

Finance ministry rejects pay increase proposal for mayors, councillors

By Michael Odeng

Minister for Kampala Affairs Beti Olive Kamyá's quest to have a salary increment for city leaders has been rebuffed by Keith Muhakanizi, the finance ministry's secretary to the treasury, who says there is no money.

Kampala Capital City Authority (KCCA) executive director Jenifer Musisi made a request for a supplementary budget of sh3.6b, which is equivalent to the 30% salary increment for the members of the authority, following a directive from Kamyá. The authorities include mayors, deputy mayors and urban councillors.

In a letter dated July 28, 2017 Muhakanizi revealed that President Yoweri Kaguta Museveni has directed that no salary increment should be considered for any entity until a comprehensive assessment has been done across the entire service.

The letter was copied to Kamyá, public service minister, state minister for KCCA, Attorney General and director treasury service, KCCA.

Last week, Muhakanizi said there was no money for the new districts, which became operational on July 1, 2016. These include Namisindwa,

BETWEEN THE LINES:

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Pakwach, Butebo, Rukiga, Kyotera and Bunyangabo.

In a letter dated June 12, Kamyá directed that remuneration for members of the authority be increased with effect from July in order to facilitate their effective participation in mobilising business people to pay taxes.

Kamyá noted that in 2011, when the non-tax revenue of KCCA was very low, Musisi proposed that the Lord Mayor earns sh36m, deputy Lord Mayor sh29m, authority councillors sh12m and urban councillors sh9m.

The minister recently faulted the executive director for making a U-turn on the matter yet they had previously agreed to enhance the salaries of political leaders, wondering why she is reluctant to implement the proposal yet Parliament, in the current financial year, appropriated sh2b for the same.



Musisi

According to Musisi, the increment was based on a condition that political leaders are able to mobilise revenue to cover the planned increment, which shall be sanctioned by the Kampala minister in consultation with the finance ministry after receiving a report on enhanced revenue performance.

However, in a letter dated July 26, directed to Muhakanizi, Musisi explained that although the minister has proposed a salary increment based on revenue collection, KCCA has on several occasions failed to meet its targets.

She proposed that a review of the collection trends be assessed halfway through the year so that they can establish the revenue growth and advise on the timing of the minister's directive.

According to Musisi, non-tax performance revenue for financial year 2016/17 was below target by sh26.4b.

She further revealed that in the current financial year 2017/18, KCCA has registered a shortfall in revenue performance for this month, whereby sh4.8b has been collected for the period July 1 to July 25, against the target of sh8.3b.

Musisi also disclosed that Government had lost additional sh20b cumulatively in the last two financial years through garnishee orders issued by the High Court against KCCA.

A garnishee order is a court order directing an employer to make deductions from an employee's salary or wage in settlement of a debt owed by the employee to a third party creditor.

This, according to Musisi, has led to shortfall in remittance to the Uganda Consolidated Fund, non-remittance of statutory deductions and payment of suppliers.

"We are, therefore, prioritising payment of these liabilities during the financial year 2017/18 to avoid accumulation of interest that is associated with delayed payments," she said.

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