

POLICY BRIEF ON

ALLEGED MISMANAGEMENT OF THE PERSONNEL AND PAYROLL SYSTEM IN DISTRICT LOCAL GOVERNMENTS OF UGANDA - **THE GHOSTS OF NTUNGAMO**

August 2023

Introduction

Alliance for Finance Monitoring (ACFIM) teamed up with the African Institute for Investigative Journalism (AIJ) to investigate reports of corruption in management of Ntungamo District's health sector following a probe by the State House Health Monitoring Unit. The unit unearthed a multiplicity of irregularities that included nonexistent health centers with ghost health workers on the payroll, false accountabilities for Primary Health Care funds, result-based funds, and other monies from the Health Ministry at different Health Centers.

The interest of ACFIM and AIJ was spurred by health service delivery being a subject of national interest, and the reality that Ntungamo is the district of origin/birth for President Museveni and the first lady, Janet Museveni. Consequently, a documentary titled: The Ghosts of Ntungamo, was produced broadcast on national television and the various online platforms.

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Overview

In 2014, the Government of Uganda adopted the Integrated Personnel and Payroll System (IPPS) which partially decentralized pension management with the planning (budgeting) and processing of files done by ministries, departments and agencies (MDAs) and local governments (LGs).

The IPPS is a computerized Human Resource Management Information System that is being implemented in MDAs and LGs to enhance capacity of Government to forecast human resource requirements for the public service in terms of numbers and skills requirements and other human resource functions.

The system was expected to streamline personnel management through effect automatic transmission from the active payroll to the pension payroll, and to ensure timely processing of retirement requests and payment of Commuted Pension Gratuity (CPG) upon retirement

and improved accountability through system checks. Specifically, it was intended to:

a) Automate the human resource functions and processes for improved efficiency and effectiveness in public service delivery;

b) Provide the human resource functions and processes for improved efficiency and effectiveness in public service delivery;

c) Foster information sharing through integration with other Government ICT systems in order to eradicate duplication of data and improve accuracy;

d) Enhance capacity of Government to forecast human resource requirements for the Public Service in terms of numbers and skills requirements;

e) Facilitate timely and accurate salary and pension processing for promotion of accountability and transparency of Government payroll.

The Investigation

The investigations by ACFIM and AIJ and the resulting documentary titled: *The Ghosts of Ntungamo*, demonstrate that notwithstanding the IPPS, ghosts remain prevalent in Uganda's public service. There are justifiable grounds to assert that mismanagement of the human resources function and payroll in Ntungamo district is only a tip of the iceberg, and that the scale of prevalence could be worse in other districts of Uganda.

Management architecture for Health centers in Uganda

Uganda has a decentralized health care system whereby health services are delivered within seven tiers, namely: national referral hospitals, regional hospitals, district hospitals, health center IV, health center III, health center II and community health workers.

These are supervised by the Ministry of Health and the District Local Governments. However, the aspect of personnel management falls under the jurisdiction of the Ministry of Public Service (MoPS).

MoPS is mandated to develop, manage and administer human resource policies, as well as manage systems and procedures for the public service including personnel at the Health Centers I, II, III, IV and referral hospitals.

This is performed through the Integrated Personnel and Payroll System (IPPS). Implementation of the IPPS falls under the responsibility of the IPPS Division in the Department of Human Resource Management (Policy and Procedures).

The problem at hand

The investigation found more health centers on the payroll in Ntungamo District that were not reflected on the Ministry of Health (MOH) Facility Master-List (2018). For example, whilst the MOH Master List indicates that Ntungamo District has only three Health Centre IV namely Kitwe, Rwashamire and Rubaare, the payroll data from MoPS indicates that the district has 13 Health Centre IV's.

The health facilities in question which are henceforth in this policy brief signposted as ghost facilities, include; Rwakabengo HCIV located in Rukungiri but on Ntungamo Payroll, Rwakishakizi HCIV, Rwakatojo HCIV, Rwabarata HCIV, Rwamabondo HCIV, Rwakakwenda HCIV, Rwamujojo HCIV, Rwamunioori HCIV, Rwamuranga HCIV and Rwamwanja HCIV.

In addition, there are irregularities in the management of primary health care grants, there are district staff members who are not health workers but receiving primary health care allowances which is a preserve of health workers, there are health workers on the payroll who are earning in excess of their pay grade.

These irregularities and ghosts have been at play since 2010 when the IPPS was commissioned, hence it begs several questions:

a) Who created the ghost health centers in the IPPS system, and Who has been benefiting from the proceeds of the same?

b) Why did the Auditor General, District Local Government and other supervisory institutions not detect them?

c) Does the Ministry of Public Service have the capacity to manage personnel and pension systems at Local Government level?

d) Is the role of the district local governments well defined?

e) If such irregularities are prevalent in the very district of descent for the president and first lady, what is happening in other districts?

Mismanagement of human resources and payroll at Ntungamo district

The irregularities articulated here below, may not be unique to Ntungamo district but could be a microcosm of what is happening in other districts of Uganda, perhaps at an even larger scale.

Creation of ghost health centers

ACFIM noted that the ten ghost facilities which included Rwakabengo HCIV located in Rukungiri but on Ntungamo Payroll, Rwakishakizi HCIV, Rwakatojo HCIV, Rwabarata HCIV, Rwamabondo HCIV, Rwakakwenda HCIV, Rwamujojo HCIV, Rwamunioori HCIV, Rwamuranga HCIV and Rwamwanja HCIV, were deactivated from the IPPS in April 2023 following intervention by the State House Health Monitoring Unit.

The District Service Commission of Ntungamo recruited without prior clearance by the Ministry of Public Service (MoPS), a total of thirty-seven (37) employees comprising 16 enrolled midwives, 10 enrolled nurses, 7 assistant nursing officers and 4 planners. The enrolled nurses were able to access Ntungamo District payroll as evidenced by IPPS data. By the time MOPs gave clearance to recruit the staff in question which came on November 30, 2021, the district had already completed recruitment for the said staff.

Recruiting staff without prior clearance from MoPS demonstrates the scale of

disregard of established policies and guidelines. The mandate to enforce establishment controls in district local governments and the IPPS, rests with the Commissioner Institutional Assessment with support from Commissioner Human Resource Management Systems.

Questionable payments in respect of Primary Health care wage budget

Whereas the budget allocated to Primary Health Care (PHC) is a preserve of health workers, in Ntungamo district there are non-health workers including teachers that were found to be paid from the PHC budget. It remains to be established who sanctioned this and why the district local government top management did not detect it.

Paying non-health workers from the PHC budget constitutes diversion of public funds which is an offense under the Anti-Corruption Act 2010.

It undermines the principle of budget control and distorts the budget implementation process and brings into question the capacity of the officer charged with the responsibility to

supervise, monitor and audit the management of health center. The ultimate loser is the ordinary citizen especially women and girls.

Financial loss occasioned by overpayments of salaries to staff – UGX 174 million

For over 10 years, there has been 39 staff whose have been receiving salaries in excess of their pay grade resulting in a financial loss of over UGX 74 million. It was understood that following the intervention of State House Health Monitoring Unit, efforts were undertaken to recover the overpaid salaries, however ACFIM could not independently verify this.

Conversely, there have been payments to 15 ghost staff with IPPS numbers who were exposed by the State House Health Monitoring Unit.

UGX 100,000,000

Payments to ghost staff in Ntungamo district alone is estimated to have caused a financial loss of over UGX 100 million

It this figure is extrapolated countrywide; Government could well be losing over UGX 14 billion through payments of salaries to ghost staff in health centers.

Financial loss resulting from indecision in ending assignments of deceased or retired staff

Names of employees who are deceased or retired are kept active on the payrolls and hence keep receiving salaries including gratuity. There are several cases where deceased and/or retired staff continued to be paid gratuity

It was found that following the intervention by the State House Health Monitoring Unit, the Ntungamo District Local Government swung into action in May 2023, ended assignments and suspended salaries for thirty-four cases of either deceased or retired staff whose names had continued to be on the payroll.

Similarly, there are also cases of retired government employees that have suffered from the pain of unpaid pension. On the other hand, there are cases where the District has been paying retirees both full pension and monthly pension. This is irregular and contrary to the Pension Act, CAP 286 which provides for only monthly pension payment to retirees. It appears that there is no system in place within the IPPS to monitor the cases of government employees who die or retire.

This is an inditement on the capability of IPPS to detect and weed out the irregularities that have bedeviled Uganda's public service for a long time.

Baffling inconsistencies in staff list for Health workers and staff attached to Health facilities

There are baffling inconsistencies in the staff list for health workers and support staff attached to health facilities for the last quarter of the FY 2022/23. The head count carried out by the State House Health Monitoring Unit recently, found in part that whilst the total number of staff in the health department in the Month of April 2023 was 609, it increased by 47 staff a month later (in May, 2023), only to drop by 50 staff the following month (June, 2023). This is irregular and begs further investigation.

The Ntungamo case as a microcosm of the situation in the rest of the country

ACFIM strongly believes that the alleged mismanagement of the Personnel and the Payroll System in Ntungamo District as presented in the documentary titled: The Ghosts of Ntungamo, is a microcosm of the existential maladies in Uganda's health service delivery. Corruption in the health sector goes beyond mismanagement of personnel and payroll systems. A report by the Basel Institute on Governance titled: Behavioral influences on attitudes towards petty corruption - A Study of Social Norms and Mental Models in Uganda, which was conducted in 2019, reveals that health service seekers in Kampala Capital City share a perception that access to treatment might be denied when the family of the patient refuses to pay a bribe.

It is a common practice for patients to pay for medicines in public health centers that should otherwise be provided free of charge.

Other examples include cases when a nurse blatantly tells a woman with severe chest pain that: "these days there are no free things, not even at the main hospital; or a midwife asking a pregnant woman for a UGX 25,000 bribe so that she can secure a basin, soap and a cloth etc., which, she would use deliver her baby. Sometimes, support staff at public health centers solicit bribes from users promising them faster service.

To date, many health care consumers in public health centers will likely offer unsolicited bribes to health providers due to a widespread belief among users that nothing can be obtained without paying a bribe. There further cases where newly employed health workers pay a bribe while still on probation in order to obtain their confirmation letters and work forms otherwise their employment may not be further extended. Offering a bribe is also understood to be one way to establish a relationship with the health service provider. There are also reported cases where a guard at the gate of the health facility solicits bribes in order to let people in before and after opening hours.

Policy Recommendations

To address the irregularities in management of the personnel and payroll system for health workers in District Local Governments, ACFIM recommends the following:

The Inspectorate of Government

The Inspectorate of Government (IG) should conduct through investigations to find answers to the following questions: Who created the ghost health centers in the IPPS system? Who has been benefiting from the proceeds of the same? Why was it not detected earlier? If such irregularities are prevalent in the very district of descent for the president and first lady, what is happening in other districts?

The 10th Parliament

The 10th Parliament should take keen interest in the irregularities exposed by the Institute of Investigative Journalism in Uganda (AIJ) in the documentary – The Ghosts of Ntungamo, in the context of it being a microcosm of the existential maladies that bedevil Uganda's health service delivery

Ministry of Public Service

The Ministry of Public Service (MoPS) should review the defects in the Integrated Personnel and Payroll System (IPPS) in the context of the entire country with a view of deactivating all the remaining fictitious/ghost centres from the system immediately. In addition, the IPPS should be denuded of names of all the deceased and retired employees who are still being paid salaries and gratuities causing an untold financial loss to the Ugandan tax payer.

State House Health Monitoring Unit

The Unit could consider conducting investigations in as many districts of Uganda to determine the extent of financial loss to the Ugandan tax-payer, occasioned by the above shortcomings and the person(s) involved should be held responsible.

The District Integrity Promotion Forum

The District Integrity Promotion Forums across the country should take keen interest in investigating the possibility of the replication of the Ntungamo irregularities in their respective districts.

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