



**National Information Technology Authority (NITA-)
FY 2015/16 Annual Report**

MANAGEMENT'S REPORT

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Acronyms & Abbreviations



BOU	Bank of Uganda
BPO	Business Process Outsourcing
CCI	Commonwealth Cyber Crime Initiative
CEMAS	Computerized Education Management and Accounting System
CERT	Computer Emergency Response Team
EAC	East African Community
EFT	Electronic Funds Transfer
ERA	Electricity Regulatory Authority
GoU	Government of Uganda
ICT	Information Communication Technology
IFMIS	Integrated Financial Management Information System
IPPS	Integrated Personnel and Payroll System
IPSAS	International Public Sector Accounting Standards
IT	Information Technology
ITES	Information Technology Enabled Services
LAN	Local Area Network
MDA/LG	Ministries, Departments, Agencies and Local Government
MDAs	Ministries, Departments and Agencies
MDG	Millennium Development Goals
MoFPED	Ministry of Finance Planning and Economic Development
MoICT & NG	Ministry of Information, Communications Technology and National Guidance
MoPS	Ministry of Public Service
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MTN	Mobile Telecommunication Network
MUCCIT	Makerere University College of Computing and Informatics Technology
MVP	Minimum Viable Product
NBI/EGI	National Backbone Data Transmission Infrastructure / e-Government Infrastructure
NDP	National Development Plan
NITA-U	National Information Technology Authority – Uganda
NSIS	National Security Information System
OAG	Office of the Auditor General
OCP	On line Child Protection
PFM	Public Financial Management
PM	Project Manager
PMO	Project Management Office
SLA	Service Level Agreement
UEPB	Uganda Export Promotions Board

UIA	Uganda Investment Authority
UNBS	Uganda National Bureau of Standards
UNCTAD	United Nations Conference on Trade and Development
UNODC	United Nations Office on Drugs and Crime
UPDF	Uganda People's Defence Forces
URA	Uganda Revenue Authority
URF	Uganda Road Fund
UTL	Uganda Telecommunications Limited
VAT	Valued Added Tax
WB	World Bank

FOREWORD



DR. F.F. TUSUBIRA

Board Chairman - NITA-U

“ Transforming Uganda into a globally competitive nation enabled by Information Technology ”

During FY 2015/16, NITA-U continued to improve its performance and deliver results that align with our Mission and contribute to the achievement of the National Vision 2040.

We focused at the lowest level, on integrating the national IT infrastructure and transforming government operations through transactional level e-government services. Using this as a delivery platform, we strengthened access to and sharing of information within government through the e-Government Portal, and significantly reduced the cost of communication and internet services by extending internet connectivity to ninety-four Government ministries, departments, and agencies (MDAs). This was done hand in hand with increasing awareness of cyber security, cyber-crimes and cyber laws, and rendering technical support to various Government IT driven projects: Technical and advisory support was provided to government entities in developing standards, policies, and implementation of key Government IT initiatives.

Working in collaboration with the relevant MDAs, we took a leading role in developing standards, frameworks and policies to promote innovative IT solutions and initiatives and guide the development of the IT industry. During the period we conducted surveys of IT innovators across the country and developed a database with this information with the objective enabling easy identification of expertise or activity in similar areas to improve collaboration (especially among the innovators).

We concluded the process of acquiring a World Bank loan under the Regional Communications Infrastructure Program (RCIP). RCIP will build on to our initial achievement to transform public service delivery in order to improve the lives of Ugandans, by building a platform to facilitate economies of scale in provision of IT services across Government; accelerate e-Transformation initiatives across Government and put in place build-once-reuse-always IT infrastructure that will be used across Government.

A competent organization, is a pre-requisite for achieving the NITA-U objectives. We put a lot of focus on strengthening institutional and internal technical capacity; and as the

Board of Directors we continued to provide informed policy level leadership and strategic oversight to NITA-U. We have built trust and respect for boundaries, making NITA-U one of those governmental agencies where there is harmony and synergy between the Board and management.

On behalf of the Board, management, and staff, I would like to express our sincere appreciation to our parent ministry for both the policy guidance and a good working relationship, and to government as whole for appreciating that national development will be achieved only if all MDAs as well as the entire country fully embrace information and communication technology. I would in the same breath call for realization and acceptance that while achieving our objectives will be expensive, the returns in national development at both the economic and social levels more than justify such expense. As NITA-U, we pledge to play continue playing our role, in collaboration with all MDAs, to achieve the national vision.

Eng. Dr. F. F. Tusubira

Chairman, NITA-U

EXECUTIVE DIRECTOR' STATEMENT



Mr. James Saaka

Executive Director - NITA-U

Once again I am pleased to present this Annual Report highlighting the key achievements of the National Information Technology Authority in respect of its strategic objectives for the period July 01, 2015 to June 30, 2016.

The report articulates major developments in the Information Technology (IT) subsector, key programs and projects undertaken by NITA-U, as well as the priorities in the short to medium term

The report has been developed based on regular monitoring reports of the IT subsector by NITA-U, analysis of stakeholder expectations and comments and physical assessment of NITA performance against target deliverables for the captioned period. The Annual Report has been informed by the data collection, analysis and reporting processes such as the Budget Performance Monitoring by MoFPED, ICT sector review, NRM Manifesto status reporting and OPM's Annual and Semi-Annual Government Performance Reports.

It should be noted that the FY 2015/16 marked the third year of operationalizing the NITA-U Strategic Plan, and operating as a self-accounting organization with own vote (vote 126). The progress registered during the year would not have been possible without the dedication and commitment of the NITA-U staff. I wish to acknowledge and appreciate guidance and support of all our stakeholders.

My highest regards and appreciation go to the Hon. Minister of Information Communication Technology and National Guidance (MING) and NITA-U Board for policy direction and oversight provided over NITA-U Management, which has greatly shaped and focused the Authority's performance.

I am confident that our esteemed stakeholders and partners will continue to provide full support to further "Drive the IT Revolution" for economic transformation.

JAMES SAAKA

NITA- Executive Director

EXECUTIVE SUMMARY

The physical performance in FY 2015/16 improved as compared to the previous years FY 2014/15 and FY 2013/14. In FY 2015/16, 84.71% of the targeted outputs were completed as compared to 81.2% and 74.6% in FY2014/15 and FY 2013/14 respectively. NITA-U has become more visible due to the positive publicity of the benefits offered by the key flagship projects. The institution's participation in a number of events coupled with the support provided to IT projects in MDAs has contributed to the significant awareness of NITA-U's mandate within government. Key achievements during FY 2015/16 include:

National Backbone Data Transmission Infrastructure (NBI)

The National Backbone Data Transmission Infrastructure (NBI) is aimed at connecting all major towns within the country onto an optical fibre based network and to connect all ministries and departments onto the government network. An additional ninety four (94) MDA sites were connected to the NBI bringing the total number of MDA sites connected to One Hundred and thirty three (133); Implementation of Phase III commenced and the following progress was registered within the reporting period;

- Laying of Optical Fibre Cable was completed between; Masaka-Kampala, Masaka-Mutukula & Masaka – Mbarara.
- Masaka and Mutukula Transmission sites were built and

equipment installed and commissioned.

- Installation of the Network Operations Centre (NOC) was completed.

Establishment of e-Government

One of the strategies Government has adopted to optimize the use of its resources is the Rationalization Strategy. In accordance with this strategy, IT services have been delivered to MDAs through the NBI. Such services include internet bandwidth delivered to a total of ninety four (94) MDA sites and leased line services currently utilized by eighteen (18) MDA sites. In addition, thirty six (36) MDAs sites and five (5) District Local Governments are utilizing IFMS through the NBI.

The consolidation of IT software licenses within government, another initiative under the Rationalization Strategy, has also registered good progress. Twenty (20) MDAs were enrolled onto the Master Business Service Agreement (MBSA). As the number of MDAs enrolled onto the MBSA continues to grow, the Government is assured of increased cost savings. NITA-U has also engaged Oracle in order to provide benefits such as reducing the cost of software licenses to MDAs using Oracle software licenses.

The first phase of the Government Citizens Interaction Centre (GCIC) was launched. This interactive channel will establish a primary contact centre for citizens and a platform to enable monitoring of service delivery as well as a channel for feedback and suggestions from citizens.

In alignment with one of our functions; to promote and provide technical guidance for the establishment of e-Government, technical support was provided to over thirty (30) MDAs towards implementation of IT projects; fifty five (55) Local Government websites were developed, monitored and training conducted for the key personnel in charge of IT and Communications. This was also in line with the implementation of the Presidential Directive on Government Websites.

Towards the integration of National databases, a feasibility study was undertaken and the report is in place. Based on the recommendations of the report priority MDAs have been engaged to ensure effective delivery of the identified key e-services. During the reporting period, Six (6) National Databases were integrated as follows: three (3) MDA Systems were integrated under One Stop Centre (Ministry of Lands, URA and URSB) and three (3) Systems were integrated under National e-Single Window (URA, UEPB and (UNBS).

Enabling environment.

Existence of an enabling environment within the Information Technology sector catalyzes innovation and makes the country's products and services competitive globally. In line with her mandate, NITA-U has among other things developed regulations to support

certification of providers of IT products and services and IT training.

Over nineteen awareness activities were undertaken for MDAs, Tertiary Institutions, Schools and the public, to promote knowledge of Cyber laws, Information Security, among other disciplines. Notably, Information Security training was also delivered at six (6) Child Online Protection events under the National Working Group at the Kireka Child Helpline.

The awareness activities were delivered through newspaper publications, radio talk shows and seminars/workshops. There was increased engagement with IT innovators and MoUs signed with Resilient Africa Network, Makerere University, UNICEF, Out Box, UTAMU, Hive Colab, ICTAU, URSB, RAN, UN Pulse Lab among others.

Information Security

In order to protect Uganda's resources and systems from potential cyber-attacks and associated risks such as cyber terrorism, the Government of Uganda has put in place structures and mechanisms to operationalize the National Information Security Framework (NISF). In FY 2015/16, seven (7) MDAs were assessed on their knowledge and implementation of the NISF as a measure of enhancing efficiency and safeguarding government institutions against potential losses due to information security risks and cyber-attacks.

INTRODUCTION & BACKGROUND

Introduction

The National Information Technology Authority, Uganda (NITA-U) was founded under the NITA-U Act, 2009 and the Authority commenced operations in FY 2011/12. This is the 5th Annual Report since its establishment. The report has been produced as a statutory requirement under section 36 & 37 of the NITA-U Act 2009.

The report is informed by periodic reports that include; NITA-U performance reports, Quarterly reports to Ministry of Information Communications Technology and National Guidance (MING), Ministry of Finance Planning and Economic Development (MoFPED) and Government Half Annual and Annual Reports to the Office of the Prime Minister (OPM).

This report has two parts; Management report and Statutory Financial Statements. The first part is comprised of 5 reporting segments whilst the second part is a complete set of the statutory annual financial statements as required by the Act, thus:

1. Performance highlights;
2. Introduction and Background;
3. Governance;
4. Strategy Execution Review (Detailed Performance Review); and
5. Industry Outlook FY 2016/17;
6. Statutory Financial Statements.

NITA-U is an autonomous body which is also an agency of Government under the general supervision of the Ministry of Information Communications Technology and National Guidance.

The function of the Authority is to deliver on the following long-term goals, among others:

1. A harmonized and coordinated use of IT by government to improve the quality and efficiency of public services to strengthen internal information flows at the same time promoting accountability and transparency.
2. Optimized utilization of the scarce technical skills capacity and infrastructure through shared resources in government such as centralized datacenters leading to ultimate overall financial savings in government IT adoption.

Mandate:

NITA-U is charged with the overall mandate to coordinate, promote and monitor the development of IT in the context of social and economic development of Uganda.

The main objects for which the Authority was created include but are not limited to the following:

- a. Provide high quality Information Technology services to government
- b. Promote standardization in the planning, acquisition, implementation, delivery, support and maintenance of information technology equipment and services to ensure uniformity in quality, adequacy and reliability of Information Technology usage throughout Uganda
- c. Provide guidance and other assistance as may be required to other users and providers of Information Technology
- d. Promote cooperation, coordination and rationalization among users and providers of Information Technology at national and local levels so as to avoid duplication of efforts and ensure optimal utilization of scarce resources
- e. Promote and be the focal point of cooperation for Information Technology users and provider at regional and international levels
- f. To promote access to and utilization of Information Technology by the special interest groups

In order to undertake the functions stipulated under the NITA-U Act, the Authority has the following powers;

- i. to carry our regular e-readiness surveys to ascertain the status of Information Technology in Uganda
- ii. to establish a repository of Information Technology standards and for the registration and classification of documentation related to locally developed and imported Information Technology solutions;
- iii. to establish a mechanism for collaboration and promotion of partnerships between various categories of players in the Information Technology sectors;
- iv. to regulate and certify Information Technology education in Uganda in consultation with the ministry responsible for education or its agencies.
- v. to charge fees for services provided by the Authority

In a nutshell, NITA-U is expected to play the planning, advisory, coordination, promotion, implementation, monitoring & evaluation functions in the following areas/pillars; ICT Infrastructure; Standards, Legal & Regulatory; Strategy, Planning, Policy; e- Government; Information Security; IT Capacity and skills development; IT Project Management and Operationalization of the NITA-U Act.

GOVERNANCE

The Ministry of Information and Communications Technology and National Guidance is the line ministry responsible for Information Technology and has the overall national responsibility for the sector and supervision of all agencies under it including NITA-U. In particular, its main mandates include, amongst others, the responsibility for policy development, advocacy, strategic guidance and support of the Authority operations.

According to NITA, U Act- 2009, the Board of Directors is appointed by the Minister of Information and Communication Technology and National Guidance and constituted as the governing body of the Authority. Amongst others, the Board is specifically responsible for: formulation of policy guidelines, approval of budgets & action plans, monitoring implementation of plans & programs, determining structure and establishing staffing levels and establishment of rules and procedures of the Authority.

NITA-U Board is constituted as follows:

1. Dr. Francis Fredrick Tusubira Board Chairman.
2. Mr. James Saaka Board Secretary/ Executive Director.
3. Ms. Aminah Zawedde Board Member.
4. Hon. Beatrice Amongi Lagada Board Member.
5. Mr. Kenneth Bagarukayo Board Member.
6. Mr. James Kyewalabye Kabajo Board Member.
7. Mr. Kenneth Mugambe Board Member.

Board of Directors

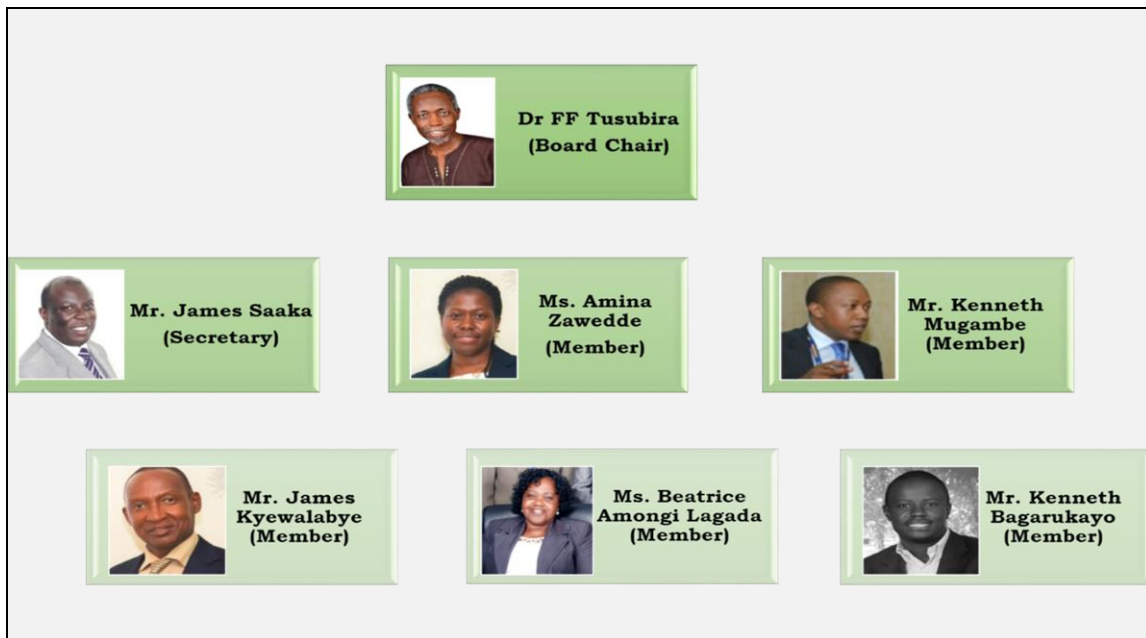


Figure 1: NITA-U Board of Directors during FY 2015/16

MANAGEMENT TEAM

The NITA-U Secretariat forms the organization's executive headed by the Executive Director who is supported by a team of Directors each heading one of the six Directorates.

The Directorates and their respective heads during the period were as follows:

1. Mr. James Kamanyire - Director Finance & Administration
2. Dr. Fredrick Kitoogo - Director Planning Research & Development
3. Ms. Stella Alibateese - Director Regulation and Legal Services
4. Mr. Peter Kahiigi - Director E-government Services
5. Ms. Vivian Ddambya - Director Technical Services
6. Mr. Arnold Mangeni - Director Information Security



Figure 2: NITA-U Board of Directors during FY 2015/16

STRATEGY EXECUTION (PERFORMANCE REVIEW)

Highlights

NITA-U is increasingly becoming more visible and distinguished as an IT authority of government as exemplified in the ever increasing requests for technical support in various National IT projects.

Key highlights of the performance for the reporting period include

- Implementation of the NBI Phase III. The Laying of Optical Fibre Cable has already been completed between Masaka-Kampala, Masaka-Mutukula & Masaka – Mbarara; this will enable interconnectivity with Tanzania and Rwanda thereby enhancing network resilience through securing alternative routes to the submarine cables.
- The number of MDA sites connected to the NBI has increased to one hundred and thirty three from fifty nine in FY2014/15;
- MDA sites utilizing internet bandwidth over the NBI has increased from fifty eight in FY 2014/15 to ninety four in FY2015/16.
- Assessment of MDAs towards implementation of the National Information Security Framework was conducted in seven MDAs
- Twenty MDAs were enrolled onto the Microsoft Master Business Agreement. It should be noted that, the increasing number of MDAs enrolled, further reduces the cost of licenses and applications and therefore making it cheaper to roll out e-government services.
- Regulations to implement Certification of providers of IT Products and Services and IT training were developed and will be operationalized within this calendar year. The regulations will provide a legal framework within which certification for providers of IT products and services and authentication of IT training will be done. Certification is aimed as an engine for the achievement of high standards in the IT sector.
- The Government Citizen Interaction Centre was established at the Information Access Centre (IAC) and will act as a platform for citizen engagement with government.

NITA-U Strategic goals

The NITA-U strategic goals are a systematic roadmap towards delivering an interoperable IT infrastructure and integrated IT services and e-government applications. The strategic goals position NITA-U as a key player in the social and economic transformation of Uganda

into a globally competitive knowledge-based society. The goals as laid by the NITA-U strategy are:

- a. A rationalized and integrated national Information Technology (IT) infrastructure
- b. Achieving transaction level e-government services for at least 50% of MDA IT systems
- c. A well-regulated Information Technology (IT) environment in public and private sector
- d. Strengthened capacity in MDAs (both institutional and human)
- e. IT research and innovations visibly supported and promoted
- f. Information security championed and promoted in Uganda
- g. Strengthened and aligned institutional capacity to deliver the strategic plan
- h. BPO/ITES industry developed and promoted:

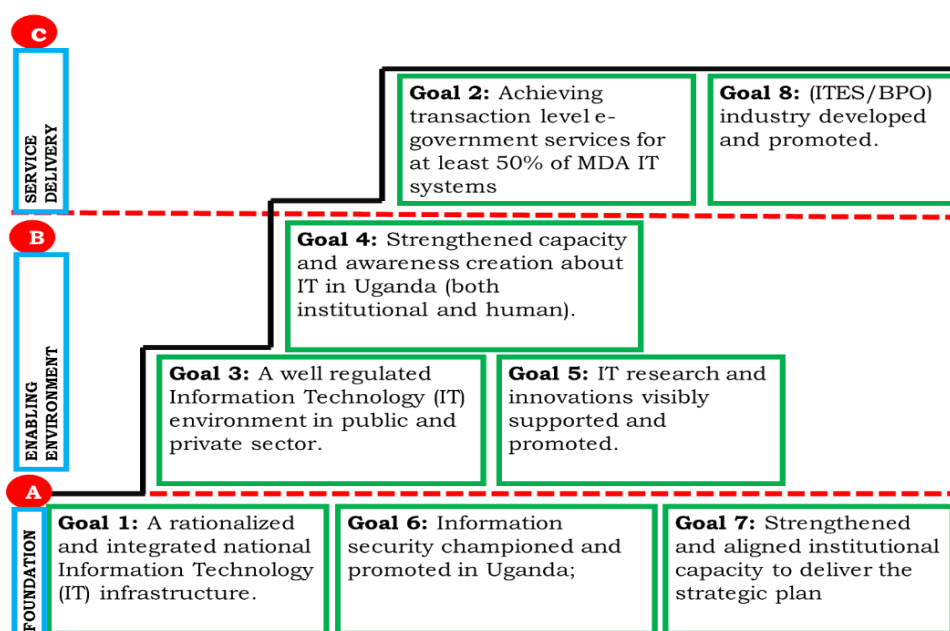


Figure 3: Strategic Goals

Strategic Interventions & impact

In alignment with NITA-U’s purpose for existence “to transform Uganda into a knowledge-based society by leveraging IT as a strategic resource to enhance government services, enrich businesses and empower citizens”, several projects implemented by NITA-U have contributed to the desired ICT impact nationally as highlighted by Table 1 below;

Table 1: Impact of Strategic Interventions

Strategic Goal	Strategic Intervention	Impact
IT Infrastructure	National Backbone	<ul style="list-style-type: none"> ● Decreased cost of maintenance of shareable infrastructure for government

Strategic Goal	Strategic Intervention	Impact
		by central hosting in the National Data Centre
	Bulk internet bandwidth distribution	<ul style="list-style-type: none"> Decreased cost of communication and internet services.
		<ul style="list-style-type: none"> Low cost of bandwidth
E-Government Services	Unified Messaging and collaboration System (UMCS)	<ul style="list-style-type: none"> Improved transparency & timely decision making in Government
		<ul style="list-style-type: none"> The right information gets to the right people at the right time
	e-Government Portal	<ul style="list-style-type: none"> Improved effective collaboration across Government MDAs
Regulations and IT Standards	Cyber Law Regulations	<ul style="list-style-type: none"> Improved access to government information through a single point of contact
		<ul style="list-style-type: none"> Improved utilization and acceptance of electronic transactions that has ultimately improved utilization of electronic systems and subsequently service delivery throughout the country
	IT Standards development and sensitization	<ul style="list-style-type: none"> Improved transparency, prosecution and conviction regarding cyber related crime (through utilization and acceptance of electronic evidence)
		<ul style="list-style-type: none"> Improved realization of the need for standardization in Government that has led to improved maintenance of IT Infrastructure in Government and preparation for interoperability.
ICT Research and Innovation	Conducting surveys of IT Innovators and developing a database of IT Innovations and subsequently engaging the innovators	<ul style="list-style-type: none"> Improved Collaboration between IT innovators has been spearheaded by NITA-U and this has enhanced IT Innovation information sharing and idea sharing.
Information Security	Information Security Framework and sensitization	<ul style="list-style-type: none"> Increased awareness of the need for information security leading to enhanced decision making when collecting and disseminating information which

Strategic Goal	Strategic Intervention	Impact
		ultimately has led to improved service delivery
Business Process Outsourcing	Promotion of BPO/ITES	<ul style="list-style-type: none"> Increased employment opportunities for youths
		<ul style="list-style-type: none"> Wealth creation for the companies providing BPO services.
		<ul style="list-style-type: none"> Contribution to the economy's GDP

Performance Strategic Goals Review

This section covers the review of performance against the set targets for FY 2015/16. The assessment reveals that tangible results were recorded during the financial year on the various strategic streams set out in our 5 year Strategic Plan (FY 2012/13 - FY 2017/18) resulting into progress on delivering NITA-U's core mandates below:

- A harmonized and coordinated use of IT by government to improve the quality and efficiency of public services to strengthen internal information flows at the same time promoting accountability and transparency.
- Optimized utilization of the scarce technical skills capacity and infrastructure through shared resources in government such as centralized datacenters leading to ultimate overall financial savings in government IT adoption.

The performance along the targets strategic goals is analyzed below:

Goal 1: A rationalized National Information Technology (IT) infrastructure

Following the approval of the National Information Technology (IT) Policy, under National e-Government Policy Framework by Cabinet under Minute No: 334 (CT2011) and minute No: 125 (CT2011) respectively in FY 2011/12, NITA-U has taken steps to implement the recommendations of the policies under the Rationalization Strategy.

This section details the progress made towards the implementation of the strategy to streamline and harmonize the acquisition, deployment, utilization and disposal of IT services in Government as well as enhance uptake of e-Government services by the key targeted outputs.

Output -1: MDA sites connected to the NBI

In FY 2015/16, thirty six (36) additional MDA sites were connected to the NBI bringing the cumulative total number of MDA sites connected to the NBI to One hundred and thirty three (133). Ninety four (94) of the connected sites are utilizing internet over the NBI, this is a 36% growth as compared to FY 2014/15. The growth in number of MDA sites connected to the NBI creates cost savings and efficiencies for government.

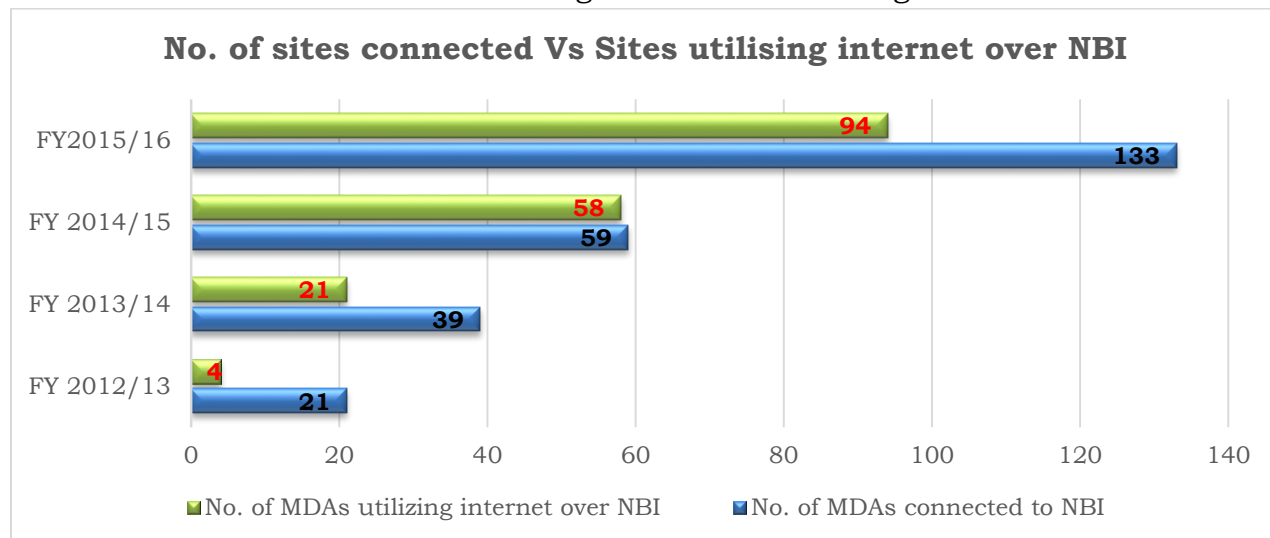


Figure 4: Number of Sites connected compared to Sites utilizing Internet over NBI

Output -2: Implementation of NBI Phase III

One of the key initiatives for the Government of Uganda towards establishing a sustainable economy is to extend coverage of the NBI equitably to cover all the regions of the country. The extension aims at covering areas in the northern region, western areas and south eastern mainly the border posts.

In October, FY 2015/16, implementation of Phase III of the NBI commenced with stakeholder engagements to ensure that the communities were in support of the project based on knowledge of the anticipated benefits.

The laying of Optical Fibre Cable was completed between Masaka-Kampala, Masaka-Mutukula & Masaka – Mbarara. Masaka and Mutukula Transmission sites built and equipment installed and commissioned. Network Operations Centre civil works and equipment installation was completed and awaits launching.

Figure 5 shows the current and planned rollout of the NBI. Upon completion it will cover the major towns in Uganda and also have Fiber links to South Sudan, Kenya, Rwanda, DRC and Tanzania. Uganda will be part of the East African Submarine optical fibre network:

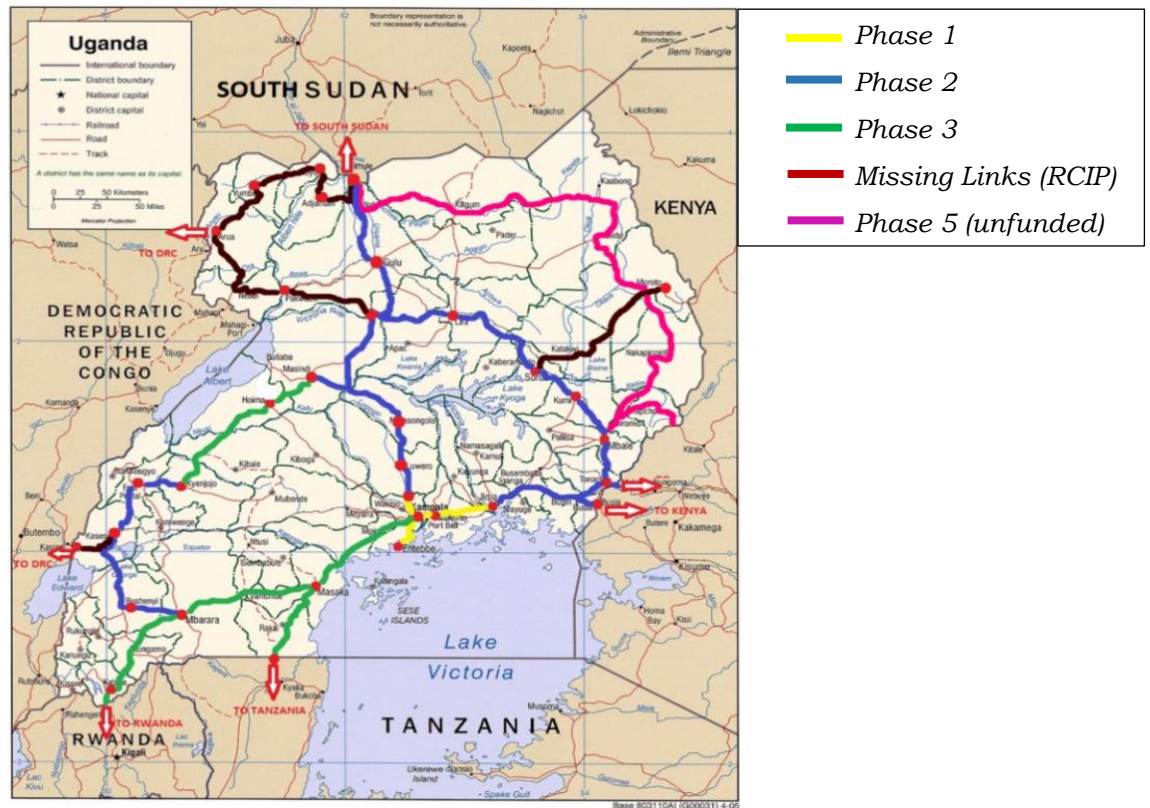


Figure 5: Existing and Planned roll-out of the NBI

Output -3: Bulk internet bandwidth delivered to MDAs

The procurement of bulk internet bandwidth for government, an initiative that commenced in FY 2012/13 has given the Government of Uganda stonger bargaining power with internet suppliers (Tier 1¹- Internet Service Providers (ISPs). This has resulted in increased saving for government. The savings are expected to increase with the growing number of MDAs connecting and utilising internet over the NBI.

Launch of lower internet cost of US \$300 /Mbps / month also contributed to the lowering of prices by the private sector companies that had previously positioned themselves at a premium. The prices have dropped from US\$ 1200/ Mbps/ month to US\$ 266.76 in a period of four years.

¹ Tier 1 ISPs are large national or international ISPs. They are directly connected to the Internet backbone and can be considered part of the backbone itself. They have the highest speed connections and very reliable networks.

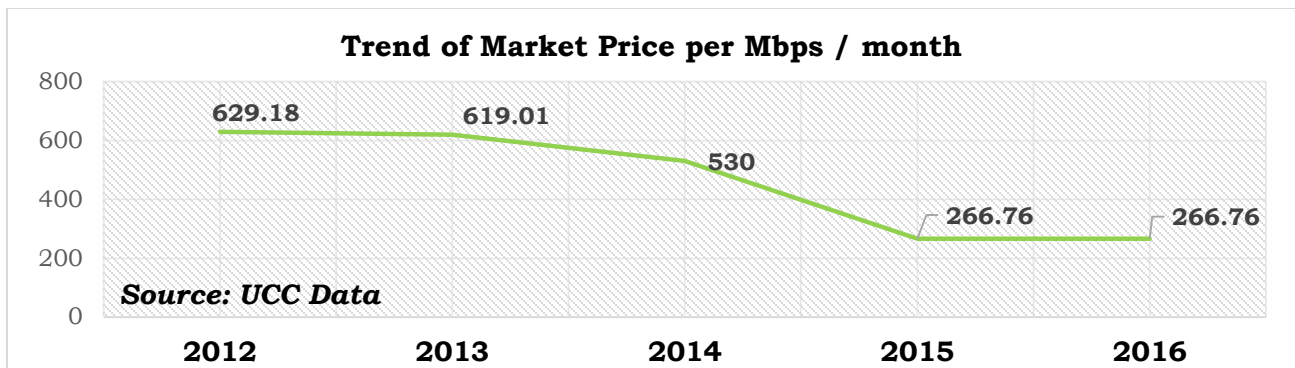


Figure 6: Current market price per Mbps per month

Thirty six (36) additional MDA sites were connected to the NBI and are utilizing the internet services. The seven (7) Public Institutions including Universities (Gulu University, Uganda Management Institute (UMI), Makerere University Kampala (MUK), Makerere University Business School (MUBS), Kyambogo University, Busitema University, Mbarara University of Science and Technology, that were connected in FY 2014/15 under the CEMAS project under MoFPED were effectively maintained.

Output-4: Data Centre site upgraded

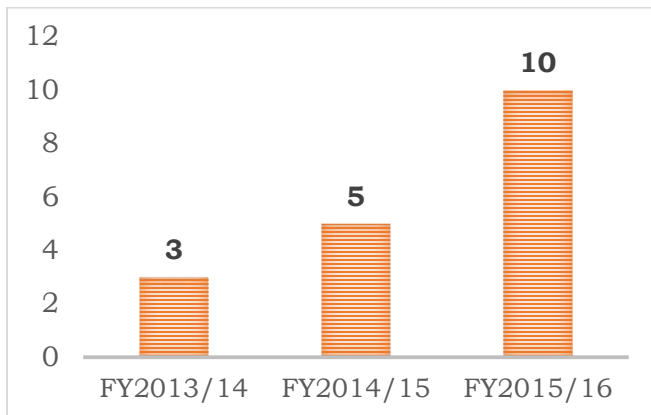


Figure 7: Number of MDAs hosted

NITA-U is at the forefront of minimizing duplication and enhancing interoperability among e-Government applications through central hosting and management of data Centre, server rooms and disaster recovery sites. In FY 2015/16 the data center upgrade was undertaken to increase capacity. Ten (10) MDAs are hosted with in the datacenter in support of the Government One Stop Center, Electronic Single window, e-Visas and the Government Citizen Interaction Centre among others.

Output -5: e-Government development and technical support offered to MDAs.

In FY 2015/16 there was an 8% increase in the number of institutions supported as compared to FY 2014/15. More support was offered in the areas of IT Infrastructure, Shared services and e-Government. The figure shows the number of Institutions supported and the areas of support.

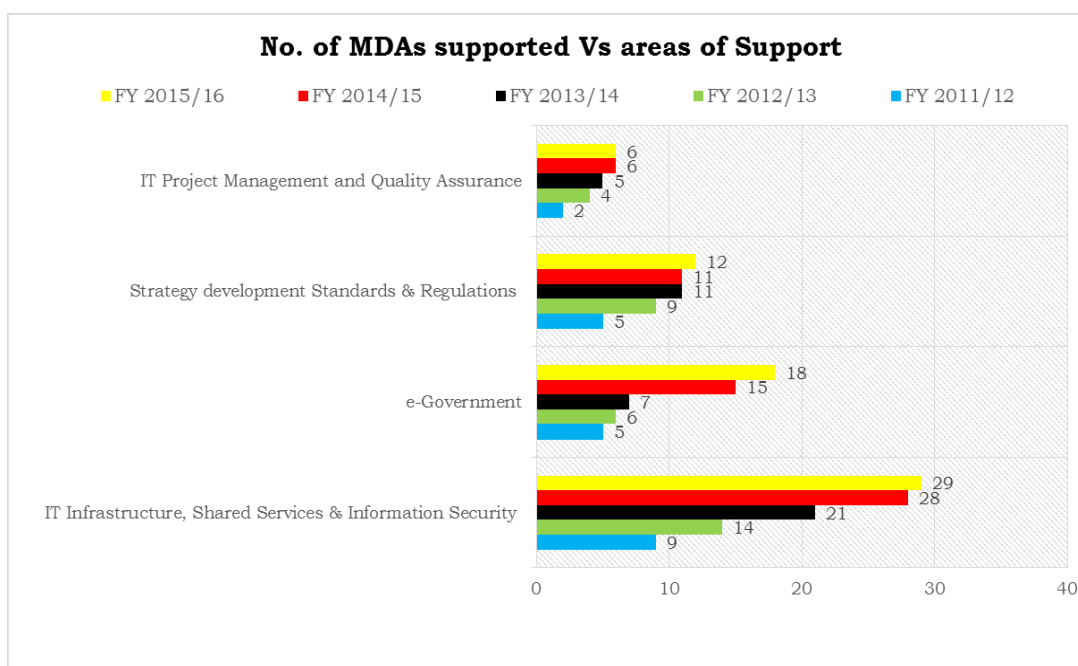


Figure 8: Number of MDAs supported analysed by Area of Support

The table 2 further highlights support offered towards implementation of projects in institutions.

Table 2: Support provided to the MDAs

Support / Project	MDAs
I - Infrastructure	
Delivery of internet band width to government MDAs	Thirty six (36) additional MDA sites connected to the internet. Including; Insurance Regulatory Authority; Judicial Service Commission; Ministry of Trade, Industry and Cooperatives; National Water and Sewerage Corporation; Uganda Broadcasting Corporation; Uganda Investment Authority; Ministry of Tourism and Antiquities; Ministry of Justice and Constitutional Affairs; Petroleum Exploration and Production Department; Uganda Free Zones Authority; Uganda Registration Services Bureau; PPDA Appeals Tribunal; Capital Markets Authority; Uganda Revenue Authority; Directorate of Geological Survey and Mines; National Drug Authority; Uganda Electricity Distribution Company Ltd; Uganda Road Fund Directorate of Public Prosecutions (DPP)
II - e-Government	

Support / Project	MDAs
Implementation of IT systems <ul style="list-style-type: none"> ● e- Single window. ● e-Procurement System ● One Stop Centre ● Government Citizen Interaction Centre. ● Online declaration system 	<ol style="list-style-type: none"> 1. Uganda Revenue Authority 2. Ministry of Internal Affairs 3. Public Procurement and Disposal Authority. 4. Uganda Registration Services Bureau 5. Uganda Investment Authority 6. Office of the President. 7. Inspectorate of General Government
Development and maintenance of websites for Local Governments	<p>Fifty five (55) Local government websites were developed. Some of the LGs that were provided support included; Alebtong, Buliisa, Rakai, Rukungiri, Bushenyi, Kaliro, Katakwi, Kiruhura, Kiryandongo town council, Kumi, Kween, Gomba, Hoima, Lyantonde, Maracha, Mubende, Nakapiripirit, Ibanda, and Wakiso.</p>
III – Enabling Environment	
Technical input to IT related Policies, Frameworks and Strategies	<ol style="list-style-type: none"> 1. Ministry of Health - Development of an e-Health Policy and Strategy 2. Uganda Police Force- Development of the Uganda Police Force (UPF) ICT Policy
IV- Information Security	
Implementation of the National Information Security Framework	<p>Compliance assessments conducted in Seven (7) MDAs;</p> <ol style="list-style-type: none"> 1. Electricity Regulatory Authority (ERA) 2. Directorate of Petroleum 3. Ministry of Public Service – IPPS Unit 4. National Social Security Fund 5. National Water & Sewerage Corporation 6. Uganda Revenue Authority 7. Kampala Capital City Authority

Table 3 below provides a summary of achievements against planned outputs for Goal 1 in FY 2015/16.

Table 3: Goal 1- Planned Outputs & Achievements

Planned Outputs 2015/16	FY 2015/16 Annual Target	Achievements
Output-1: Extend the NBI to connect more Ministries and Department sites to the NBI	<p>Fifty (50) additional MDA sites connected to the NBI</p>	<ul style="list-style-type: none"> ● Seventy Four (74) additional sites connected to the NBI. This brings the total number of MDA sites connected to the NBI to One hundred thirty three (133). ● Data Centre upgrade completed

Planned Outputs 2015/16	FY 2015/16 Annual Target	Achievements
Output-2: Implementation of Phase III [1] of the NBI	Phase III of the NBI implemented	<ul style="list-style-type: none"> Laying of Optical Fibre Cable completed between Masaka-Kampala, Masaka-Mutukula & Masaka – Mbarara.
		<ul style="list-style-type: none"> Masaka and Mutukula Transmission sites built and equipment installed and commissioned
		<ul style="list-style-type: none"> Network Operations Centre civil works and equipment installation completed.
Output-3: Bulk internet bandwidth delivered to MDAs connected to the NBI	Deliver internet bandwidth to 130 MDAs sites.	<ul style="list-style-type: none"> A total of ninety four (94)² MDA sites receiving internet services over the NBI. Thirty six (36) additional MDAs were connected in the reporting period.
Output-4: Data Centre site upgraded to be able to provide services	Data center upgrade completed	<ul style="list-style-type: none"> Data Centre upgrade completed

Strategic Goal - 2: Achieving transaction level e-government services for at least 50% of MDA IT Systems

E-Government refers to the use of ICT to promote a more efficient and effective government, facilitates accessibility to government services, allowing greater public access to information, making government more accountable to citizens. It involves delivering services via the Internet, telephone, electronic media, community centers (self-service or facilitated by others), wireless devices or other communications systems.

Towards an integrated Uganda, implementation of projects aimed at providing quality services to citizens, improving the national competitiveness through administration innovation, and reforming unnecessary processes based on interconnected government and safe society have been undertaken and some are still on-going. NITA-U endeavors to promote e-Government services through the implementation of priority strategic initiatives. The narrative of Output performance below provides the status of e-Government implementation as at end of FY 2015/16.

² The target of 130 MDA sites utilizing internet was not achieved due to the existence of running contracts in some MDAs.

Output 1: Implement Enterprise Agreements for Microsoft and Oracle Licenses

NITA-U is implementing a program to consolidate all Microsoft and Oracle software licenses into long term Government-wide Enterprise Agreements in line with the Rationalization Strategy, to standardize, harmonize and streamline IT services and systems in Government. From a survey conducted across government, it was established that most MDAs use either of the two proprietary software licenses (Microsoft & Oracle) to increase the institutions efficiency and productivity. A common example of the proprietary software commonly used is Windows (7, 8.1, 10), and Microsoft Office. Proprietary software is usually paid for as compared to open source software however it is preferred over Open Source Software Solutions because it offers support for the products, is dependent on each other and more user friendly among other benefits.

Based on the projections in the Rationalization Strategy, the benefits accruing from global Long Term Agreements (LTAs) with software and applications vendors include volume discounts of about 30%; free training offers (vouchers) - saving about 20% of the retail purchase; renewal/upgrade process simplification and Information security compliance. In FY 2015/16, 66.7% of the set enrollment target was achieved with twenty (20) MDAs including; Uganda Road Fund; Uganda human Rights Commission, FINMAPII / IPPS Project and Ministry of Foreign Affairs (MoFA) were enrolled. Negotiations to operationalize the contract for the second year has been finalized.

NITA-U has also engaged Oracle in order to provide benefits to MDAs using Oracle software licenses. Discounts of 40% per product on acquisition has been negotiated. The contract will be signed with an initial order from Ministry of Finance, Planning and Economic Development (MoFPED) for Oracle Financials and Purchasing, and shall be perpetual to allow use of those licenses by the MDA/LGs and the foreign missions.

Output 2: Integrate National Databases and Systems

Integration of disparate and isolated systems in MDAs is a strategic priority that was identified in the current NITA-U strategic plan. With funding from the World Bank under the Regional Communication Infrastructure Program (RCIP), activities towards integrating databases and systems began in FY2013/14.

NITA-U completed a feasibility study for Integration of National Databases and a Stakeholder's workshop was held in August 2015 to validate the feasibility report. Terms of Reference (ToRs) for integration of databases and systems were developed and are undergoing internal reviews. Implementation of the priority areas identified by the feasibility study will commence in FY 2016/17.

However, in FY 2015/16 a total of Six (6) National Databases were integrated. These include three (3) MDA Systems under One Stop Centre (OSC) (Ministry of Lands, Housing and Urban Development, Uganda Revenue Authority and Uganda Registration Services

Bureau) and three (3) Systems were under National e-Single Window (Uganda Revenue Authority, Uganda Export Promotions Board, and Uganda National Bureau of Standards). NITA-U provided both technical, advisory and project Management support to establishment of the OSC.

The OSC creates an easy-to-use environment where both foreign and local entrepreneurs and investors can get the most commonly required business-related services and find reliable information about procedures of starting a business in Uganda thus improving the ease of doing business for both foreign and local investors in Uganda. <https://www.ebiz.go.ug/>

Output 3: Government e-services web-portal developed

NITA-U developed the Government web portal (<http://www.gou.go.ug/>) and the e-citizens portal (<http://ecitizen.go.ug/>) during FY2014/15 with the aim of enhancing citizen interaction with government as well as easing access and use of electronic services (e-services) offered by public sector. The portals act as gateways to all government resources (information), communication channels and services to government.

In FY 2015/16, a total of 25 services were added to the portal and are currently available on the e-citizen portal. Phase I of the e-services portal was launched and a video showing “how-to” was created and shared on all social media platforms to create awareness. Some of the services added include; National Housing Corporation Company Limited (NHCCCL) - Mortgages and Property Search; Uganda National Bureau of Standards (UNBS) - Imports Inspection And Clearance Information Management System; e biz - Search for a Business Name, Reserve a Business Name, Land Title Verification, MOFPED/IFMS - New Registration, Registration Amendment, Application Status; Ministry of Gender - Overseas Employment Management Information System, National Gender Based Violence Database, Child Helpline Service, Orphans and Other Vulnerable Children Management Information System (OVCMIS).

Output 4: Sensitizations on e-government conducted

In FY2015/16 NITA-U continued to address some of the critical factors responsible for the slow growth and uptake of e-Government projects. The lack of champions with right skill-sets, knowledge, aptitude, and leadership qualities is one such factor. This has led to several issues such as failure to take advantage of the exciting opportunities offered by e-Government for improving quality of service to the citizens and businesses, inability to conceptualize and design the appropriate financial, technical and business models, and deficiencies in project management skills and capabilities needed to execute these projects.

NITA-U has made deliberate effort towards change management for Government staff to embrace IT systems, through training them in the use of the systems installed at their work locations and other interventions. NITA-U has participated, co-authored and reviewed the document that will guide the consultants to develop the e-Government Curriculum. NITA-U also conducted group training and sensitization sessions on e-

Government Services to a total of 292 MDA/LGs staff. The training modules included; Using Microsoft-Outlook 2013 and Microsoft-Lync 2013 ; Management of Active Directory Services for Windows 2012 Server; Use of System Centre Configuration Management; Minimum Viable Product (MVP) under One Stop Centre (OSC); Website Management and Social Media; and Social media best practices among others.

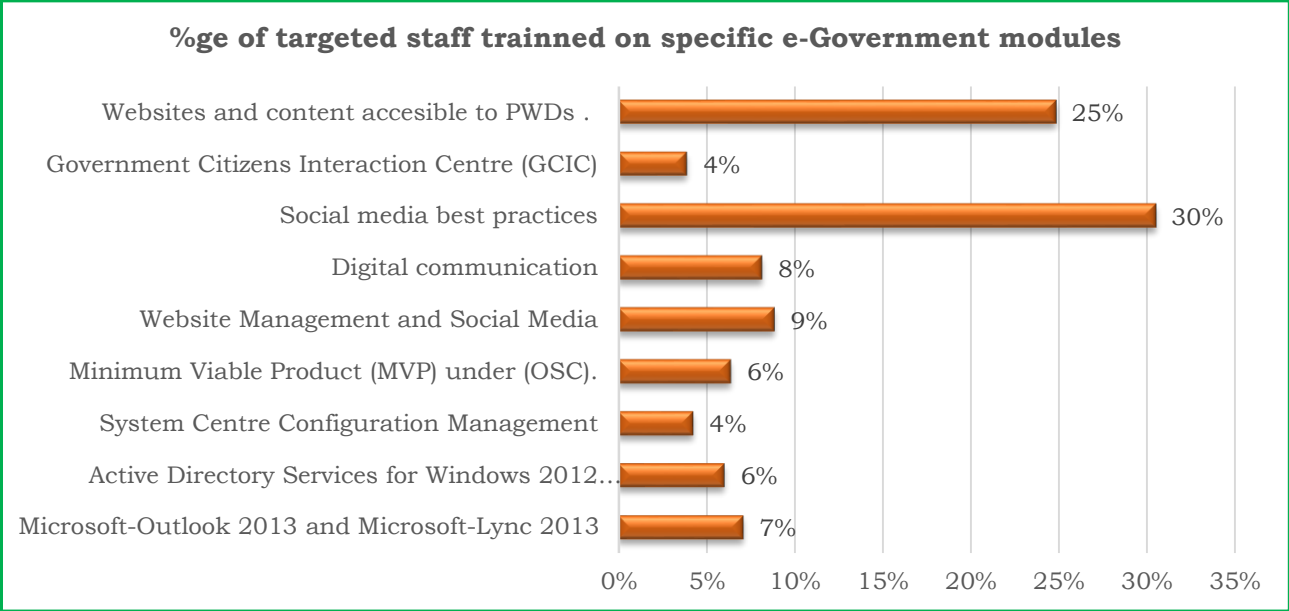


Figure 9: Percentage of targeted staff trained

Output 5: Implement Government Citizen Interaction Centre (GCIC)

The internet lounge at the Information Access Centre (IAC) has been designated to house the Government Citizens Interaction Centre (GCIC). The purpose of this pilot project is to establish a primary contact Centre for citizens and a platform to enable monitoring of service delivery as well as a channel for feedback and suggestions from citizens.

The objective of this initiative is to facilitate the management of citizens’ feedback, queries and or allow discussions of topic issues through a variety of mediums such as telephone, fax, letter, e-mail, social media websites, Government web portal and increasingly online live chat among others. The enhanced timely interaction with citizens will form a basis for creating meaningful content required to serve them better.

In FY 2015/16 the two components namely SMS & Social Media components of GCIC were developed. To ensure effective use of the GCIC, a training targeting IT and Communication Officers was undertaken to create awareness of the already installed Oracle Social media engagement platform. The SMS Gateway which was set up enables wider reach to targeted citizens through SMS broadcasts that come under the tag -Gov Uganda.

Output 6: Implement Government websites

The establishment of Government websites is globally categorized among the initial stages in the journey towards developing e-Government. The development of Government websites was identified as a key e-Government services delivery channel by the *e-Government Master Plan (2012)*. To accelerate implementation of Government websites in FY 2014/15 a Presidential directive was issued requiring that all MDA/LG re-design and regularly update their websites with content that enables the public access information and services offered by the MDA/LG. This directive has further been adopted under the NITA-U (E-Government) Regulations, 2015, which makes it mandatory for Government to maintain and regularly update their websites.

In FY2015/16, fifty five (55) MDA and LG websites were developed and supported. Furthermore an analysis of the MDA webpages along 5-key attributes was conducted to establish gaps. The outcome of the gap analysis was used to streamline website redesigns of the websites.

The district Local Governments supported to establish web presence included ;Alebtong, Buliisa, Bushenyi, Gomba, Hoima, Ibanda, Kaliro, Katakwi, Kiruhura, Kiryandongo town council, Kumi, Kween, Lyantonde, Maracha, Mubende, Nakapiripirit, Rakai, Rukungiri and Wakiso.

Output 7: Technical support provided to MDAs

Several MDAs were offered technical/ advisory support which is a precursor for establishing e-Government.

Table 4: Technical Support to E-Government Projects

Project/ Description	Support provided
<p>One Stop Centre This project aims to provide a reliable online solution to make it easier for investors to apply for and obtain requisite certificates, licenses, permits, and fulfil other requirements.</p>	<p>Technical support, hosting, and project management.</p>
<p>Northern Corridor Infrastructure Projects (NCIP) Partner States of Northern Corridor Integration Projects (Uganda, Kenya, Rwanda and Southern Sudan) would like to share national ID data to seize service opportunities that is associated with shared information. As such, there is a strategic approach for member states to integrate existing national ID databases via web-services</p>	<p>Development of regional NCIP e-services concepts has been supported in the following areas:</p> <ul style="list-style-type: none"> ✓ National ID data sharing, e-Soko, e-Tourism, e-Immigration, SIM Card integration with National ID ✓ Development of Regional NCIP Data Access Framework which was signed off by the Presidents of the partner states during the 13th Summit.

Project/ Description	Support provided
to share data and enable NCIP partner states to verify citizens and non-citizens across the region.	<ul style="list-style-type: none"> ✓ Support provided to: development of MOU between NCTA and NCIP and Regional Broadband Strategy and Cyber Security MOU
Program Budget System (PBS); The PBS will increase efficiency and transparency of budgeting in Government.	Participated as members on two committees; Steering committee and technical committee to; <ul style="list-style-type: none"> ✓ Review technical specification and give advice on integration of the system and monitoring the progress of the work
Prosecution Management information System (PMIS) The PMIS will be used to follow cases from police through DPP to courts of law.	Provided support to ; <ul style="list-style-type: none"> ✓ Review hardware and software system specifications for the bidders and give technical guidance.
On-line Declaration System The system will enable all public servants to declare their assets through an electronic interface.	Provided technical support by; <ul style="list-style-type: none"> ✓ testing and auditing the security of the entire online declaration system ranging from software compliance tests, network, architecture and IT skills sets
Online Recruitment System (ORS) The system allows recruitment processes to be handled online.	Provided technical guidance to; <ul style="list-style-type: none"> ✓ Develop a specification document for development of an online recruitment system for public servants.
e-Visa The automation of ; Visa application/renewal and issuance; Residence permits application/renewal and issuance. With the ability to track progress of application for a service and report delays in delivery of service	Provided Technical lead in; <ul style="list-style-type: none"> ✓ Reviewing technical specification, seeking document approval and development of the e-Visa system. ✓ NITA-U is providing first level systems administrative support to all websites and 300 webmail users at Entebbe and Head Office. ✓ NITA is involved in Publicity and branding of e-Visa and also responds to all queries (Help-desk) on the e-visa system.
Prime Minister Integrated Management Information System (PIMIS); This system will be used to monitor all Government projects.	<ul style="list-style-type: none"> ✓ Provided support on Open data initiative, development and review guidelines on publishing open data, established a draft open data policy. ✓ Provided support to carry out comprehensive Prime Minister Integrated Management Information System (PIMIS)

Project/ Description	Support provided
	<p>study on Gov't M&E systems and a report produced.</p> <ul style="list-style-type: none"> ✓ NITA-U is also managing Domain registration of the PIMIS.
<p>e-Single Window The objective of the project is to ease doing business through reducing duration of processing time for importers</p>	<p>NITA is a member of Technical Workgroup and Steering Committee.</p> <p>The following support has been provided:</p> <ul style="list-style-type: none"> ✓ Participated in the development of the Concept Note, TOR, and Work plan for e-single window solution ✓ Participated in the technical design of e-SW solution. ✓ Part of the team that reviewed and approved agency business processes under e-SW ✓ Sensitized the Steering committee on e-Transactions policy, regulations, cloud services and ICT infrastructure
<p>Integrated Personnel Payroll System (IPPS)</p>	<p>Provided technical guidance to clean-up the system in preparation for integration of IPPS into National ID system for online validation of civil servants. NITA-U is also leading the procurement process</p>

Table 5 below provides a summary of achievements against planned outputs for Goal 2 in FY 2015/16.

Table 5: Goal 2- Planned Outputs & Achievements

Planned Outputs 2015/16	FY 2015/2016 Annual Target	Achievements
<p>Output 1: Implement Enterprise Agreements for Microsoft and Oracle Licenses</p>	<p>Thirty (30) MDAs into the Microsoft Master Business Service Agreement(MBSA)</p>	<p>20MDAs³ were enrolled in the MBSA and the Negotiations to operationalize the contract for the second year were finalized.</p>
	<p>Five (5) MDAs enrolled into Oracle Enterprise Agreement (OEA)</p>	<p>The draft Contract has been reviewed and submitted to PPDA for approval.</p>

³ The target to enroll thirty (30) MDAs was not achieved because the contract was signed in February after budget approvals. Most of the MDAs had not budgeted for licenses for FY 2015/16.

Planned Outputs 2015/16	FY 2015/2016 Annual Target	Achievements
Output 2: Integrate National Databases and Systems	Feasibility study for integration of national databases completed	The feasibility study report is in place.
	Integration of at least 5 key national databases	Six (6) National Databases were integrated.
Output 3: Government e-services web-portal developed	Five (5) e-government services added onto the e-Services web-portal	A total of 25 service have been added and are currently available on the e-citizen portal.
Output 4: Sensitizations on e-government conducted	50 MDA staff on e-government services provided by NITA-U	A total of 292 MDA/LGs staff were trained and sensitized on e-Government Services
Output 5: Implement Government Citizen Interaction Centre (GCIC)	Two (2) GCIC components operationalized	Social Media platform was completed and training on the Oracle Social media engagement platform was undertaken. SMS Gateway was set up.
Output 6: Implement Government websites	Twenty five (25) LGs and MDA websites supported	Fifty five (55) MDA and LG websites supported
Output 7: Technical support provided to MDAs	90% of the MDAs/ projects that request for assistance supported	Over thirteen (13) MDAs provided both advisory and technical support towards implementing IT systems

Strategic Goal - 3: *Creating an enabling environment*

Existence of an enabling environment within the Information Technology sector catalyzes innovation, promotes e-Government and e- Commerce and makes the country's products and services competitive globally. In line with her mandate, NITA-U has made steps towards promoting the use of IT products and services by doing the following;

- Developing and monitoring standards for IT.
- Developing and Operationalizing the Certification and Accreditation framework.
- Operationalizing the Cyber laws.
- Developing and implementing the National Information Technology Project Management Methodology

The narrative below, provides the status of performance against the targeted annual outputs towards creating an enabled environment.

Output 1: Priority standards developed, approved and adopted

To operationalize NITA-U’s mandate, there is a need to set and monitor standards in areas of Information Technology hardware & software planning, acquisition, implementation, delivery, support, organization, sustenance, disposal, risk management, data protection, security and contingency planning in all Government Ministries, departments and agencies.

In FY 2015/16, seven (7) draft standards were reviewed through technical consultative meetings to ensure that they could be adopted for Uganda. The standards progressed to the public review stage before being gazetted. Furthermore, a concept to develop an online standards base was developed and approved together with the criterion for prioritization of standards developed. Based on this, nine (9) IT standards were developed and approved by the technical committee.

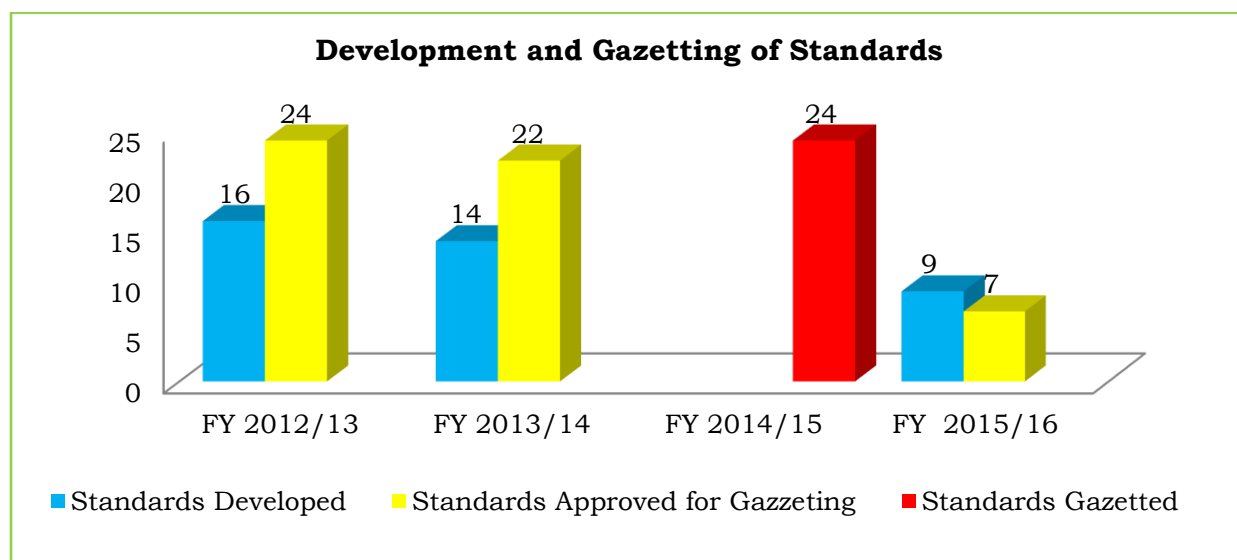


Figure 10: Development & Gazetting of Standards

Output 2: Awareness and sensitizations on MDA standards conducted

In FY 2015/16 nine (9) awareness sessions were undertaken on existing standards. The engagements were to further guide institutions on how the standards can be implemented. Among guided were ; Mbarara University, Nkozi University, Gulu University, Capital Markets Authority (CMA), Ministry of ICT, National Drugs Authority (NDA), and Law Development Centre (LDC).

Output 3: Certification framework Operationalized

NITA-U developed and is in the process of implementing the IT Certification Framework. The framework will ensure certification for providers of IT Products and Services and IT training to provide globally accepted IT solutions. Operationalization of the framework will increase Uganda’s competitiveness within the IT arena.

The registration of providers of IT Products and services commenced in FY 2014/15 and registration is still on-going. In FY 2015/16 regulations to operationalize the Certification framework were developed through a consultative process. The final regulations have been prepared awaiting approval of the Ministry.

Output 4: Operationalize regulations for the cyber laws

Three Cyber Laws were developed and accented to by the President in 2011; Electronic Transactions Act, Electronic Signatures Act, and Computer Misuse Act. These laws provide for the use, security, safety, facilitation and regulation of electronic communications and transactions and encourage the use of e-Government services. Regulations that support the implementation of the cyber laws (Electronic Transactions Act and Electronic Signatures Act) were approved by the NITA-U Board and MoICT, and obtained the Solicitor General approval in FY2013/14.

Sensitization activities to enhance awareness of the existence and application of the Cyber laws have been conducted over the years. Cumulatively, over seventy six (76) awareness activities have been undertaken.

In FY 2015/16, several multimedia including radio, newspaper and internet were utilized as dissemination channels to increase and awareness of the Cyber laws within the public as opposed to earlier engagements which targeted Government officials. NITA-U was hosted on four talk shows for each of the regions which significantly increased reach to the targeted audience.

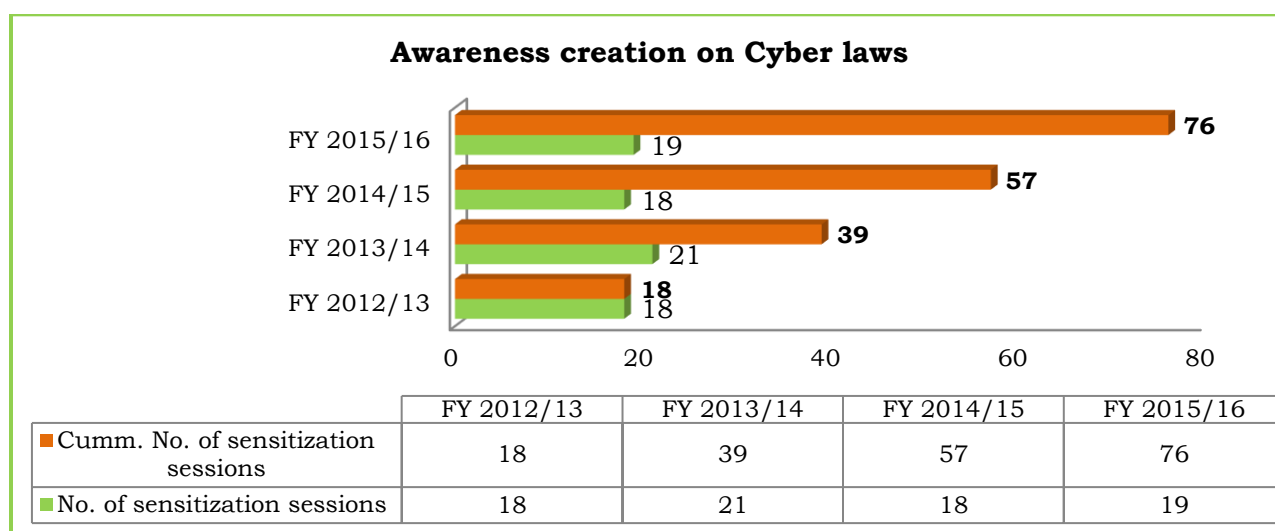


Figure 11: Awareness Creation on Cyber laws

Output 5: MDA compliance to set standards assessed.

A NITA-U Compliance and Enforcement policy was approved 2014 to provide a framework within which compliance can be enhanced within Government and other regulated entities. The policy has since been implemented through; creation of awareness of cyber laws and IT Standards and conducting compliance assessments to check implementation of the laws and standards.

In FY2015/16, twenty four (24) compliance assessments were undertaken as follows: Twenty (21) MDAs were assessed with respect to Structured Cabling Standards and Standards on Acquisition of IT Hardware and Software. The institutions in which the compliance assessments were conducted on acquisition of IT Hardware & Software & the IT Structured Cabling Standards include; Uganda Investment Authority; Uganda Road Fund; National Social Security Fund (NSSF); National Drug Authority (NDA);Capital Markets Authority; Ministry of Tourism, Wild life and Antiquities; National Planning Authority; Uganda Media Centre; Uganda Retirements Benefits Regulatory Authority (URBRA); Kampala Capital City Authority (KCCA);Electricity Regulatory Authority; National Environment Management Authority (NEMA).

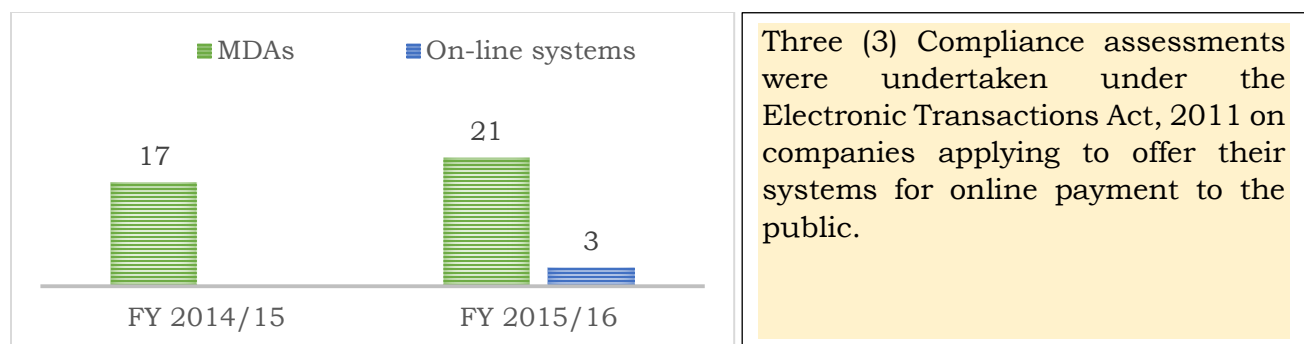


Figure 12: Number of Compliance Assessments

Output 6: Develop laws and Regulations

The UN e-Government survey, 2014 established that even in the case of countries with highly advanced ICT infrastructures and human resources; it can be difficult to move to the higher stages with transactional and connected services, given that these typically require robust data protection and online payment systems, as well as secure data sharing across government institutions.

The draft Data Protection and Privacy Bill whose purpose is to regulate the collection and processing of personal data has been developed. The draft Bill was tabled before Parliament and read for the 1st time and the necessary preparations are in place to have it passed by Parliament in FY 2016/17.

The e-Government regulations were developed, approved by the Hon. Minister and gazzetted in FY2014/15. These regulations provide the legal backing for, and have since coming into force enhanced compliance with, the Rationalization Strategy.

Regulations to operationalize the IT Certification framework, were developed and are cited as; NITA-U (Authentication of IT Training) Regulations and NITA-U (Certification of Providers of Information Technology Products and Services) Regulations. The final regulations await approval by the Minister.

The NITA-U (National Data Bank Management) Regulations were revised and, taken through a stakeholder validation process to produce a final draft of the regulations in FY 2015/16. The draft regulations were reviewed and approved by management and submitted to the Board for approval before they are submitted to the Minister.

Output 7: Implement the National IT Project Management Methodology (NITPMM)

The NITPMM provides a structured approach for ministries, departments and agencies (MDAs) to efficiently manage their IT projects and programs within government. The methodology which has been operational for 3 years underwent and audit in FY 2014/15 to inform improvements. Based on the recommendations of the audit, an inventory of IT projects in Government was undertaken and a management paper to handhold MDAs in implementation of the methodology developed. Training materials for capacity building in the methodology were developed and training was conducted for sixty seven (67) government IT project managers from fifty two (52) MDAs.

Table 6 below provides a summary of achievements against planned outputs for Goal 3 in FY2015/16.

Table 6: Goal 3- Planned Outputs & Achievements

Key outputs	FY 2015/16 Targets	Achievements
A- Standards		
Output 1: Priority standards developed, approved and adopted	At least five (5) priority standards developed.	✓ Nine (9) IT standards developed and approved by the technical committee.
Output 2: Awareness and sensitization of MDAs about MDA standards conducted	At least five MDAs sensitized about the MDA Standards.	✓ A stakeholder engagement was developed and approved. Based on this, nine (9) sensitizations on IT standards were conducted
B- Certification and Accreditation		

Key outputs	FY 2015/16 Targets	Achievements
Output 3: Certification framework Operationalized	Certification Framework Operationalized.	✓ Certification guidelines and framework reviewed, updated and approved. Further regulations to support certification were developed and submitted for approval.
C- Regulation and Legal Services		
Output 4: Operationalize regulations for the cyber laws	Fifteen (15) awareness sessions about cyber laws carried out	✓ Nineteen (19) sensitization events to create awareness on Cyber laws were conducted in form of seminars, engagements and talk-shows.
Output 5: MDA compliance to set standards assessed.	Twenty four (24) compliance assessments undertaken	<ul style="list-style-type: none"> ✓ Compliance assessments were undertaken in 21 MDAs. ✓ Conducted 3 compliance assessments for providers to gauge compliance with Electronic Transactions Act.
Output 6: Develop laws and Regulations	Support to the development of the Data protection and privacy Law , Certification and National Data bank regulations National Databank regulations developed and e-Government	<ul style="list-style-type: none"> ✓ The Data Protection and Privacy Bill was approved by Cabinet, gazetted and saved by the 9th Parliament. ✓ ✓ Final National Data Bank Regulations were finalized and submitted for approval by management. ✓ Regulations will thereafter be submitted to the Solicitor General for clearance. ✓ e- Government Regulations were approved by the Hon. Minister and gazetted on the 11th of June 2015 and implementation commenced in FY 2015/16 ✓ The National Information Technology Authority Uganda (Authentication of Information Technology Training) Regulations, 2016, and the National

Key outputs	FY 2015/16 Targets	Achievements
		Information Technology Authority Uganda (Certification of Providers of Information Technology Products and Services) Regulations, 2016 were developed and submitted to management for approval.
D- IT Project Management Methodology		
Output 7 : Implement the National IT Project Management Methodology (NITPMM)	Awareness created in at least five (5) MDAs.	✓ Trained sixty seven (67) government IT project managers from fifty two (52) MDAs

Strategic Goal - 4: Strengthened capacity in MDAs

Capacity building in Human capital concerning global spread of the Internet and the application of ICT in government can provide opportunities to transform public administration into an instrument of collaborative governance which directly supports sustainable development outcomes.

ICT adoption and use in Uganda can be improved through strengthened capacity in IT products and services both in institutions and at individual level. There is need to continuously build institutional and human capacity within government. Further on, the environment in which the IT Education and Training is being provided is unregulated and ungoverned. This condition negatively impacts Uganda's competitiveness in the IT industry.

In order to increase competitiveness of the IT industry, the authority in alignment with its mandate, to regulate the IT profession in Uganda, several steps have been taken that include:

- Developing and operationalizing the IT Certification framework to certify IT Professionals and Training Institutions
- Continuously offering support towards IT capacity building in MDAs
- Establishing and providing support to the IT Association

The narrative below, provides the status of performance against the targeted annual outputs towards establishing a strengthened capacity in MDAs.

Output 1: Support towards IT Capacity building provided to MDAs

In partnership with UTAMU, NITA-U participated in the engagements that led to UNESCO signing a contract to support Training of One hundred (100) Web Managers and Public relations officers for Ministries departments Agencies and Local Governments.

In FY 2015/16, NITA-U commenced on developing the e-Government curriculum. In order to improve e-Government uptake in government, NITA-U has partnered with the Civil Service College to start training Civil Servants with the objective of increasing their appreciation of the use of IT to improve efficiency in government.

Output 2: Certification of IT professionals and training institutions.

As earlier reported, Regulations to support the Certification process are in the offing for IT training and for providers of IT Products and Services.

Under section 5 (i) of the NITA-U Act, NITA-U in liaison with other relevant institutions, is required to regulate the IT profession in Uganda in order to ensure its effective utilization promotion and development. The need for a specific piece of legislation rather than a Regulation for the IT Profession, has been identified. This followed consideration of the way other professions are regulated and operational in Uganda. The other professions considered included the Engineering, Accounting, Legal, Medical and Dental professions and others. To this end, the Ministry of Information and Communications Technology and National Guidance will spearhead/support the development of legislation for the IT Profession.

Table 7 below provides a summary of achievements against planned outputs for Goal 4 in FY2015/16.

Table 7: Goal 4- Planned Outputs & Achievements

Key outputs	FY 2015/16 Target	Achievements
A- Capacity Building & regulation of IT Training		
Output 1: Support towards IT Capacity building provided to MDAs	100% participation and support to all capacity building events.	<ul style="list-style-type: none"> ✓ Engaged consultant of ICDL Africa with a view of identifying how ICDL modules can be incorporated in the e-government curriculum ✓ Developed a concept for Capacity Building/ Training for IT Personnel

Key outputs	FY 2015/16 Target	Achievements
		and Public relations officers in MDAs in charge of websites and web content ✓ Provided support in the GCIC Training by ensuring that a proper Training Manual is developed by the Team.
Output 2: Certification of IT professionals and training institutions.	Certification framework operationalized.	✓ A Draft IT Professionals Certification Framework developed to guide the certification of IT professionals ✓ Stakeholders engaged on the establishment of an IT Professionals Body ✓ Process of developing the IT Professionals principles commenced

Strategic Goal - 5: Research and Innovations supported and promoted

The marketplace is becoming increasingly competitive with more players climbing onto the bandwagon and exploring newer strategies to increase their productivity levels in order to keep abreast with technology advancements, business needs and discovering virgin areas in which to operate as a way to maintain their competitive advantage.

Research is envisaged as a critical enabler for both of these developments. Identifying, nurturing, managing and promoting talent in the research and innovation is a core strength which if well harnessed will leapfrog Uganda’s IT industry. In line with NITA-U’s function to undertake and commission research the following initiatives have been identified as key:

- Conduct IT surveys to inform development of IT strategies.
- Facilitate IT data collection, integration and reporting in a timely manner.
- Support to IT Innovation

The narrative below, provides the status of performance against the targeted annual outputs towards promoting research and innovations in Uganda.

Output 1: IT surveys to inform development of IT strategies conducted.

In FY 2015/16 key surveys were conducted to inform key decisions. They include;

- A survey to profile IT innovators. Through this a database of innovators, innovation activities and support required was created. The findings also informed the training of IT innovators by NITA-U based on the needs assessment.
- IT profiles in MDAs and core e-Government indicators survey for updating of IT profiles for MDAs and compilation of comprehensive statistics on e-government services.
- Assessment of market prices for commonly used items in NITA-U was conducted as guidance for users in budgeting.
- Facilitated the assessment of NITA-U service providers by conducting evaluation studies: These include: NITA-U cleaning services; Canteen services for NITA-U staff and security services.

Output 2: IT data collected, integrated and reported in a timely manner.

The NITA-U strategic plan for statistics was presented to and approved in FY 2015/16. As a step toward operationalizing the plan NITA-U Indicators and international frameworks were reviewed and a list of core IT indicators for external and global reporting was developed. A mapping of agencies/stakeholders involved in the production of IT statistics along with the nature of information they produce was undertaken and an engagement to ensure alignment and ease of access to the critical data.

A compendium of core IT indicators containing definitions for common concepts, terminologies and metadata for core IT indicators (definitions, sources of data, compilation practices and computation methods) was finalized and an IT statistical abstract was drafted.

Output 3: Draft IT data collection and dissemination system developed.

An MDA Data profiling tool was developed and approved last financial year, the tool was uploaded with MDA basic information on physical locations, key contacts and IT profiles. In FY 2015/16 new modules that were deemed relevant by user departments including the NBI module and IT Innovation Hubs module were uploaded onto the tool for ease of reference and information access. The tool is also uploaded with all existing NITA-U survey information from past conducted surveys

Output 4: IT Innovation supported

In FY 2015/16 the profiling of IT innovators was undertaken. Through this process an assessment of their training needs was established. Based on the survey recommendations a training of fifty (50) was conducted in a set of skills that included patent rights, product development, marketing and business legalizations.

Consultative workshops on Free and Open Source (FOSS) Policy and Strategy conducted and feedback obtained. Organized several pre-conference meetings including the public disclosure event of IDLELO7 conference on free and open source software.

Supported and participated in the Hackathon for Agriculture Hack4Ag an event organized by WB to develop ICT solutions for Agriculture. Participated and provided support to the development of 5 Innovations through Innovation Garage session organized by RAN projects include; solar maize drier, solar powered egg incubator, Pneumonia Vest kit, Sickle Cell diagnostic kit, FIST App and Q-Ultra Wireless.

Table 8 provides a summary of achievements against planned outputs for Goal 5 in FY 2015/16.

Table 8: Goal 5- Planned Outputs & Achievements

Key Outputs	2015/16 Target	Key Achievements
Output 1: IT surveys to inform development of IT strategies conducted.	100% completion of requested, approved and financed surveys	Five (5) key surveys conducted in support of procurement, technical services and administration among other functions.
Output 2: IT data collected, integrated and reported in a timely manner.	NITA-U strategic plan for statistics developed & operationalized	<ul style="list-style-type: none"> ✓ NITA-U strategic plan for statistics was presented ✓ A compendium of core IT indicators was developed. ✓ IT statistical abstract was drafted
Output 3: Draft IT data collection and dissemination system developed.	IT data collection and dissemination system in place.	<ul style="list-style-type: none"> ✓ An MDA Data profiling tool was developed and approved ✓ Profiled data on IT Innovation Hubs uploaded and incorporated onto the MDA data profiling tool for ease of access, retrieval and future reference
Output 4: IT Innovation supported	At least five (5) Innovation activities supported.	<ul style="list-style-type: none"> ✓ Over six (6) innovation activities supported.

Strategic Goal - 6: Information Security promoted

The world is increasingly becoming knowledge –driven and networked, any activities that breach lawful on-line conduct lead to erosion of trust and confidence. While it is important

to combat these threats, measures must be taken to create awareness of what are desirable and building capacities for the same. On the other hand, the measures must be supported by an enforcement and compliance regime.

The directorate was created to provide assurance for National Information Security by undertaking among other activities; planning, implementing and monitoring security matters. To further enhance information security in the focus areas in FY 2014/15 included:

- Implement of a National Information Security Framework (Includes Policies, Standards, Guidelines, Roles, Responsibilities, etc.)
- Improve capabilities of the National Computer Emergency Response Team (CERT)
- Establish and Operationalize the National Information Security Advisory Group (NISAG)
- Conduct Information Security promotion awareness in MDAs.

The narrative below, provides the status of performance against the targeted annual outputs towards promoting IT security in Government.

Output 1: Implement the National Information Security Framework (NISF)

The NISF is a conceptual structure that was developed in fulfilment of government's pledge to protect national resources and systems against cyber-attacks and associated risks such as cyber terrorism. The framework presents a common approach for addressing information security issues both within and outside the Government of Uganda (GoU). Upon implementation the NISF will secure the information and other assets that enable the GoU to conduct its operations.

In FY 2015/16 National Information Security Framework (NISF) Compliance assessments were conducted in Seven (7) MDAs of which four initiated this financial year. The MDAs assessed include; Electricity Regulatory Authority (ERA), Directorate of Petroleum, Ministry of Public Service – IPPS Unit, National Social Security Fund, National Water & Sewerage Corporation, Uganda Revenue Authority and Kampala Capital City Authority.

Output 2: Establish and Operationalize the National Information Security Advisory Group (NISAG)

The NISAG was inaugurated by the Hon. Minister of State for ICT in Oct 2015. The NISAG is a fusion of the public and private sector experts in Information Security whose role is to advise the Government on current threats and threat sources in Uganda's cyberspace so that they can be addressed appropriately. The membership comprises of the banking, telecommunications, and energy, utility, military, and Government sectors.

The final format of the National Information Risk Register (NIRR) was adopted in a NISAG in FY 2015/6. Through a series of scheduled monthly meetings the NIRR classification of the four (4) sectors to be included in the NIRR was finalized.

Output 3: Capabilities of the National Computer Emergency Response Team (CERT) improved.

The CERT concerns people, processes and technologies involved in providing situational awareness through the detection, containment, and remediation of IT threats. NITA-U developed and regularly disseminated periodic Information Security Advisories and Alerts to constituents in 20 core areas. Among these were; technical assistance provided to the three (3) MDAs that were affected by Ransomware. Incident trackers were activated for easier management of incidents.

The Child Online Protection supported through the establishment of the OCSARP with IWF as well Ministry of Internal Affairs Working Group.

Built IS capacity through several co-sponsored trainings these include;

- Training for over one hundred (100) Law enforcement officers in Child On-line Protection.
- Implementation of Honey-net Training with Egyptian CERT for NITA and ten (10) MDAs
- Provided support to RENU on establishment of incident response capability
- Provided guidance to CII organizations on the Anonymous Hacking Group Threat

Output 4: Conduct Information Security promotion awareness in MDAs

In FY 2015/16, Seventeen (17) Information Security sensitization targeting numerous stakeholder groups were undertaken. The targeted stakeholders addressed included; Tertiary institutions, Bankers association, Children. The sensitizations adopted the form of workshops, trainings and lectures.

Output 5: Solicit for Information Security training

The changing technologies and environment of the cyber space requires that the personnel charged with Information Security roles be continuously trained on how to handle the changing scenarios. NITA-U in FY 2015/16 secured training under the Government of India which was attended by two (2) staff from Special Forces Command.

Table 9 below provides a summary of achievements against planned outputs for Goal 6 in FY2015/16.

Table 9: Goal 6- Planned Outputs & Achievements

Key outputs	FY 2015/16 Annual Target	Achievements
Output 1: Implement of a National Information Security Framework	NISF implementation started in at least 4 MDAs	National Information Security Framework(NISF) Compliance assessments conducted in

Key outputs	FY 2015/16 Annual Target	Achievements
		Seven (7) MDAs of which four initiated this financial year
Output 2: Establish and Operationalize the National Information Security Advisory Group (NISAG)s	Up to date National Information Risk Register (NIRR)	The final format of the NIRR was adopted in a NISAG meeting held in Jan 2016. Finalized the classification of the four (4) sectors to be included in the NIRR.
Output 3: Capabilities of the National Computer Emergency Response Team (CERT) improved.	National CERT providing Incident response and digital forensic services.	Developed and Disseminated periodic IS Advisories and Alerts to constituents in 20 core areas
Output 4: Conduct Information Security promotion awareness in MDAs	Information Security sensitization in 12 MDAs.	Seventeen (17) Information Security sensitization undertaken
Output 5: Solicit for Information Security training	Cyber security support in terms of Information Security training obtained	Secured training under the Government of India which was attended by two (2) staff from Special Forces Command

Strategic Goal - 7: Strengthened and aligned Institutional Capacity

This section is concerned with activities that have been undertaken towards operationalization of the NITA-U Act and strengthening governance of the Authority. Therefore, the subsequent subsections are concerned with activities that promote NITA-U's visibility and sustainability.

Output 1: NITA-U Operationalized

FY 2015/16 is the third year of implementation of the 5-Year Strategic Plan. The Strategic Plan always guides the priority annual outputs. Performance review of progress against the targeted annual outputs is conducted annually. While good progress has been registered, some of the key outputs have been affected by the constrained financial resources among other challenges.

FY 2015/16 was NITA-U's third year of operation under Vote 126, as a fully self-accounting organization directly receiving funds from the consolidated fund. The statements of financial performance for two consecutive years (FY 2013/14 and 2014/15)

were approved by the Accountant General’s Office and the Audit Report of the Auditor General was unqualified.

The procurement audit FY 2014/15 was conducted and NITA-U was rated as highly satisfactory. Based on a survey that was carried out by PPDA, NITA-U was named among the ten (10) best performing Procuring and Disposing Entities (PDEs) in Uganda. The details on the PPDA ranking are as per the News Paper clip in **ANNEX 1**.

The human capital resourcing to support the implementation of the strategic plan is still constrained. To address this challenge, NITA-U initiated negotiations with Ministry of Public Service to increase NITA-U’s MTEF for wage bill to at least enable. In FY2014/15 an additional Five hundred million was approved to cater for recruitment of additional staff to fill the key positions.

Output 2: NITA-U visibility and Awareness

There was sixteen per cent (16.7%) increase in the number of events NITA-U participated in this year FY2015/16 as compared to FY 2014/15. Table 10 shows events that NITA-U participated in during FY 2015/16:

Table 10: NITA-U events Calendar FY 2015/16

Q 1 (Jul-Sept)	Q2 (Oct-Dec)	Q3 (Jan –Mar)	Q 4 (Apr- Jun)
<ul style="list-style-type: none"> ● Mozilla East Africa Festival 2015 ● Training Local Government on Web Development, Content Management Systems, System Configuration and Cybersecurity ● Open Data Readiness Assessment Delivery Workshop ● ISACA conference ● Consultation workshop on the provision of internet bandwidth to Ministries, 	<ul style="list-style-type: none"> ● e-Services Portal Launch ● RCIP Stakeholder engagement ● R.A.I.S.E. Program Annual Mobile Applications Challenge ● Annual Women’s Leadership Conference ● Awareness breakfast meeting on the national cert.ug/cc ● National Information Security Framework dissemination ● Training for IT Innovators 	<ul style="list-style-type: none"> ● One Stop Centre Launch ● NBI Stakeholder engagements ● Masaka ● Wakiso/KCCA ● Mbarara ● Kabale ● FOSS stakeholder workshop 	<ul style="list-style-type: none"> ● College of Computing and Information Sciences (CoCIS) Makerere University Exhibition ● 7th African Conference on Free and Open Source Software (FOSS) and Digital Commons (IDLELO7) Launch ● National Databank Management Regulations workshop ● IT & ITES Export sector plan Launch ● Certification Regulations Workshop ● Project Management Training for

Departments and Agencies (MDAs) ● The 9th Uganda Internet Governance Forum (UIGF) ● BPO Conference ● Online Child Sexual Abuse Reporting Page (OCSARP)	● Commissioning Child Helpline Sauti (116) Call Centre ● MTN Innovations awards gala ● NITA-U Party		Government IT Managers ● NITA-U/RAN MOU signing – Research and Innovation partnership ● World Bank, Ministry of Agriculture Hackathon (Hack4AG) ● Board Inauguration ● Minister Handover Ceremony and Cocktail
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Output -3: Media and Social Networks Coverage of NITA-U

There was an improvement on Media coverage, with the number of stories in the print media increased by 4% to One hundred and ninety nine (199) stories as compared to FY 2014/15. The least number of stories were in December, this is has been the general trend over the last four years due to the Christmas break. Most of the stories published in the Media were positive in line with the NBI Phase III project.

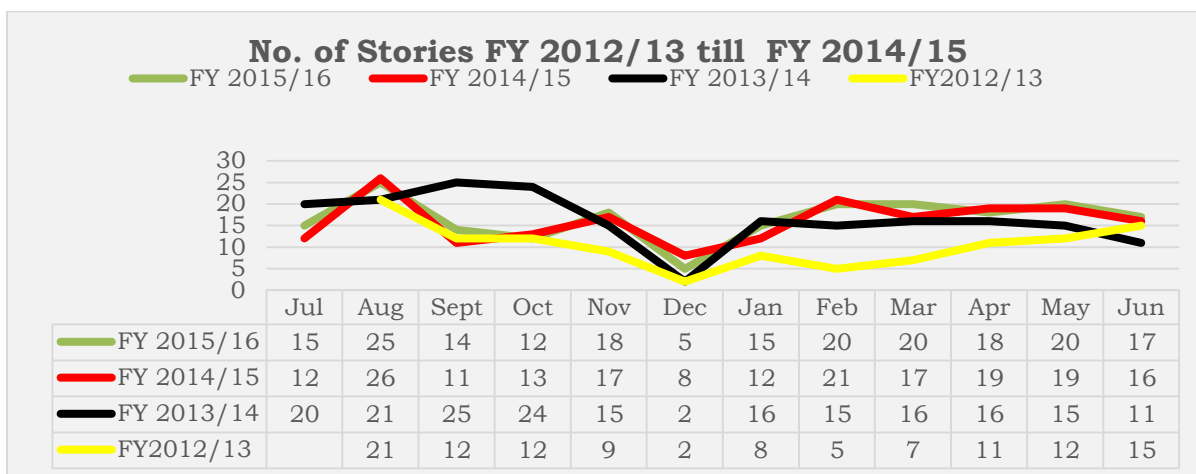


Figure 14: Number of Stories published

Public interest in NITA-U website has improved as evidenced by the steady increase over the five year period. FY 2015/16 registered a 1.8 % increase in visits as compared to FY 2014/15. The steady growth is attributed to increased awareness about NITA-U in the public through Public Relations activities, Media and stakeholder engagements to sensitize and create awareness of NITA-U projects.

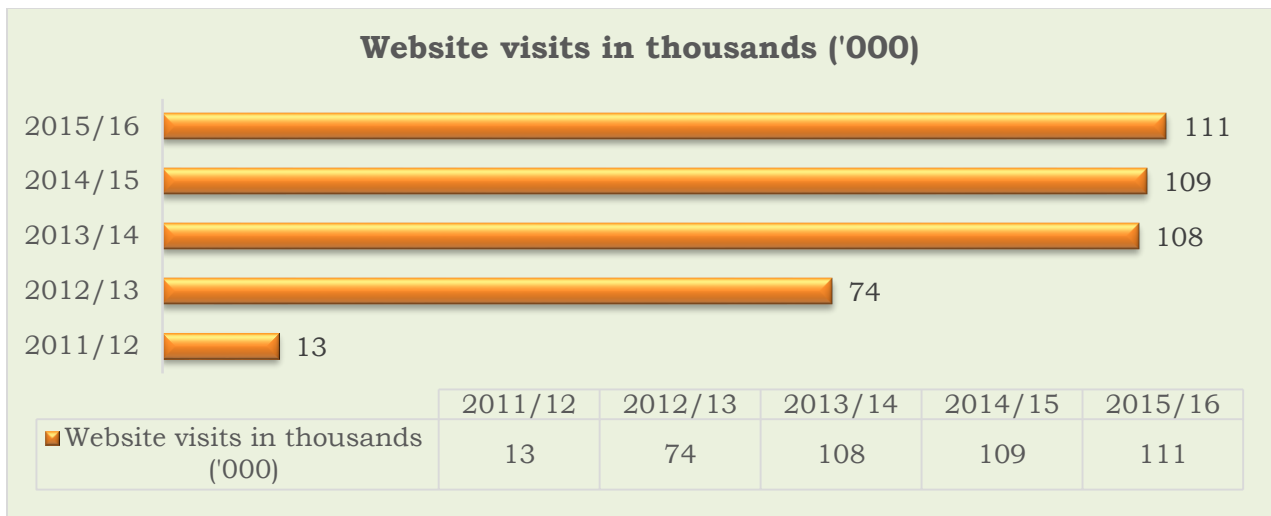


Figure 15: Visits to NITA-U website

NITA-U runs two social network pages i.e. (Facebook and Twitter). The social media avenues that were launched in FY 2013/14 that is; Google +You tube and linked in have been effectively maintained and updated with the objective of increasing the number of visits. The visits to the NITA-U Facebook and twitter pages dramatically increased by 3% and 2% respectively as compared to FY 2014/15.

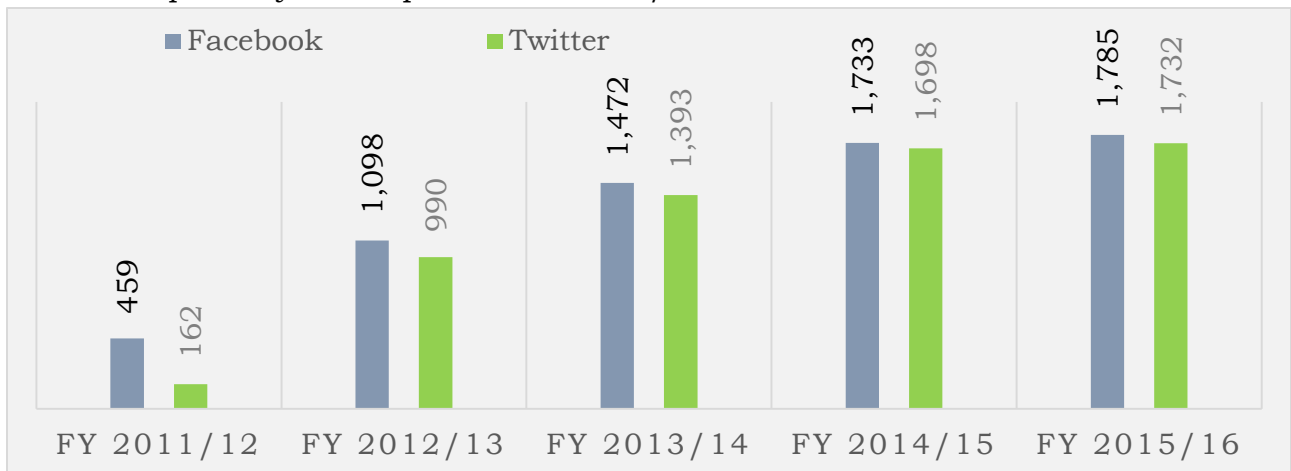


Figure 16: Facebook & Twitter engagements

Strategic Goal 8: Business Process Outsourcing (ITES/BPO) industry promoted.

The Ugandan government identified Information Technology Enabled Services–Business Process Outsourcing (ITES-BPO) as one of the key sectors to enhance economic growth and reduce youth unemployment in the country. NITA-U, under the Ministry of ICT, has been at the forefront of catalyzing initiatives to foster and facilitate the quick and planned growth of Uganda’s ITES-BPO industry.

Several initiatives have been undertaken to position Uganda as a preferred destination for the BPO –ITES industry. Institutional players were established and constituted into a

complementary value chain. They are; the Ministry of Information and Communications Technology (MoICT) to provide oversight; NITA-U ; Industry Associations (Uganda BPO Association and the ICT Association of Uganda); Uganda IT& ITES Suppliers.

The Business Process Outsourcing Strategy for Uganda was reviewed and updated to provide high-level guidance on key areas of investment; the BPO Accreditation and Certification Standards to ensure competitiveness on the global markets were developed and sensitizations. The BPO incentives guidelines were developed and are currently being reviewed by the industry bodies to ensure relevance to the sector.

The narrative below, provides the status of performance against the targeted annual outputs towards promoting BPO/ ITES in Uganda.

Output 1: Awareness of BPO created in key institutions.

In order to take advantage of the BPO opportunities MDAs and private institutions need to be made aware of the benefits that come with outsourcing. Furthermore, the competitive advantages of the exiting local BPO companies need to be harnessed and promoted within government.

In FY 2015/16, NITA-U conducted eleven (11) BPO/ITES awareness sessions were conducted to MDAs. The targeted stakeholders included; MOFA, MoTIC, MUNI University, MUBS – Business computing, Kyambogo Faculty of Entrepreneurship and Faculty of Science and MGLSD. Awareness was also created at a high level policy symposium for priority exports under President’s Office 30 NTF III project companies and at the launch of Country Export plan and Country Marketing plan event.

Output 2: BPO industry promoted

The Country Export plan and Marketing plans for IT/ITES services that was developed through the Netherlands Trust Fund (NTF III) project were launched in April 2016 – NTF III. Implementation of some of the components of the plan has already commenced. Several BPO SMEs have benefited from the capacity building and exchange programs initiatives including modules such as; Business Generation methodology; -Brand communication and trade fair sales. Three (3) female owned companies we sponsored to the women’s BPO Expo that was held in Brazil Sao Paulo.

NITA-U partnered with the BPO association to host the International BPO Conference 2016 with the underlying objective of creating linkages between local and international BPO operators.

Output 3: Employment numbers at the BPO Centre maintained

The number of youths employed dropped by One hundred and one (101) due to a global meltdown of the BPO industry. Further still installation of the network operations,

established on some of the space that was utilized by the operators also affected the employment numbers at this specific location. In FY 2015/16, the employment numbers closed at fifty two youths. In FY 2016/17 plans have already made to support selected BPO companies by connecting their premises to of affordable internet bandwidth.

Output 4: Availability of services (technical and administrative) to the BPO operators delivered as per contract.

92% of the total BPO tickets raised were resolved, this is within the agreed service level agreements (90%).

Table 11 provides a summary of achievements against planned outputs for Goal 8 in FY2015/16.

Table 11: Goal 8- Planned Outputs & Achievements

Key outputs	FY 2015/16 Target	Achievements
Output 1: Awareness of BPO created in key institutions.	Awareness of the BPO strategic documents created in at least 10 MDAs.	Eleven (11) BPO/ITES awareness sessions were conducted for MDAs.
Output 2: BPO industry promoted	Country Export plan and Marketing plans for IT/ITES launched.	<ul style="list-style-type: none"> ✓ The Country Export plan and Marketing plans for IT/ITES services were launched. ✓ The Annual BPO Conference was organized and held in Oct 2015.
Output 3: Employment numbers at the BPO Centre maintained	Employ at least 320 agents at the BPO Centre	✓ Fifty two (52) Agents were employed at the Centre.
Output 4: Availability of services (technical and administrative) to the BPO operators delivered as per contract.	Availability of services maintained as per signed contract.	✓ 90% of the tickets raised by the operators closed.

INDUSTRY OUTLOOK FY 2016/17

To remain relevant in a fast changing IT environment, NITA-U undertakes annual reviews which in alignment with the five year plan inform the key priorities for the subsequent year. This section highlights the key issues within NITA-U's operating environment presented below in the form of a SWOT analysis. The strategic priorities aim at; harnessing Opportunities and Strengths; overcoming weaknesses whilst harnessing Opportunities; addressing threats by capitalizing on Strengths; eliminating weaknesses and circumventing threats.

The key activities which underpin the SWOT analysis are as listed below:

1. Quality and affordability of IT infrastructure in public establishments
2. Development and enforcement of IT standards and Regulations for Uganda
3. e-government services
4. Human resource capacity to support government IT Services
5. Innovations through research and development
6. IT Security (Cyber security and Cybercrimes)
7. IT support and Advisory for Government Institutions
8. Sustainability through alternative funding avenues
9. Institutional Capacity and Governance

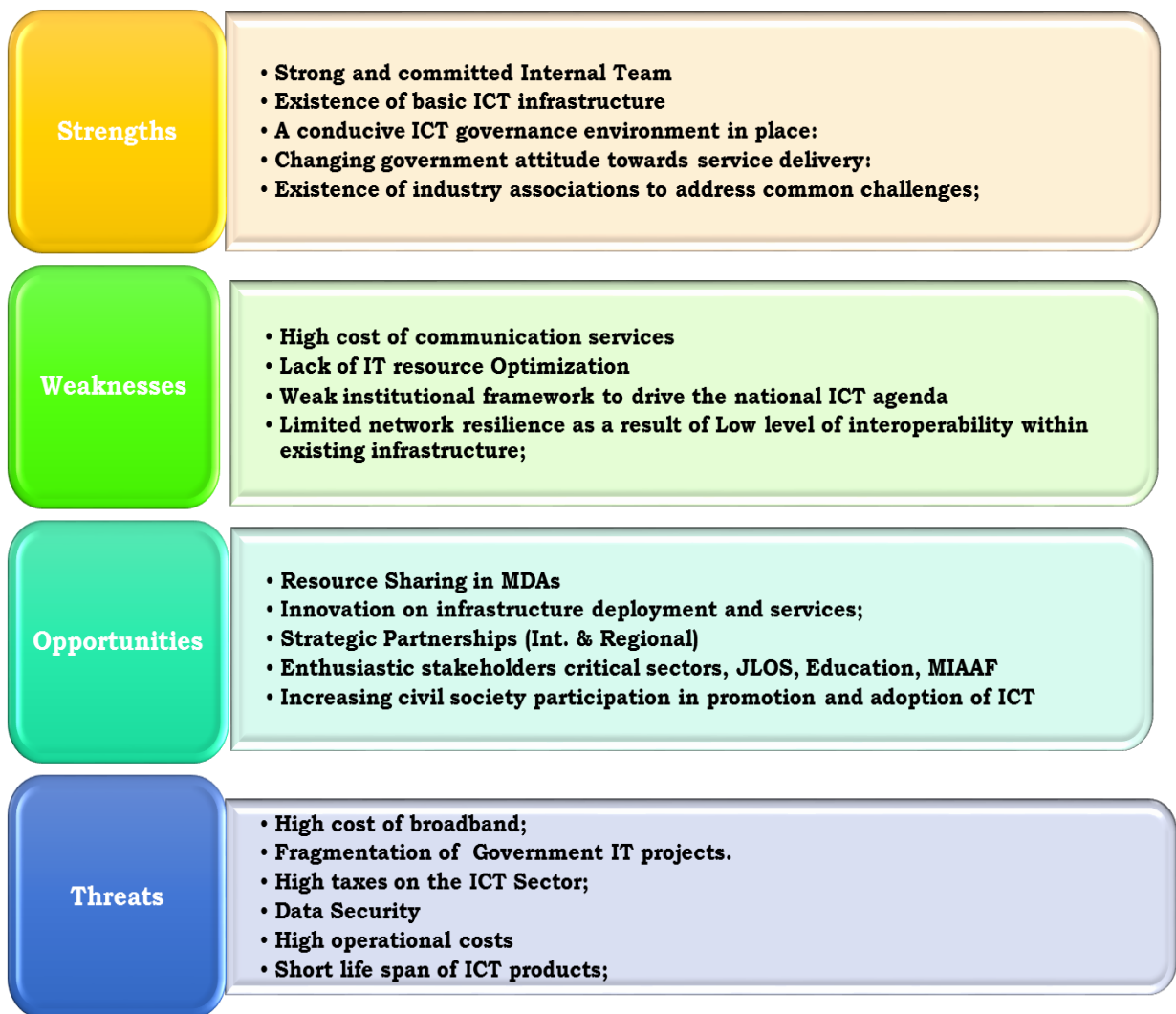


Figure 17: SWOT Analysis

Table 12: SWOT Analysis

THEMATIC AREAS	STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ● Infrastructure ● e-Services delivery ● Laws , Regulations, Standards ● Research and Innovation ● Internal Resources 	<ul style="list-style-type: none"> ● Strong and committed Internal Team ● Existence of basic ICT infrastructure ● A conducive ICT governance environment in place: ● Changing government attitude towards service delivery: ● Existence of industry associations to address common challenges; 	<ul style="list-style-type: none"> ● High cost of communication services ● Lack of IT resource Optimization ● Weak institutional framework to drive the national ICT agenda ● Limited network resilience as a result of Low level of interoperability within existing infrastructure;
OPPORTUNITIES	<i>Strategies to harness Opportunities and Strengths</i>	<i>Strategies to overcome weaknesses whilst harnessing Opportunities</i>
<ul style="list-style-type: none"> ● Resource Sharing in MDAs ● Innovation on infrastructure deployment and services; ● Strategic Partnerships (Int. & Regional) ● Enthusiastic stakeholders critical sectors, JLOS, Education, MIAAF ● Increasing civil society participation in promotion and adoption of ICT 	<ul style="list-style-type: none"> ● Use of existing infrastructure to demonstrate the value proposition of IT enabled services ● Government goodwill provides the basis for engagement with partners. ● Establishment of Critical infrastructure through PPPs ● Supportive institutional framework will stimulate the adoption and uptake of technologies 	<ul style="list-style-type: none"> ● Establishing a resource sharing framework amongst MDAs ● Use Donor and Development partners support to mainstream IT awareness and initiatives ● Explore and exploit the goodwill of the political leadership for sector support through creation of an enabling environment ● Establish synergetic partnerships with MDAs
THREATS	<i>Strategies to address threats capitalizing on Strengths</i>	<i>Strategies to eliminate weaknesses and circumvent threats.</i>
<ul style="list-style-type: none"> ● High cost of broadband; ● Fragmentation of Government IT projects. ● High taxes on the ICT Sector; ● Data Security ● High operational costs ● Short life span of ICT products; 	<ul style="list-style-type: none"> ● Potential to generate revenue through commercialization of services and infrastructure like the NBI ● Changing government attitude towards improved service delivery essential in reduction of government bureaucracy ● Existence of competent human resource essential in the management of change ● Appropriate laws, regulations and policies will be developed to secure government data and infrastructure 	<ul style="list-style-type: none"> ● By providing capacity building initiatives for MDAs staff to ensure optimal utilization ● By ensuring that the NITA-U staff structure is fully established ● By institutionalizing NITA-U operations through corporate communications ● By developing a resource mobilization strategy for the authority

FINANCIAL STATEMENTS

REVIEW OF FINANCIAL STATEMENTS FOR THE FY2015-16

1.1: Background

The National Information Technology Authority, Uganda (NITA-U) was established by an Act of Parliament (National Information Technology Authority, Uganda Act of 2009). The statutory mandate of NITA-U is to coordinate, promote and monitor Information Technology (IT) developments in Uganda within the context of National Social and Economic development. The Authority became an independent self-accounting entity with effect from 1st July of FY 2012/2013 as a Vote (Vote 126) hence; this is the 4th year NITA-U is reporting as an autonomous vote with the Executive Director as the substantive Accounting Officer.

1.2: Governance

The Ministry of Information and Communications Technology (MoICT) now Ministry of ICT & National Guidance is the responsible line ministry with overall national responsibility for the sector and supervision of all agencies under it including NITA-U. According to the NITA, U Act- 2009, the Board of Directors, appointed by the Minister of ICT & National Guidance constitute the governing body of the Authority. Amongst others, the Board is specifically responsible for: formulation of policy guidelines, approval of budgets & action plans, monitoring implementation of plans & programs, determining structure and establishing staffing levels and establishment of rules and procedures of the authority.

The NITA-U Secretariat forms the organization's executive arm, led by the Executive Director. He is supported by a team of six (6) Directors each heading a Directorate which is responsible for a number of key functions and or business processes.

The Office of the Auditor General is responsible for auditing the accounts of the Authority in accordance with Article 163 of the Constitution of the Republic of Uganda, Section 13 and 19 of the National Audit Act, 2008 and section 51 of the Public Finance Management Act, 2015.

1.3: Statement of Financial Position.

The statement of financial position contains a nil cash and bank balance because NITA-U operates a balanced budget where receipts (revenue) from GoU are spent to finance the activities in the approved work plan and any unspent funds are swept (paid back) to the consolidated fund at the end of the financial year. Further fixed assets are not presented in the statement of financial position because of the accounting policies adopted by the Government of the Republic of Uganda in preparing and presenting the financial statements. The principal accounting policies adopted in the preparation of these financial statements are set out in the draft financial statements. However, the key policies that explain why there are no fixed assets in the balance sheet are as follows:

Note 7 to the financial statements: Basis of preparation of financial statements

The financial statements have been prepared in accordance with the requirements of the Public Finance Management Act, 2015 [the Act] and comply with generally accepted accounting principles. The Financial Statements have consistently been prepared using the modified cash basis of accounting except where stated otherwise. The modified cash basis of accounting recognizes revenue when cash is received and expenses (except for expenses approved to be accrued) when paid.

Note 14 to the financial statements: Property, Plant and Equipment (physical assets or fixed assets)

Property, plant and equipment (PPE) principally comprises buildings, dams, roads and highways, hydropower stations, plant, vehicles, equipment, and any other infrastructure assets but does not include land and regenerative natural resources such as forests and mineral resources.

Acquisitions of PPE are recorded in the asset register on receipt of the item at cost and expensed fully through the Statement of Financial Performance. Cost of the item is defined as the total cost of acquisition. Where the cost of the PPE cannot be determined accurately, the PPE is stated at fair value. Subsequent repairs and maintenance costs of PPE are also expensed as goods and services consumed in the Statement of Financial Performance.

Proceeds from disposal of property, plant and equipment are recognized as non-tax

revenue in the period in which it is received.

Members will recall that the Board approved the adoption of modified cash basis of accounting subject to final clearance from the Accountant General in accordance with the Public Finance Management Act, 2105. In his letter dated 22nd June 2016, the Accountant General approved the adoption of modified cash basis of accounting for NITA-U and advised as follows:

“Government intends to adopt accrual IPSAS in the preparation of financial statements in the near future. NITA-U should prepare and submit financial statements on a modified cash basis as per the financial reporting templates that were provided. The vote should however, ensure that the accrual based information is preserved as it will be required when the change to accrual basis IPSAS takes place. The roadmap to accrual basis IPSAS is being developed and before it is finalized, NITA-U is among the stakeholders that will be contacted for input”

In accordance with the Accountant General’s guidance, NITA-U has prepared and submitted her financial statements for the year ended 30th June 2016 on a modified cash basis as per the financial reporting templates that were provided by the office of the Accountant General.

1.4. Statement of Financial Performance

The Statement of Financial performance provides a report on the total revenue received against the relevant expenditures NITA-U spent funds on during the course of implementing activities in the approved work plan.

1.5. Statement of Cash Flows.

The Statement of Cash Flows reports cash movements i.e. inflows/outflows over the reporting period.

1.6. Statement of Changes in Equity

The Statement of Changes in Equity illustrates the movement (growth or decline) in shareholder’s (i.e. Government) funds/interest over the reporting period.

1.7. Notes to the Financial Statements

The notes to the financial statements (pages 73 to 81) constitute the detailed explanations to the various statements already highlighted above and therefore must be read together

The notes also confirm the accounting policies adopted in the preparation of the financial statements.

STATEMENT OF FINANCIAL PERFORMANCE

	Notes	FY 2015/2016 UGX	FY 2014/2015 UGX
OPERATING REVENUE			
REVENUE	2		
Taxes	3	-	-
External Grants Received	4	-	-
Transfers received from the Consolidated Fund	5	23,126,631,056	10,181,078,138
Transfers from the Contingencies Fund	6	-	-
Transfers received from Other Government units	7	306,521,720	503,808,000
Non – Tax revenue		9,140,004,358	4,184,371,595
Total Operating Revenue		32,573,157,134	14,869,257,733
OPERATING EXPENSES			
Employee costs	8	8,794,889,814	7,537,195,934
Goods and services consumed	9	11,486,201,239	6,729,324,496
Consumption of property, plant & equipment	10	2,819,968,288	127,400,329
Subsidies	11	-	-
Transfers to other Organizations	12	-	456,790,080
Social benefits	13	-	-
Other operating expenses	14	25,639,000	-
Total operating expenses		23,126,698,341	14,850,710,839

Excess of revenue over expenditure from operating activities	15	9,446,458,79	18,546,894
Foreign exchange loss (Gain)	16	-	-
Finance costs	17	-	-
Transfers to Treasury		(9,446,458,793)	(20,337,047.9)
Excess of Revenue over expenditure for the year		-	(1,790,154)

STATEMENT OF FINANCIAL POSITION

	Notes	FY 2015/2016 UGX	FY 2014/2015 UGX
ASSETS			
Cash and cash equivalents	18	-	-
Receivables	19	-	-
Inventories	20	-	-
Investments	21	-	-
Non Produced Assets	22	-	-
Total Assets		-	-
LIABILITIES			
Borrowings	24	-	-
Payables	25	-	-
Pension Liability			
Total Liabilities		-	-
Net assets (liabilities)		-	-
REPRESENTED BY:-			
Amounts due to the Consolidated Fund			

STATEMENT OF CHANGES IN EQUITY (NET WORTH)

	Notes	FY2015/2016 UGX	FY2014/2015 UGX
At 1 July - Net worth Last Year (B/F)		-	93,418,924
Less: Transfers to the UCF account (Previous Year Balances)		-	(93,418,924)
Less: Transfers back to the Contingencies Fund		-	-
+/- Adjustments (Cash and cash equivalents)		-	1,790,154
Payables adjustments (See statement of outstanding commitments)		-	-
Revaluation reserve		-	-
Add: Excess of revenue over expenditure for the Year		-	(1,790,154)
Closing Net Financial Worth		-	-

STATEMENT OF CASH FLOWS

	FY2015/2016 UGX	FY2014/2015 UGX
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue from Operating activities:	-	-
Taxes	-	-
External Grants Received		
Transfers received from the Consolidated Fund	23,126,631,056	10,181,078,138
Transfers from the Contingencies Fund	-	-
Transfers received from Other Government units	306,521,720	503,808,000
Non – Tax revenue	9,140,004,358	4,184,371,595
Deposits received	-	-
Advances recovered	-	-
Less: Transfer to Treasury (Balances and NTR)	(9,446,458,793)	(20,337,047.9)
Total Operating revenue	23,126,698,341	14,848,920,685
Payments for Operating expenses:		
Employee costs	8,794,889,814	7,537,195,934

	FY2015/2016 UGX	FY2014/2015 UGX
Goods and services consumed	11,486,201,239	6,729,324,496
Subsidies	-	-
Transfers to Other Organizations	-	456,790,080
Social benefits	-	-
Other expenses	25,639,000	-
Foreign exchange loss/(gain)	-	-
Net Advances paid	-	-
Domestic arrears paid during the year	-	-
Pension Arrears paid during the Year	-	-
	-	-
Letters of Credit receivable	-	-
Total payments for operating activities	20,306,730,053	14,723,310,510
Net cash inflows/(outflows) from operating activities	2,819,968,288	125,610,175
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,819,968,288)	(127,400,329)
Purchase of non-produced assets	-	-
Proceeds from sale of property, plant and equipment	-	-
Purchase of investments	-	-
Proceeds from sale of investments	-	-
Net cash inflows/(outflows) from investing activities	(2,819,968,288)	(127,400,329)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from external borrowings	-	-
Repayments of external borrowings	-	-
Proceeds from other domestic borrowings	-	-
Repayments of other domestic borrowings	-	-
Net cash flows from financing activities	-	-
Net increase (decrease) in cash and cash equivalents	-	(1,790,154)
Reconciliation of movement of cash during the year;		
At the beginning of the year	-	93,418,924

	FY2015/2016 UGX	FY2014/2015 UGX
Less: Transfers to the UCF account (Previous Year Balances)	-	(93,418,924)
Add/ (Less): Adjustments to the opening balance	-	-
Add/ (Less) : Adjustments in cash and cash equivalents	-	1,790,154
Net increase (decrease) of cash from the Cash flow Statement	-	(1,790,154)
At the end of the year	-	-
For purposes of the cash flow statement, cash and cash equivalents comprise;		
Cash and bank balances	-	-
Less bank overdrafts	-	-
Net cash and bank balances	-	-

Statement of Appropriation Account [Based On Services]

	Initial Approved Budget 30 June 2016 (Shs) (a)	Revised Approved Budget 30 June 2016 (Shs) (b)	Warrants 30 June 2016 (Shs) (c)	Actual 30 June 2016 (Shs) (d)	Variance 30 June 2016 (Shs) (b-d)
RECEIPTS					
Taxes	-	-	-	-	-
Non – Tax revenue	-	-	-	9,140,004,358	(9,140,004,358)
Transfers received from the Consolidated Fund	39,700,997,516	39,700,997,516	23,947,053,206	23,126,631,056	16,574,366,460
Transfers from the Contingencies Fund	-	-	-	-	-
Grants Received	-	-	-	-	-

	Initial Approved Budget 30 June 2016 (Shs) (a)	Revised Approved Budget 30 June 2016 (Shs) (b)	Warrants 30 June 2016 (Shs) (c)	Actual 30 June 2016 (Shs) (d)	Variance 30 June 2016 (Shs) (b-d)
Transfers received from Other Government units	-	-	-	306,521,720	(306,521,720)
Total receipts	39,700,997,516	39,700,997,516	23,947,053,206	32,573,157,134	7,127,840,381
EXPENDITURE- by services as per appropriation					
NITAU Vote	2,870,913,615	2,870,913,615	2,870,913,615	2,819,968,288	50,945,327
Headquarters	729,172,117	729,172,117	307,257,000	306,922,758	422,249,359
Technical Services	17,253,107,684	17,253,107,684	5,896,733,767	5,893,702,302	11,359,405,382
Information Security	688,981,165	688,981,165	313,261,176	281,063,652	407,917,513
E-Government Services	2,998,317,723	2,998,317,723	1,964,816,560	1,791,971,924	1,206,220,326
Regulatory & Legal Services	521,831,808	521,831,808	233,996,500	174,975,031	346,856,777
Planning, Research & Development	637,905,902	637,905,902	208,208,000	149,937,001	487,968,901
Finance and Administration	11,821,622,829	11,821,622,829	10,940,659,800	10,570,755,157	1,252,354,929
Development Expenditure	2,179,144,673	2,179,144,673	1,211,206,788	1,137,402,228	1,041,742,445
Total Expenditure	39,700,997,516	39,700,997,516	23,947,053,206	23,126,698,341	16,575,660,959
Net Receipts / Payments	-	-	-	9,446,458,793	(9,446,458,793)

Statement of Appropriation Account [based on nature of expenditure]

	Initial Approved Budget 30 June 2016 (Shs) (a)	Revised Approved Budget 30 June 2016 (Shs) (b)	Warrants 30 June 2016 (Shs) (c)	Actual 30 June 2016 (Shs) (d)	Variance 30 June 2016 (Shs) (b-d)
RECEIPTS					
Taxes	-	-	-	-	-
Non – Tax revenue	-	-	-	9,140,004,358	(9,140,004,358)
Transfers received from the Consolidated Fund	39,700,997,516	39,700,997,516	23,947,053,206	23,126,631,056	16,574,366,460
Transfers from the Contingencies Fund	-	-	-	-	-
Grants Received	-	-	-	-	-
Transfers received from Other Government units	-	-	-	306,521,720	(306,521,720)
Total receipts	39,700,997,516	39,700,997,516	23,947,053,206	32,573,157,134	7,127,840,381
EXPENDITUR E-by nature of expenditure					
Employee costs	10,011,040,008	10,011,040,008	9,117,072,704	8,794,889,814	1,216,150,194
Goods and services consumed	26,671,488,451	26,722,433,778	11,888,427,887	11,486,201,239	15,185,287,212
Consumption of property, plant & equipment	2,870,913,615	2,870,913,615	2,870,913,615	2,819,968,288	50,945,327
Subsidies	-	-	-	-	-

	Initial Approved Budget 30 June 2016 (Shs) (a)	Revised Approved Budget 30 June 2016 (Shs) (b)	Warrants 30 June 2016 (Shs) (c)	Actual 30 June 2016 (Shs) (d)	Variance 30 June 2016 (Shs) (b-d)
Transfers to other Organization's	-	-	-	-	-
Social benefits			-	-	-
Other expenses	147,555,442	147,555,442	70,639,000	25,639,000	121,916,442
Domestic arrears paid	-	-	-	-	-
Total Expenditure	39,700,997,516	39,700,997,516	23,947,053,206	23,126,698,341	16,575,660,959
Net Receipts /Payments	-	-	-	9,446,458,793	(9,446,458,793)

Reconciliation between Total Expenditure per Statement of Appropriation Account to Total Expenditure per Statement of Financial Performance

	Actual 30th June 2016 (Shs)	Actual 30th June 2015 (Shs)
Total expenditure per Appropriation Account	23,126,698,341	14,850,710,839
Add:	-	-
Letters of credit receivable prior year but delivered during the year	-	-
Foreign exchange losses (gains)	-	-
Less:	-	-
Letters of credit receivable at year-end	-	-
Domestic Arrears paid	-	-
Total Expenditure per Statement of Financial Performance	23,126,698,341	14,850,710,839

Statement of Revenues collected during the year ended 30th June 2016 [Based on source of revenue] (Memorandum Statement)

	Notes	Actual 30th June 2016 (Shs)	Budget 30th June 2016 (Shs)	Variance 30th June 2016 (Shs)
RECEIPTS	5&6	9,140,004,358	25,825,730,164	(16,685,725,806)
Non-tax revenues	2	-	-	-
Local Services Tax	2	-	-	-
Land fees	2	-	-	-
Business Licenses	2	-	-	-
Other tax revenues	7	-	-	-
Investment income	7	-	-	-
Dividends	7	-	-	-
Rent	7	-	-	-
Other property income (disposal of assets)	7	-	-	-
Sale of goods and services	7	-	-	-
Administrative fees and licenses	7	-	-	-
Court fines and Penalties	7	-	-	-
Other fines and Penalties	7	-	-	-
Miscellaneous Revenue		-	-	-
Total Revenue		9,140,004,358	25,825,730,164	(16,685,725,806)

ACCOUNTING POLICIES

These are the specific principles, bases, conventions, rules and practices adopted by the Government of the Republic of Uganda in preparing and presenting the financial statements. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied in all material aspects unless otherwise stated.

1) General Information

As required by Section 51(1) of the Public Finance Management Act, 2015, each vote shall prepare annual financial statements for audit, and submit a copy to the Accountant General.

2) Reporting Entity

National Information Technology Authority –Uganda is a reporting entity of the Government of the Republic of Uganda and is domiciled in Uganda.

The principal address of the entity is:

Plot 7A Palm Courts, Rotary Avenue

P.O. Box 33151 Kampala,

Tel: 0417-801038/

Fax: 0417-801050

Email: info@nita.go.ug

Website: www.nita.go.ug

3) The Treasury

The Treasury is established by Section 10 of the Public Finance Management Act, 2015 consisting of: (a) the Minister of Finance; (b) the Secretary to the Treasury; (c) the Accountant General; and (d) any other directorates responsible for economic and finance matters of the Ministry of Finance, Planning and Economic Development.

4) The Consolidated Fund

Is the Consolidated Fund as established by the Article 153 of the Constitution of the Republic of Uganda. As provided by Section 30 of the Public Finance Management Act, 2015 (the Act), it is the Fund into which all revenues or other money raised or received for the purpose of the Government shall be paid. Except for receivables into another public fund established for a special purpose (for example the Petroleum Fund) where this is authorized by an Act of Parliament, or where a vote, state enterprise or public corporation shall retain revenue collected or received as authorized through an

appropriation by Parliament or is a monetary grant exempted under Section 44 of the ACT.

Withdrawals from the Consolidated Fund shall only be done upon the authority of a warrant of expenditure issued by the Minister of Finance to the Accountant General after a grant of credit has been issued to the Minister by the Auditor General in the first instance. The withdrawal can be effected only when: (a) the expenditure has been authorized by an Appropriation Act or a Supplementary Appropriation Act; (b) is a statutory expenditure; (c) for repaying money received in error by the Consolidated Fund; (d) and for paying sums required for an advance, refund, rebate or drawback that are provided for in this and other Act of Parliament.

5) The Contingencies Fund

Established by Section 26 of the Public Finance Management Act, 2015, which in every financial year, shall be replenished with an amount 0.5% of the appropriated annual budget of the Government of the previous financial year without consideration of any supplementary budget. The Fund shall provide funding for natural disasters.

6) Classified expenditures

Classified expenditures are included under supply of goods and services in the Statement of Financial Performance, and are audited separately. The money appropriated for classified expenditure shall only be used for defence and national security purposes. A committee of Parliament comprising the chairpersons of the committees responsible for budget; defence and internal affairs; and another member appointed by the Speaker will be responsible for scrutiny of classified expenditure budget.

7) Basis of preparation of financial statements

The financial statements have been prepared in accordance with the requirements of the Public Finance Management Act, 2015 [the Act] and comply with generally accepted accounting principles. The Financial Statements have consistently been prepared using the modified cash basis of accounting except where stated otherwise. The modified cash basis of accounting recognizes revenue when cash is received and expenses (except for expenses approved to be accrued) when paid.

8) Going concern consideration

The financial statements have been prepared on a going concern basis.

9) Presentation currency

The reporting and presentation currency is the Uganda Shilling (Shs), which is the functional currency of the Republic of Uganda. Items included in the financial statements are measured in the currency of the primary economic environment in which the entity operates.

10) Reporting Period

The reporting period for these financial statements is from 1 July..... to the next 30 June..... Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format in the current year's financial statements.

11) Appropriation

The initial approved budget is the original forecast as presented and approved by Parliament. A revised budget is the initial approved budget adjusted by a supplementary or reallocations/ virements.

12) Revenue

Revenue represents cash and grants in kind received by the entity during the financial year and comprise; taxes, transfers from the Consolidated Fund, transfers from the Contingency Fund, grants received and non-tax revenue. Revenues are recognized as follows;

i) Tax revenues

Tax revenue is recognized when received. Taxes are levied with the authority of Parliament subject to Article 152 of the Constitution of the Republic of Uganda. Payment of tax does not necessarily result into an entitlement to the taxpayer to receive equivalent value of services or benefits.

ii) Grants

Grants are received by the entity either as cash or in-kind. All grants (aid assistance) are recognized as income when received. In-kind receipts (donations) are recognized at fair value.

iii) Transfers received

Transfers received include; transfers received from the Consolidated Fund, transfers received from the Contingency Fund and transfers received from other government units. All transfers are recognized when received by the Accounting Officers.

iv) Non-Tax Revenue

Non-Tax Revenue includes: interest/gains associated from ownership of shares, proceeds from hire of assets, sale of designated goods and services, and fines/penalties. Non-Tax Revenue, whether directly collected by the entity or collected by another entity on its behalf is recognized when received.

13) Expenses

Generally, expenditure is recognized when it is incurred and settled within the financial year. Qualifying unsettled expenditure is recognized in the Statement of Financial position as payables.

14) Property, Plant and Equipment (physical assets or fixed assets)

Property, plant and equipment (PPE) principally comprises buildings, dams, roads and highways, hydropower stations, plant, vehicles, equipment, and any other infrastructure assets but does not include land and regenerative natural resources such as forests and mineral resources.

Acquisitions of PPE are recorded in the asset register on receipt of the item at cost and expensed fully through the Statement of Financial Performance. Cost of the item is defined as the total cost of acquisition. Where the cost of the PPE cannot be determined accurately, the PPE is stated at fair value. Subsequent repairs and maintenance costs of PPE are also expensed as goods and services consumed in the Statement of Financial Performance.

Proceeds from disposal of property, plant and equipment are recognized as non-tax revenue in the period in which it is received.

15) Translation of transactions in foreign currency

Foreign currency transactions are translated into Uganda Shillings using the exchange rates prevailing at the dates of the transactions (spot rates). These result into realized gains/losses which are recognized in the Statement of Financial Performance. Foreign currency assets and liabilities held by the entity at year-end are translated into Uganda Shillings using the period closing rate for reporting purposes resulting into unrealized gains/losses. The unrealized gains/losses are recognized in the statement of changes in Equity through the revaluation reserve.

16) Revaluation Gains/Losses

Unrealized gains or losses arising from changes in the value of investments, marketable securities held for investment purposes, and from changes in the values of property, plant and equipment are not recognized in the financial statements.

17) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts. In the statement of financial position bank overdrafts are included in borrowings.

18) Unspent cash balances

In accordance with the requirement of the Public Finance Management Act, 2015, unspent cash balances by Government entities at the end of the financial year are returned through the Single Treasury Account to the Consolidated Fund in the course of the financial year.

Escrow Account balances are to be recognized in the Financial Position of the responsible entity and expensed through the Financial Performance in the period when funds are utilized.

19) Receivables

(i) Advances and other receivables

Receivables are carried at historical cost and are written down by recovered receipts or write –off of unrecoverable amounts (bad debts are written-off with the approval of Parliament, when identified in the Statement of Changes in Equity).

(ii) Letters of credit

Procurement of goods and services through letters of credit which are cash covered are recognized in the statement of appropriation when the letter of credit is opened. Outstanding letters of credit at period-end are treated as receivable and expensed through the Statement of Financial Performance in the period when the goods and services are delivered.

20) Inventories

Comprise consumable supplies expensed in the period when acquired. Inventories that qualify for recognition must be initially reflected at cost. Where they are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

21) Investment properties

Investment property principally comprises land, office, commercial and residential buildings, and other physical assets, which is held for long-term rental income and is not occupied internally. Investment property is treated as a long-term investment and is carried at cost.

22) Investments

Investments are classified into three groupings, namely: investments held for trading; investments held-to-maturity; and investments available-for-sale.

Investments that are acquired principally for the purposes of generating profit from short-term fluctuations in price are classified as “trading investments”, and are, therefore, current assets and are treated as monetary assets.

Investments with fixed maturities and there is an intention and ability to hold them to maturity dates are classified as “Investments held-to-maturity”, and are, therefore, non-current assets, and are treated as non- monetary assets.

Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as “investments available-for-sale”, and are therefore non-current assets and regarded as non-monetary

assets. However, if there is an expressed intention to sell these within 12 months, then these are treated as current assets and are monetary assets.

Appropriate classification of investments at the time of purchase and re-evaluation of such designation are carried out on a regular basis but any resulting reclassifications are rare and cannot be made from “trading investments” to “investments held to maturity”

All investments in the balance sheet are carried at historical cost. Non-financial assets are measured at net worth. For investments quoted in foreign currency, the historical cost is translated at the closing rate.

23) Projects expenditure

Government projects are a series of undertakings of a reporting entity with specific objectives and a defined time frame and could be either: (a) fully funded by a Government; (b) jointly funded by Government and a development partner; (c) fully funded by a development partner through either budget support or project support; and (d) fully funded by development partner through provision of physical items rather than funds.

Fully or partly Government funded project expenditure is recognized in the statement of financial performance of the reporting entity to the extent of funding received from Government.

24) Borrowings

Borrowings are initially recorded in the Statement of Financial Position [the balance sheet] at cost net of any transaction costs paid.

Interest expense and any other expense on borrowings are recognized in the Statement of Financial Performance when they fall due.

25) Employee benefits

Employee benefits include salaries, pensions and other related-employment costs. Employee benefits are recognized when incurred. No provision is made for accrued leave or reimbursable duty allowances.

26) Contingent liabilities

Contingent liabilities are disclosed in a memorandum statement (Statement of Outstanding Commitments) of the entity when it's probable that an outflow of economic benefits or service potential will flow from the entity or when an outflow of economic benefits or service potential is probable but cannot be measured reliably. Contingent liabilities comprise government guarantees issued, court awards that have been appealed by the Attorney General, those arising from Public Private Partnerships (PPPs) etc. Contingent assets are not recognized nor disclosed.

27) Commitments

Commitments include operating and capital commitments arising from non-cancellable contractual or statutory obligations. Interest commitments on loans and commitments relating to employment contracts are not included in the Statement of Outstanding Commitments. Outstanding commitments relating to non-cancelled contractual or statutory obligation where goods have been delivered or service provided are included in the statement of financial position as payables and in the Statement of Outstanding Commitments.

28) Public Private Partnerships

Any investment by the Government in a Public Private Partnership may be through a joint venture or as an associate or as a major shareholder. Except for the latter, these are accounted for as investments whether held for trading purposes or otherwise. The financial statements in that case are consolidated as if the other entity is a controlled entity in accordance with IPSAS 38.

In other instances where the Government provides certain guarantees which could crystalize and result into an outflow of resources, the guarantees are quantified and disclosed in the memorandum Statement of Contingent Liabilities. The amounts disclosed as part of contingent liabilities represent the most likely outflow of resources should certain events crystalize which are assessed annually. If the events crystalize, the amounts become payables through the Statement of Financial Performance and Statement of Financial Position on an accrual basis

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Exchange Rates

All monetary amounts in the financial statements are expressed in Uganda Shillings, the functional currency. The Uganda Shilling closing rates (the Bank of Uganda middle rate) for major currencies were:

	30 June 2016 (Shs)	30 June 2015 (Shs)
United States Dollar	3,409.86	3,306.77
British Pound	4,611.15	5,206.18
Euro	3,409.86	3,306.77

Note 2: Tax Revenues

Tax revenues comprise both direct and indirect taxes levied and collected on behalf of Government.

	30 June 2016 (Shs)	30 June 2015 (Shs)

Local Services Tax	-	-
Land fees	-	-
Business Licenses	-	-
Other tax revenues	-	-
Total taxation revenues	-	-

Note 3: Grants Received

	30 June 2016	30 June 2015
	(Shs)	(Shs)
Grants from foreign governments	-	-
Grants from International Organizations	-	-
Total Grants	-	-

Note 4: Transfers Received From the Treasury – Consolidated Fund

	30 June 2016	30 June 2015
	(Shs)	(Shs)
Transfers from the treasury- current	-	-
Transfers from the treasury- capital	-	-
Transfers from the treasury-ministries and agencies	23,126,631,056	10,181,078,138
Total Transfers	23,126,631,056	10,181,078,138

Note 5: Transfers Received From the Treasury- Contingencies Fund

	30 June 2016	30 June 2015
	(Shs)	(Shs)
Response to natural crisis – location A	-	-
Response to natural crisis- location B	-	-
Total Transfers for the Year	-	-

Note 6: Transfers received from Other Government Units

Comprise funds appropriated under one vote but transferred to another vote for execution of the intended activities. For instance road maintenance funds, grants recognized by treasury but transferred to other executing MALGS, etc.

	30 June 2016	30 June 2015
	(Shs)	(Shs)
Transfers received from other Gov't Units- Current (Name of the Government unit)	-	-

Transfers from other Gov't units- (Parliament of Uganda-Microsoft Licenses)	306,521,720	-
Transfers from other Gov't units- (Uganda Investment Authority-One Stop centre)	-	503,000,000
Total	306,521,720	503,000,000

Note 7: Non-Tax Revenues

Comprise non-tax revenues from exchange transactions collected during the year were as follows;

	30 June 2016 (Shs)	30 June 2015 (Shs)
Investment income	-	-
Dividends	-	-
Rent	-	-
Other property income (disposal of assets)	-	-
Sale of goods and services	9,140,004,358	4,184,371,595
Administrative fees and licenses	-	-
Court fines and Penalties	-	-
Other fines and Penalties	-	-
Miscellaneous Revenue	-	-
Total taxation revenues	9,140,004,358	4,184,371,595

Note 9: Employee Costs

Employee costs principally comprise:

	30 June 2016 (Shs)	30 June 2015 (Shs)
Wages and salaries	6,458,464,365	5,761,199,252
Social contributions	795,726,856	630,352,836
Other employment costs	1,540,698,593	1,145,643,846
Total taxation revenues	8,794,889,814	7,537,195,934

Note 9: Goods and Services

Expenditure on goods and services during the year principally comprise the following:

	30 June 2016 (Shs)	30 June 2015 (Shs)
General expenses	1,404,207,151	2,559,406,092

Communications	6,648,911,030	988,513,429
Utility and property expenses	1,408,377,109	1,357,779,951
Supplies and services	-	-
Professional services	974,122,484	1,098,354,481
Insurances and licenses	60,725,627	2,707,537
Travel and transport	908,655,061	640,033,127
Maintenance	81,202,777	82,529,879
Inventories (goods purchased for resale)	-	-
Total cost of goods and services	11,486,201,239	6,729,324,496

Note 10: Consumption of Property, Plant and Equipment (Fixed Assets)

As explained in accounting policy (15), property, plant and equipment (physical assets) are expensed in the year of purchase i.e. they are depreciated at 100% in the year of purchase using the cash basis of accounting.

	30 June 2016	30 June 2015
	(Shs)	(Shs)
Non Residential buildings	-	-
Residential buildings	-	-
Utility and property expenses	-	-
Transport equipment-Motor vehicle	249,054,673	127,400,329
Machinery and equipment-Taxes for clearing NBI/EGI phase 3 equipment	2,570,913,615	-
Furniture and fittings	-	-
Other fixed assets	-	-
Total value of property, plant and equipment expensed	2,819,968,288	127,400,329

Note 11: Subsidies

Subsidies paid during the year are summarized as below:

	30 June 2016	30 June 2015
	(Shs)	(Shs)
To public corporations	-	-
To private enterprises	-	-
To private individuals	-	-
Total subsidies for the year	-	-

Note 12: Transfers to Other Organizations

Transfers made during the year are summarized as below:

	30 June 2016	30 June 2015
	(Shs)	(Shs)
Transfer to foreign Governments	-	-
Transfers to International Organizations	-	-
Transfers to other government units	-	-
To resident non-government units	-	-
Total transfers	-	-

Note 13: Social Benefits

Social benefits paid during the year comprise:

	30 June 2016	30 June 2015
	(Shs)	(Shs)
Pensions	-	-
Employer Social benefits	-	-
Total social benefits	-	-

Note 14: Other Operating Expenses

These comprise:

	30 June 2016	30 June 2015
	(Shs)	(Shs)
Property expenses other than interest	-	-
Miscellaneous other expenses- current	25,639,000	-
Miscellaneous other expenses- capital	-	-
Total other operating expenses	25,639,000	-

Note 15: Foreign Exchange Gains and Losses

During the year, foreign exchange losses and gains were as follows:

	30 June 2016	30 June 2015
	(Shs)	(Shs)
Realized loss (gain) (SFP)	-	-
Un/realized loss (gain) (SCE)	-	-
Net foreign exchange (gains)/ losses	-	-

Note 16: Finance costs

During the year, foreign exchange losses and gains were as follows:

	30 June 2016	30 June 2015
	(Shs)	(Shs)
Interests on external debts (external borrowings)	-	-
Interests on other domestic borrowings	-	-
Total finance cost	-	-

Note 17: Transfers to the Treasury

These comprise transfers back to the Consolidated Fund of unspent balances from the respective expenditure accounts, transfers of Non tax revenue collected, , unspent salaries, among others.

	30 June 2016	30 June 2015
	(Shs)	(Shs)
Non Tax revenue	9,446,458,793	20,337,048
Unspent Salary balances	-	-
Expenditure account balances	-	-
Total finance cost	9,446,458,793	20,337,048

Note 18: Cash and cash equivalents

	30 June 2016	30 June 2015
	(Shs)	(Shs)
DOMESTIC		
Revenue accounts	-	-
Expenditure accounts	-	-
Project accounts	-	-
Collection accounts	-	-
Cash in transit	-	-
Cash at hand- Imprest	-	-
Others	-	-
Cash in transit	-	-
Sub-total cash and bank balances- domestic	-	-
FOREIGN		
Revenue Accounts	-	-
Project Accounts	-	-
Expenditure accounts	-	-
Collection accounts	-	-
Cash in transit	-	-
Cash at hand- Imprests	-	-

	30 June 2016	30 June 2015
	(Shs)	(Shs)
Others	-	-
Sub-total cash and bank balances- foreign	-	-
Total cash and bank balances	-	-

Note 19: Receivables

Comprise the following receivables at the end of the year net of any provision for receivables doubtful of recovery.

	30 June 2016	30 June 2015
	(Shs)	(Shs)
DOMESTIC		
Loans (short-term) -others	-	-
Advances	-	-
Outstanding letters of credit	-	-
Other accounts receivable	-	-
Total domestic receivables	-	-
FOREIGN		
Loans (short-term) -others	-	-
Advances	-	-
Other accounts receivable	-	-
	-	-
Total foreign receivables	-	-
Total receivables	-	-
Less provisions against doubtful accounts	-	-
Net receivables	-	-

Note 20: Inventories

Comprise strategic stock and other inventories purchased which have not been expensed.

	30 June 2016	30 June 2015
	(Shs)	(Shs)
Strategic stock-petroleum products	-	-
Other inventories(goods purchased for re-sale)	-	-
Total inventories	-	-

Note 21: Investments

Comprise investments as follows:

	30 June 2016	30 June 2015
	(Shs)	(Shs)
Securities other than shares (long-term)-domestic	-	-
Shares and other equity-domestic	-	-
Securities other than shares-foreign	-	-
Total investments	-	-

Note 22: Non Produced Assets

	30 June 2016	30 June 2015
	(Shs)	(Shs)
Land	-	-
Cultivated Assets	-	-
Other Naturally occurring Assets	-	-
Total Non-Produced Assets	-	-

Note 23: Borrowings

	30 June 2016	30 June 2015
	(Shs)	(Shs)
DOMESTIC		
Loans from commercial banks	-	-
Interest payable on bank loans/borrowings	-	-
Other / Overdraft	-	-
Total domestic borrowings	-	-
FOREIGN		
Loans from commercial banks	-	-
Interest payable on bank loans/borrowings	-	-
Other	-	-
Total foreign borrowings	-	-
Total borrowings	-	-

Note 24: Payables

These are principally accounts payables, domestic and otherwise, outstanding at the year-end and comprise:

	30 June 2016	30 June 2015
	(Shs)	(Shs)
Payables	-	-
Trade Creditors	-	-
Sundry Creditors	-	-
Committed Creditors	-	-
Accountable advances	-	-
Withholding tax payable	-	-
Deposits received	-	-
Advances from other Government units	-	-
Miscellaneous accounts payables	-	-
Total payables	-	-

Note 25: Pension liabilities

Pension liabilities have been accrued in the financial statements because it is the policy of Government to pay pensions to all former employees of the Government who qualified for pension under the provisions of the Pensions Act, Cap 281. In accordance with the provisions of the Pensions Act

	30 June 2016	30 June 2015
	(Shs)	(Shs)
Former employees in Public Service	-	-
Former employees in Military Service	-	-
Former employees of the Education Service	-	-
Gratuity Arrears	-	-
Former employees in Public Service	-	-
Total	-	-

STRATEGIC PRIORITIES FY 2016/17

In line with the changing landscape of the environment as recommended by the SWOT analysis, NITA-U will continue to implement projects that will impact visibility and stir the drive to utilize IT for improved service delivery with in Government, Business and to Citizens.

NITA-U will focus on the following key priorities in FY2016/17

- ① Extend the National Backbone Infrastructure (connecting MDAs, LG and Priority User Groups). Ensure completion of Phase III by the Second Quarter of FY 2016/17.
- ① Delivery of Bulk bandwidth to facilitate affordable access to e-services.
- ① Integration of National Databases & Government IT systems
- ① Certification of IT Services, IT Institutions and Professionals.
- ① Establish Critical Infrastructure for investment in IT business through PPPs.
- ① Fulfill all RCIP project covenants; this includes kick starting all key project procurements and laying ground work for project implementation (e.g. Staffing, obtaining all approvals, signing of contracts).

ANNEX 1: NITA-U AMONG TOP TEN IN PPDA RANKING

BY YASIIN MUGERWA
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KAMPALA. A survey by the procurement authority reveals the raging plunder of public resources through inflated procurement deals and ranks key spenders such as Education and Defence ministries among the worst thieving government agencies.

The “performance results and corruption perceptions in public procurement” survey carried out by the **Public Procurement and Disposal of Public Assets Authority (PPDA)** blames corruption in procurement on “political meddling in the procurement processes”, impunity and a decadent culture that adores wealth accumulation.

“There is collusion and corruption. Public procurement process is woven in collusions,” said Ms Cornelia Sabiiti, the PPDA executive director.

“This is happening among bidders, leading to low bidder response on public procurement and impeding competition,” she added.

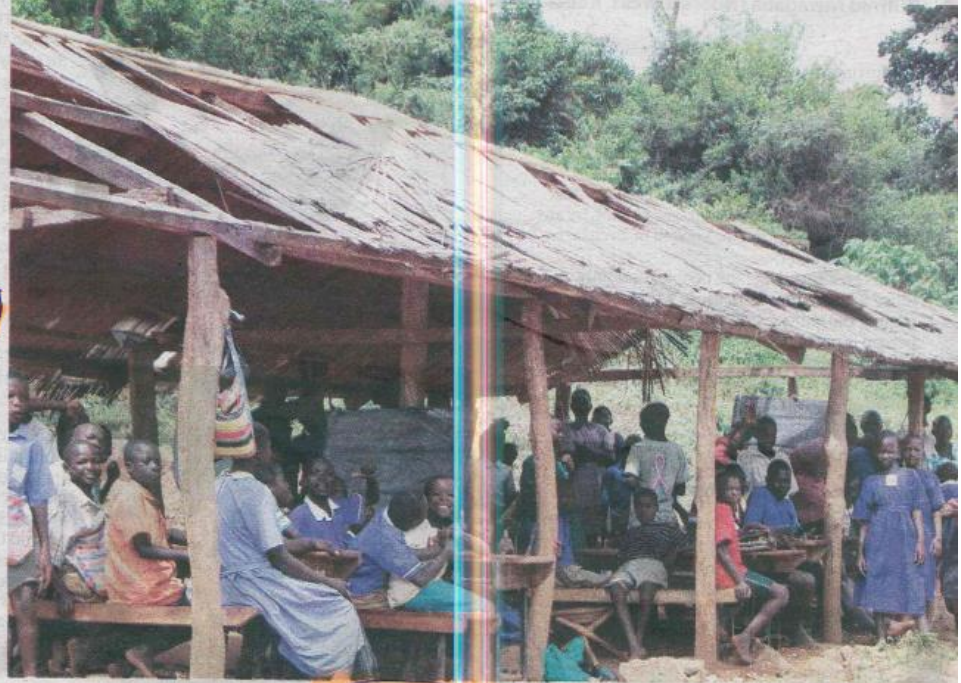
Local governments better?

The 2015 survey, however, found less corruption in local government contracts than in central government where several ministries, departments and agencies abused procurement procedures with impunity.

The PPDA audited 109 government agencies and examined 18,494 contracts worth more than Shs3.7 trillion. In most of these contracts, PPDA discovered failure by the accounting officers to put in place a suitable system to obtain market prices prior to commencement of procurement processes.

The report says this leads to dubious cost disparities, unsolicited bids and single-sourcing.

Explaining the extent of the plunder of government resources, Ms Sabiiti told this newspaper that during the same period, she undertook 121 audits and 79 investigations. Of the 121 audits, only 3 per cent were



highly satisfactory, 20 per cent were categorised as satisfactory, 35 per cent moderately satisfactory, 32 per cent unsatisfactory and 10 per cent highly unsatisfactory.

In the survey, PPDA ranked evaluation as the most corruption-susceptible stage with 52 per cent, followed by award of contracts with 12.5 per cent, receipt and opening of bids (12.4 per cent), review of evaluation of bids (10.2 per cent), contract monitoring (6.2 per cent), contract performance evaluation (4 per cent), signing contracts (1.1 per cent) and advertising (0.7 per cent).

According to Ms Sabiiti, corruption in evaluation of bids “manifests in collusion between providers and the members of the evaluation committee.”

Best and worst agencies

Among worst performing entities in central government include, Makerere University, Posta Uganda, Kabale hospital, Uganda Blood Transfusion Services (UBTS), ministry of Agriculture and Amnesty Commission.

In local governments, the worst performers are Amuru, Bundibugyo, Kasese, Apac, Yumbe, Iganga, Bushenyi-Ishaka, Kalungu, Moyo and Pader.

The best performers in central government entities are: National Medical Stores (NMS), Arua hospital, Butabika hospital, Muni University, Kampala Capital City Authority, National Environment Management Authority (Nema), National Social Security Fund (NSSF), ministry of

Water and Environment, National Information Technology Authority (NITA) and Uganda Management Institute.

In local governments, the best performing districts are Arua, Mubende, Pallisa, Mpigi, Kiboga, Kibaale, Jinja, Mbale, Lira and Kole.

What's the problem?

In spelling out the real problem, Ms Cissy Kagaba of Anti-Corruption Coalition Uganda blames government's “lip-service” on the fight against corruption and failure by ministry of Finance to dismiss suspected accounting officers.

“We need to break the syndicates in government because the culprits are known. Ordinary people don't get these fat contracts, it is people that