

COST AWARENESS

EXCO Engagement



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Discussion Points

Budgeting and planning

- Aligning the budget to the Strategic plan.
- Procurement plans are not comprehensive.
- Frequent Budget reallocations beyond what the Act permits i.e UGX 500k.
- Include Tax in Budgeting, contracting & requisitions.

Recommendations

- Ensure the procurement plan includes all procurable items.
- Consult Procurement and Finance on the due process before committing the Fund if in doubt.

Procurements & Payments

- Consuming goods & services outside the procurement process.
- Committing the Fund on the basis of expired contracts.
- Incomplete approvals especially those that do not include the tax component.

Recommendations

- Undertake contract renewal in a timely manner.
- Ensure due process is followed while procuring goods and services. (Procurement Vs Non-Procurement items).

Process Update

- HODs should ensure supplier invoice workflows in ADA are sent to the Finance Administrator (Nassuru Abdallah) after sign off. He checks whether admin requirements are met before forwarding to CFO.

This excludes payments for major Fund Projects like Real Estate and IT infrastructure.

- **HOD sign-offs should have the Approved signature option. i.e**

Approved

Rodgers Byamugisha
20/06/2023 5:58:15 PM

Cost Optimization Areas

International Travel

- Occasional bypassing of the approval hierarchy to obtain approvals for particular travel.
- The lack of structured travel and training guidelines leaves a lot of room for subjectivity. i.e who should determine what courses to be done.
- Budget reallocations to travel.

Recommendations

- Observe the allocated travel budget to minimise budget reallocations to international travel.
- Ensure all travel requisitions follow the due process of approval.
- To the extent possible, standardize the need for travel to avoid skewed travel outcomes.

Trainings

- Low utilization of online learning platforms.
- Unstructured training guidelines at organizational level (General Training vs Reskilling).
- Duplicated trainings

Recommendations

- Standardize to the extent possible training requirements that provide a general framework at different employee levels.
- Involve the organizational development manager in training decisions.
- Track individual expenditure annually to eliminate duplications and bias. (People & Culture)

Cost Optimization Areas

IT Connectivity & Internet

- Providing the same amounts of data even with the return to working from office.
- Some staff are provided with data multiple times. i.e, internet at home and internet on their cell phones.

Recommendations

- Assess the right amount of data required per employee and develop guidelines on distribution (TES).
- Review lists provided to internet service providers to avoid duplications.

Team Building

- In 2017, it was established that a budget of UGX 2m per individual employee would be enough to cater for team building related activities throughout the year.
- The spirit behind it was to foster equity in undertaking team building activities for staff given that the whole Fund could not undertake one team building activity for all staff.

Recommendations

- Develop clear guidelines on team building activities and ensure these are enforced accordingly to ensure equity.
- Adhere to the agreed limit of UGX 2m per staff for all team building related activities.
- Undertake team buildings within the financial year.

Cost Optimization Areas

Performance Awards

- In addition to annual performance bonus, different departments proceed to reward their exceptional performers in different ways. Some are awarded trips while others are awarded plaques and certificates of merit.
- The Fund's Human Resource Policy manual provides guidance on recognitions, however, some of the practice currently deviates from it.

Recommendations

- Adhere to the Human Resource Policy manual to ensure alignment of recognitions across departments.
- If there is need for amendments, these can be considered to incorporate any changes that are deemed current.

Laptops

- Lack of standization in relation to laptops given to staff. We have noted requests for Macbooks that have later not been utilized yet these are costly.
- Some requests do not go through TES
- Some laptops are replaced before end of their useful life(4 years) due to users requesting for higher specifications or malfunction.

Recommendations

- TES to offer guidance on user requests to ensure the specifications align with user needs
- All laptop requests should go through TES department and the appropriate approval channels.

Guidelines on Accruals/Provisions

Definition: Accruals relate to expenditure already committed or incurred whose payment will not have been made by year end.

To ensure compliance with the International Financial Reporting Standards (IFRS) specifically IAS 37, these conditions will have to be fulfilled.

1. The obligation to pay leading to the accrual/provision is because of an event/activity/transaction that happened or will happen in the period before the year ending 30th June 2023.
2. The Fund is due to take receipt of the good or service but has contractually committed to this transaction through issuance of an LPO and/or a contract signed before 30th June 2023.
3. An approved budget for this payment exists.
4. The amount can be estimated reliably i.e., one should have an invoice, contract or any other form of commitment with all required approvals where applicable that will inform the amount to be accrued.

Please note that internally generated memos (with no existent contract, LPO, Invoice) that do not satisfy the above conditions do not create an obligation that requires accrual/provision.



THANK YOU