous revenue authority with comparatively generous remuneration packages and substantial budgets does not protect the authority from political interference. To the contrary, as observed in the Uganda, it may make it more attractive target because the authority offers both relatively well paid jobs and considerable rent-seeking opportunities. Consequently, such an authority is vulnerable to political interference, especially in personnel matters”²⁸. Wouldn’t it then be better to spread out the competitive salary across the entire public service?

As noted earlier, the 3rd National Integrity Survey (NIS III) 2008, ranked greed and low salary as the first and second leading causes of corruption while NIS II (2004) had them in the reverse order as leading causes of corruption. Low salary fuels corruption, and when it spreads across the public service as more-or-less institutionalized with those involved getting away with it, it then breeds greed since can now engage in the corrupt acts with impunity. The stories of transfers and re-deployments being fought as well as the few convictions in the prosecutions of corruption cases does give mileage to corruption.

²⁸ In Ayee, 2005: 29.

Salary enhancement is therefore a shot in the arm as mitigation against corrupt tendencies which hamper service delivery on the one hand but should not lose sight of it also being a motivator. This draws us back to the motivation theories and to Maslow's hierarchy of needs in particular. There may be no agreement with regard to the issues of whether there actually exist levels of needs or have them all at same time but in varying degrees and whether have to meet all these needs, but the level of physiological needs has wide agreement. This covers the basic needs for survival which require to be met and thus work and employment to enable one earn an income or salary to meet these needs. So, in light of the rising costs of living making it unbearable for public servants to survive on their low salary and which affects their performance, there is thus the need to enhance the salary.

Then the fact that the government tends to pay its officials in the other public agencies like the OAG, salaries at those higher levels is based on the notion and fact that those amounts shall provide the officers a commensurate compensation for their work as well as afford them a comfortable life. So the question goes begging as to why those in the mainstream public service are treated like second rate officials but from whom the same, and even better, level of performance and service delivery is required.

These organisations are able to set and adjust their terms and conditions of service (salary inclusive) out of the talk of need to attract the best and most competent people, which the public service also needs. This is added to their smaller sizes which makes the wage demand not as threatening as the bloated mainstream. It is therefore unfair and not right to compare the performances of the two having paid one very well (competitive salaries) but then still blame the other for poor performance well knowing the contributory fact and having failed to address it.

7.3 The lack of resources for salary enhancement

The government claims it does not have the resources to enhance the low salaries of its staff in the mainstream and as discussed above, these other public agencies are able to have that enhanced and competitive salary because of their relatively smaller sizes. This has created serious salary distortions and discrepancies that are an added de-motivator to the public servants in the mainstream. The argument advanced for this discrepancy is that selective pay is necessary for certain categories of staff in particular institutions. However, it should be noted that the efficacy of institutions such as the Auditor General or the Judiciary depend on the entire Civil Service Infrastructure. For example, the efficiency and effectiveness of Prosecutors (Judicial Officers) depend on the Police who carry out investigations yet, the latter are poorly

paid. It is therefore not surprising that the police officers have been reported among the highly corrupt public servants (Republic of Uganda, NIS III 2008)²⁹.

There is thus a need to ensure an enhancement of the salaries for the mainstream as well given that for its efficacy (government as a system) all her parts have to be functional. The resources for this can be generated from plugging the enormous unfettered leakages from the consolidated fund occasioned by the rampant corrupt tendencies let alone the ghost workers with the accrued ghost salary and ghost pension.

Even the bloated structure of the public service for instance through the creation of the multiplicity of districts under the guise of bringing services closer to the people was not necessary. To borrow a leaf from Ghana, where service delivery centres were created instead, there would be savings in public administration expenditure on the rank and file in those districts and the non-wage expenditure attached to them as well. These could then also be partly used to enhance the salary of remaining public servants³⁰

²⁹ Policy Paper on the Transformation of the Uganda Public Service, Ministry of Public Service, March 2011, p 29.

³⁰ Policy Paper on the Transformation of the Uganda Public Service, Ministry of Public Service, March 2011, p 59-60.

7.4 Policy Recommendations

After this study and since was proven that salary to an extent does contribute to improved service delivery through improved performance, there is need for policies and measures to be set into in to play for the attainment of improved public service delivery. These are for both short and long term implementation.

There would be a need to plug the leakages of government resources from the consolidated fund, by way of the corrupt tendencies among others, as it is the savings from these monies that could then be contributed to salary enhancement of the public servants. These could mainly be done in short term.

Therefore, in light foremost, of the improved performance of the OAG, her audit reports that have even increased to a wider scope should be followed up on. The parliamentary committees that consider her reports should cause the entities so audited to respond to her findings and implement the requisite recommendations for the more efficient and effective management of government resources allocated to them. The reports and investigations on public accountability and use of government resources from other agencies should also be taken in the same light.

The government efforts in fighting the corrupt tendencies that include bribery, embezzlement, diversion of public resources, stealing government property and cheating office hours should be effective. It is not enough to have many institutions in name only, if from their investigations, reports and prosecutions no convictions are registered and due sanctions administered. This shall only aid impunity as the anti-corruption agencies are viewed as mere barking dogs with no bite.

To take this on, there shall be a need for strong selfless leadership and political will not to let the corruption that is bleeding the country develop strong roots and become systemic. As carried in the Observer newspaper (31st August 2012), Uganda is the most corrupt with the highest levels of bribery in East Africa according to the East African Bribery Index 2012, a survey by Transparency International. The survey revealed that, at 40.7%, Uganda has the highest bribery levels in the region, followed by Tanzania (39.1%), Kenya (29.5%), Burundi (18.8%) and Rwanda (2.5%). Uganda was at 38% in the previous year, 2011 and is getting worse therefore. The 2013 Transparency International Corruption Perceptions Index had Uganda at a score of 26 on a scale of 0 to 100, down from 29 in 2012, meaning it has worsened³¹.

³¹ Nelson Wesonga, *Graft ranking: Uganda worsens*, Monitor newspaper, October 7th 2014, Kampala, Uganda.

Payroll management should be decentralized to the Ministries and Local Governments. The Accounting Officers in the respective entities should be given the responsibility for the final sign-off on salary and pension payments and then duly held accountable for any ghosts that appear on their payrolls. This shall also do away with the problem of delayed salaries arising out of unceasing payroll cleanings and audits.

The payroll cleaning could be outsourced to be more effective. For the current undertakings seem like having the same people who put the names on the payroll in the first place, being called upon to audit themselves. The way it is handled has caused delayed salaries and even had the genuine workers removed from the payroll.

Then also, notwithstanding the de-linking of staff, the policy on transfers should be made more effective. Officers should be rotated amongst the different government ministries and they should not be allowed to over stay in particular areas. This shall help in the reduction of corrupt tendencies and the impunity in their acts.

For the long term, firstly, the ever increasing size of public administration through the multiplicity of districts and duplicity of agencies should be reined in. As with the Ghanaian example, and more recently Kenya, bringing services closer to the

people can be done through the establishment of services centres instead of the district units. This does cut back on expenditures on what would have been the numerous officers' wage and non-wage expenditures.

It is also observed that in comparison to other countries, Uganda's decentralization and Local Government system is considered to be too permissive in the process of authorizing the creation of new districts where districts vote to sub-divide and Parliament can approve this. In other countries rigorous evaluations are done and the decision may be left to an independent Demarcation Board or other legal safeguards. (IMF, 2005)

Rationalisation and mergers could also be pursued of the agencies with duplicated roles, let alone those that are just unnecessarily large, that would also go a long way in reducing the bloated structure of the public service and its heavy burden on public expenditure.

There is also a need for the harmonisation of salaries across the entire public service to get rid of the salary distortions. This should be pursued as stated by Prof. Augustus Nuwagaba that "In 2010, I was contracted by the Ministry of Public Service to produce a policy paper for the Transformation of the Uganda Public Service. Among the major recommendations I made was a establishment of a Salaries Commission whose main mandate would be to streamline the salary

structure in Uganda. This commission should be an independent body with powers to determine the remuneration of all Ugandans who are paid from consolidated fund.”³²

Additionally, the tax base should be increased and so too the enforcement. For it is seen that “...the problem is not simply lack of money as the Governor of the Bank of Uganda comments, if the President so wished, he could have found money for salary increases, but the President was not willing. The President, for example, is unwilling to raise taxes in order to increase salaries.” (Kiragu and Mukandala, 2003:185). Then it is also noted that in May, the Uganda Revenue Authority (URA) had issued a list of Uganda’s 1,000 tax defaulters. Mr Authur Larok the country director Action Aid Uganda said that if government recovered the money lost through tax evasion, the country would recover a quarter of the current budget³³. This latter intervention of catching up with tax defaulters can also be for short term implementation.

This pursuit for salary enhancement for improved service delivery should be done alongside other human resource management interventions such as performance management and the building of skills and competencies through training, as well as

³² Nuwagaba A., Daily Monitor newspaper, 9th September 2011.

³³ Kafeero S., New Vision newspaper, 9th July 2014.

other interventions, but it should not be given a back seat, rather a front seat. This more so in the case of the Uganda mainstream public service where the cost of living has outstripped the salary paid.

7.5 Limitations

During data collection, there was a hindrance in obtaining specific information related to the performance of the OAG prior to her autonomy given the reliance on on-line sources which were inadequate for the earlier periods.

The long distance and cost implications between South Korea and my home country also limited me from exhaustively extracting all the necessary information.

By using content analysis, and as it is with other researches, there arose the issues of validity and reliability which refer to choices between depth and specificity respectively. In the coding, i sought to use both manifest and latent coding, though mainly latent. The former looks at the visible surface content, say a word(s) and how many times it appears in a communication thus specificity and reliability, while the latter opts for the underlying meaning of a communication by reading the entire communication or samples of it and then making an overall assessment thus depth and validity. Here it is seen that even if you did all of the coding by yourself, there is no guarantee that your definitions and standards will remain constant throughout

the research. Moreover, other readers of your research report will also likely be uncertain about the definitions you've employed (Babbie, 2010:338).

7.6 Areas for further studies

I having sought to disclaim the argument of there not being resources (no funds) for the salary enhancement and concentrated my study on only the area of payroll management and the ghost worker phenomenon mainly, other areas from which resources can be realized were not engaged in to. These areas could be pursued with enough resources and time.

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APPENDICES

Appendix 1: Daily Monitor Newspaper Articles used

Monitor News Articles (71)						
S/N	Day	Month	Year	Length	Title	Author
1.	11	8	2007	638	Rwandan ghosts shock Museveni	David Kibirige
2.	16	5	2008	1238	Who needs a mafia cabinet? The next president shouldnt	Angelo Izama
3.	26	11	2008	1481	RDCs earn 1.4m/= more than doctors	Tabu Butagira
4.	26	11	2008	682	Salary gap: Museveni attacks Monitor	Tabu Butagira, Ayub Kakaire and Alex Nsubuga
5.	9	2	2009	455	Report: 1 in 10 govt employees a ghost	Yasiin Mugerwa
6.	25	9	2009	362	Halting pensioners pay raises more issues	Editorial
7.	7	5	2010	929	All constituencies should be districts	Stephen Mugeni Wasike
8.	8	5	2010	1019	The rotten deals of ghost teachers	Richard Wanambwa
9.	20	5	2010	172	AG exposes fresh rot in pensions department	Yasiin Mugerwa
10.	2	6	2010	694	AG pins Public Service over accumulated pension arrears	Benon Herbert Oluka
11.	8	8	2010	317	Mulago investigates ghosts	Chris Obore
12.	6	10	2010	523	Economics don urges govt to double civil servants' salaries	Jacobs Seaman Odongo
13.	15	11	2010	1858	The thorny issue of poor pay in the poverty puzzle	Augustine Nuwagaba (Dr.)
14.	8	12	2010	290	64 ghost workers unearthed on Mulago Hospital payroll	Flavia Lanyero
15.	1	6	2011	487	Inflation pushes salary demands even higher	Monitor Reporter
16.	18	8	2011	959	KCCA boss wants to be paid	Yasiin Mugerwa

					Shs43m	
17.	19	8	2011	368	MPs pour cold water on city boss' Shs43m salary demand	Yasin Mugerwa and Mercy Nalugo
18.	22	8	2011	313	A case of misplaced priorities?	Monitor Reporter
19.	22	8	2011	683	Massive inequalities in government pay	Emmanuel Gyezaho
20.	24	8	2011	655	Salary harmonisation: Copy Ghana model	Emmanuel Gyezaho
21.	9	9	2011	704	Government must rectify the salary imbalance in public sector	Augustus Nuwagaba (Dr.)
22.	11	1	2012	510	7,000 teachers have not got two months' salary	Al-Mahdi Ssenkibirwa, Pateince Ahimbisibwe and Sam Opio
23.	20	2	2012	1255	28 months and Shs7bn, UPE probe closed with nothing to show	Richard Wanambwa
24.	16	3	2012	837	We need a logical salary scale based on competence	John B. Kakooza
25.	21	3	2012	428	Kabarole spends Shs300 million on ghost workers, says report	Geoffrey Mutegeki Araali
26.	27	4	2012	1194	Imbalances in public service salaries create discomfort	Flavia Nalubega
27.	22	6	2012	304	Shs70 billion paid to ghost workers	Isaac Imaka and Mercy Nalugo
28.	20	7	2012	465	Union Drags Gov't to Court over Unequal Salary Structure	Dear Jeane
29.	25	7	2012	368	Shs50m per month for oil authority boss	Isaac Imaka
30.	25	8	2012	352	Payroll clean-up is a good albeit tiny step	Editorial
31.	12	8	2012	408	100 Mulago workers scrapped off payroll	Ismail Musa Ladu
32.	23	8	2012	374	What is the truth over teachers' July pay delay?	Abdu Kiyaga
33.	21	9	2012	559	Pension scam suspects bailed	Dear Jeanne

34.	18	9	2012	371	Ghosts: Time for reality check	Editorial
35.	24	9	2012	794	Teachers not paid for a second month running	Patience Ahimbisibwe
36.	12	10	2012	467	UPE graft report: Lubanga, Nkaada to be investigated	Patience Ahimbisibwe
37.	21	10	2012	705	Is there more to government decision to suspend pension to civil servants	Harold E. Acemah
38.	16	10	2012	335	EACBA leaders cite Public Service officials in pension scam	John Njoroge
39.	20	10	2012	266	Education bosses fail to explain 'ghosts'	Monitor Reporter
40.	15	10	2012	440	Decentralize the pension scheme to get rid of 'ghost' pensioners	John Vianney Ahumuza
41.	16	11	2012	299	Seven pension scam suspect out on bond	Dear Jeanne
42.	15	11	2012	345	Suspected pension money thieves released on bond	Dear Jeanne
43.	9	11	2012	79	Ministry responsible for 'ghost' workers	Felix Odongo
44.	5	11	2012	156	Cops' spouses demonstrate over salaries	Stephen Wandera
45.	16	11	2012	267	48,000 teachers not paid over wrong bank accounts	Patience Ahimbisibwe
46.	24	11	2012	783	How officials fought Obey transfer	Chris Obore
47.	26	11	2012	557	'1,000 teachers off payroll per month'	Patience Ahimbisibwe
48.	2	12	2012	410	'Ghosts' in Uganda have better living conditions than the rest of the people	Stephen Olukor
49.	16	12	2012	510	Police probe graft in their own ranks	Chris Obore
50.	7	2	2013	402	Civil servants cry out for January pay	Tabu Butagira and Patience Ahimbisibwe
51.	24	2	2013	2792	High profile corruption scandals	Faustin Mugabe

					registered under NRM	
52.	17	3	2013	483	10,000 civil servants to miss February salary	Dear Jeanne
53.	3	4	2013	677	There is urgent need to harmonise salary structures in government	William Nagagga
54.	24	4	2013	519	6,000 teachers back on government payroll, Minister says	Yasiin Mugerwa
55.	11	5	2013	1003	Woman loses husband to bullet wound due to delayed pension	Dear Jeanne
56.	16	5	2013	435	Museveni endorses pay raise for judges	Mercy Nalugo
57.	28	4	2013	413	Queries over variations in IGG accounting officer's pay	Richard Wanambwa
58.	18	5	2013	680	70-year-old man chasing after pension for survival not burial	Ghost pension
59.	30	6	2013	449	Lawmakers approve another Shs59b supplementary budget	Mercy Nalugo
60.	25	7	2013	887	Oil company boss to earn Shs51m monthly	Isaac Imaka
61.	28	7	2013	421	Government finally releases civil servants' salaries	Imail Musa Ladu
62.	5	8	2013	870	Ghosts: Computer section disbanded	Chris Obore
63.	5	8	2013	340	Government still stranded with 'ghost' workers	IsmailMusa Ladu
64.	25	8	2013	273	Payroll audit exercise kicks off	Olive Eyotaru
65.	28	8	2013	918	What it means to work without being paid	Patience Ahimbisibwe
66.	30	8	2013	724	Which way Uganda? This is the question in everyone's mind	Augustine Ruzindana
67.	25	9	2013	878	Coercion of teachers will only worsen the impasse	Gerald Karuhanga
68.	27	9	2013	693	New BPO market to create jobs	Stephen Otaga
69.	27	9	2013	209	Government should correct salary distortions	David Tigawalana (Dr.)
70.	23	12	2013	1276	Top crimes that rocked Uganda in 2013	Andrew Bagala

71.	28	12	2013	327	Establish remuneration commission for public servants	Crispy Kaheru
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Appendix 2: New Vision Newspaper Articles used

New Vision News Articles (87) 15 (72)						
S/N	Day	Month	Year	Length	Title	Author
1.	6	2	2003	129	Govt Loses Sh2b In Ghost Salaries	John Eremu
2.	27	2	2003	399	Public Service Salary Arrears Records Vanish	John Eremu
3.	27	5	2004	130	State ends ghost soldiers probe	Maurice Okore
4.	16	6	2004	854	Lakara objects to Mayombo	Maurice Okore
5.	29	8	2005	245	Clean payrolls, President orders	Felix Osike
6.	15	8	2005	233	Army ghosts case resumes	Maurice Okore
7.	8	8	2005	188	Ghost soldiers whistleblower held	Milton Opolot
8.	30	11	2005	1,468	Kazini charged over ghosts	Maurice Okore and Hillary Kiirya
9.	27	4	2006	197	Kazini, Lakara back in Court Martial	Maurice Okore
10.	19	9	2006	244	Public Service has 6,000 ghost workers - minister	Joyc Namutebi
11.	25	10	2006	105	Cops jailed over ghost workers	Paul Ocen
12.	19	5	2007	277	3,000 ghost soldiers discovered in UPDF	Chris Ocowun
13.	20	9	2007	367	146 ghost teachers in Mayuge	Paul Kiwuwa
14.	18	10	2007	1,560	Govt loses sh1 trillion	Mary Karugaba
15.	12	11	2007	419	Ghost teachers earn sh11b	Fortunate Ahimbisibwe
16.	5	12	2007	1040	Who is behind the ghost teachers?	Fortunate Ahimbisibwe
17.	25	3	2008	445	Payroll cleaning saves the govt sh21bn	Josephine Maseruka
18.	23	6	2008	261	Public Service fights ghosts	Fortunate Ahimbisibwe and Angella Asimire

19.	3	9	2008	285	2 chiefs jailed over ghost teachers	Chris Ocowun
20.	2	10	2008	325	Strategies we can use to fight corruption	Sam Anguria
21.	26	7	2009	198	Amuru teachers payroll scam exposed	Chris Ocowun
22.	31	8	2009	165	Police officer held over ghosts	Frank Mugabi
23.	27	8	2009	351	Four charged over sh2b Police ghosts fraud	Charles Ariko
24.	1	9	2009	340	Wanted Police manager surrenders	Charles Ariko
25.	17	10	2009	1138	Do MPs deserve sh15m per month?	Lydia Namubiru
26.	10	1	2010	761	Corruption is caused by lack of effective sanctions	Augustus Nuwagaba (Prof.)
27.	18	2	2010	272	Union petitions govt on salaries	Milton Opolot
28.	23	7	2010	798	IGG sh18m salary rise angers staff	Barbara Among
29.	10	8	2010	325	Ghost workers can easily be weeded out	Everest Turyahikayo
30.	19	9	2010	603	Rot in pensions office revealed	Cyprian Musoke
31.	8	12	2010	103	Mulago deletes 64 ghosts off its payroll	Juliet Wasswa
32.	9	4	2011	965	300 to get jobs in new ministries	John Semakula
33.	21	7	2011	489	Local govt workers petition over pay	Milton Olupot
34.	12	9	2011	338	Establish salary commission urgently	Anthony Masake
35.	29	9	2011	345	Local govt workers decry pay disparities	Catherine Bekunda
36.	29	10	2011	786	Who is behind the ghosts on the payroll	Conan Businge
37.	5	12	2011	294	Butabika Hospital workers go on strike	Agnes Nantambi
38.	23	12	2011	819	Proposed KCCA salaries rattle education, health	Semakula John
39.	15	1	2012	445	Govt loses sh28b to ghost schools	Conan Businge and John Semakula

40.	9	3	2012	264	KCCA tea girl to earn sh1.1m salary	Taddeo Bwambale, John Semakula and Juliet Waisswa
41.	1	4	2012	341	Teachers' salary arrears for May	John Semakula
42.	16	4	2012	809	Defining the national vision could reduce unemployment	Shialendraumar Lal
43.	6	5	2012	389	Teachers, health workers miss out on juicy KCCA salaries	J. Semakula, J. Masaba and Vicky Wandawa
44.	14	5	2012	318	Implement the recommended pay structure	Amian Tumusiime
45.	21	5	2012	413	Mayor Lukwago gets payrise, now earns sh33m a month	Brian Mayanja
46.	24	7	2012	260	Lawyers demand for salary increment	Norah Mutesi and Petride Mudola
47.	1	8	2012	183	Ministries given two months to clean payrolls	Moses Walubiri
48.	5	8	2012	355	Civil servants get salaries next week	John Semakula
49.	21	9	2012	278	Pension saga: PS Lwamafa on forced leave	Canon Businge
50.	17	9	2012	286	Five pension officials grilled, arrested over 63b	Vision Reporter
51.	26	9	2012	208	308 ghosts civil servants unearthed in Arua	Richard Adrama
52.	29	9	2012	266	Friday is payday for civil servants	John Semakula and John Masaba
53.	29	10	2012	1,328	How did ghost pensioners come to be?	Vision Reporters
54.	7	10	2012	544	Top officials face sack over UPE, USE	Ghost salary
55.	21	10	2012	372	Ministries clash over pensioners' monthly pay	John Masaba and John Semakula
56.	9	11	2012	201	300,000 civil servants haven't received October salaries	Pascal Kwesiga
57.	27	11	2012	409	Pension scam suspects record fresh statements	Steven Candia and Simon Masaba
58.	19	12	2012	396	Uganda needs donors	Maxwell Adea (Dr.)

59.	23	12	2012	337	Government explains anti-corruption measures	Raymond Baguma
60.	30	1	2013	475	Public Service: Lwamafa, seven others remanded	Anne Mugisa and Edward Anyoli
61.	24	1	2013	925	Stolen cash could save over one million mothers	Simon Masaba
62.	10	1	2013	951	Sh165b paid to ghost pensioners	Steven Candia and Simon Masaba
63.	3	2	2013	132	Pensioners to get January payment next week	John Semakula
64.	9	2	2013	293	Govt to pay civil servants salaries on Monday	D. Magara, J. Semakula and B. Mayanja
65.	31	3	2013	562	Public service hit by salary crisis	John Semakula, John Masaba and Moses Mulondo
66.	28	6	2013	475	Minister Kajura grilled over 'ghost' workers	Umaru Kashaka
67.	1	7	2013	484	Local Gov't accountants asked to monitor payrolls on monthly basis	Umaru Kashaka
68.	15	7	2013	401	120,000 teachers not paid for three months	Francis Kagolo
69.	21	7	2013	397	Delayed pay: Prisons officers look to other jobs	John Masaba and Petride Mudoola
70.	28	7	2013	430	Bishop castigates corrupt politicians	Eddie Ssejoba
71.	24	9	2013	610	Teachers' strike: Some schools open	Vision Reporters
72.	11	12	2013	492	Take the battle to fight corruption to the grassroots	Umar Muhanguzi

Appendix 3: Observer Newspaper Articles used

Observer News Articles (43) 12 (31)						
S/N	Day	Month	Year	Length	Title	Reference
1.	2	11	2006	646	MUK staff sue, demand Shs 800m	Edris Kiggundu
2.	17	6	2009	639	Four sacked over 'ghosts' in Police	Michael Mubangizi
3.	2	6	2010	580	Corruption can be good – Museveni	Edward Sekiika
4.	27	9	2010	827	Corruption may soon become a religion	Ghost pension
5.	2	12	2010	503	Investigation confirms ghost workers at Mulago Hospital	Charles Odongtho
6.	11	12	2011	198	Why is President too kind to Musisi?	Susan K. Basemera
7.	29	5	2011	286	Govt installs software to rid payroll of ghosts	Moses Mugalu
8.	31	5	2012	684	Civil Servants' May salary delayed	H. Bogere
9.	4	5	2012	773	From ghost soldiers to ghost investors	Odoobo C. Bichachi
10.	24	8	2012	243	Payroll clean-up mishap hurts teachers' pockets	Polly Kamukama
11.	18	8	2012	674	Health unit, Mulago disagree on 'ghosts'	H. Bogere
12.	16	8	2012	1153	'Ghost' advisor in State House?	Michael Mubangizi
13.	18	9	2012	617	Police tighten noose around pension ghosts	H. Bogere
14.	27	9	2012	827	Corruption may soon become a religion	Odoobo C. Bichachi
15.	27	9	2012	1338	Uganda@50: Gifted but poor: Uganda is a country of paradoxes	Benson Ekwe Ocen
16.	8	11	2012	1268	Inside the Ghost pensioner scam	H. Bogere
17.	29	11	2012	537	Civil society bosses to strip over corruption	Shifa Mwesigye
18.	15	11	2012	256	Police freezes pension	H. Bogere

					suspects' accounts	
19.	11	11	2012	405	Govt sets controls to curb mass fraud	Siraje Lubwama
20.	30	1	2013	1070	Revealed: How pension billions left Cairo Bank	H.Bogere
21.	2	1	2013	1152	Corruption: activists want Museveni out	Edward Ssekika
22.	2	1	2013	1580	New district runs under muvule tree	Sadab Kitata Kaaya
23.	22	3	2013	688	Civil servants cry as payroll crashes	Edris Kiggundu and Zurah Nakabugo
24.	19	6	2013	517	Just type CORRUPT, send to IGG's 6009	Alon Mwesigwa
25.	28	7	2013	1565	'Museveni must explain poor govt performance'	Deo Walusimbi
26.	4	8	2013	735	Alupo: teacher pay raise deal unlikely	Sadab Kitatta Kaaya
27.	19	8	2013	420	Teachers' strike to go into second week	Shifa Mwesigye and Yudah Nangonzi
28.	22	8	2013	761	Professors can rear goats but Makerere will limp	Moses Khisa
29.	22	9	2013	861	Coercion of teachers will worsen impasse	Gerald Karuhanga
30.	20	10	2013	1185	Public school teachers living on the edge	Shifa Mwesigye
31.	4	12	2013	822	A year later, Black Monday bears fruit	Jacqueline Asimwe

Appendix 4: Translated Abstract

국문초록

급여 인상이 공공서비스 전달의 향상에 미치는 영향에 관한 연구: 우간다 감사원 사례

Andrew Kalifa Samuel Mujungu

행정대학원 행정학 전공

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다른 많은 개발도상국과 마찬가지로 오늘날 우간다는 공공서비스 전달이 취약하다는 문제점에 시달리고 있다. 그러나 1960년대까지만 하더라도 우간다는 사하라이남 아프리카 지역에서 가장 우수한 공공서비스로 인정받았다. 본 연구의 출발점은 교사들이 더 나은 서비스를 제공하기 위해서 급여 인상을 요구하는 시위가 계속하여 발생하고 있는 최근의 사태 때문에 시작하게 되었다. 그럼에도 불구하고 정부는 자원에 부족하다는 이유로 임금인상 합의를 지키지 않고 있으며, 서비스의 질을 향상시킬 것만을 요구하고 있다. 이러한 경향은 전체 공공서비스 부문으로 확대되고 있다. 이러한 맥락에서 본 연구는 ‘급여 인상이 공공서비스 전달의 향상에 미치는 영향에 관한 연구: 우간다 감사원 사례’라는 주제를 다루고자 한다.

2008년 10월 4일부터 새로운 감사에 관한 법이 시행되었고, 이에 따라 감사원(Office of the Auditor General)이 정부부처가 아닌 자율적인 공공기관으로 신설되었다. 자율성을 가진 공공기관이 됨으로써 인적자원의 운영과 예산 및 다른 자원들의 운영에 상당한 자율권을 가지게 되었다는 점에서 의미가 크다. 핵심적인 변화는 소속 직원들의 동기부여를 위해서 급여를 인상하였다는 점이다.

사례연구를 통해서 확인한 결과에 따르면, 초기에 감사원이 여전히 정부부처로 존재하면서 기존의 문제점을 그대로 유지했던 시기와 비교해볼 때, 2008년 이후에는 조직의 성과가 크게 향상되었다는 점을 알 수 있었다.

그러나 부패 관행으로 인해 정부 자원의 광범위한 누수가 발생한다는 점과, 유령직원이 급여명단과 연금대상자로 등재되어 있는 점, 그리고 비대해진 조직구조 등을 고려해볼 때, 만일 이와 같은 문제들이 제대로 해결된다면 더 많은 자원을 확보하여 공무원들의 임금을 현실화시키는 데 사용할 수 있을 것이다. 또한 공무원들에게 지급하는 급여가 상당히 왜곡되었다는 점 또한 발견하였다.

결론적으로, 공무원에 대한 임금을 인상하게 되면 공공서비스의 질이 향상된다는 것을 확인할 수 있었다. 또한 정부가 필요한 자원을 확보하고 문제를 해결하기 위해 모든 노력을 기울여야 한다는 점을 강조하였다. 정책대안으로서 임금의 실질적인 인상과 정부가 부패를 효과적으로 해소할 수 있는 적정수준의 목표치를 달성해야 한다는 점, 그리고 공무원의

무계획적인 증원을 방지하고 전 분야에 걸쳐 골고루 임금을 인상해야 한다는 점 등을 제안하였다.

주요어: 임금개혁, 임금인상, 급여명단관리, 유령직원, 유령임금, 유령
연금수급자, 임금왜곡

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