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4th May 2018

All Local Government Accounting Officers

ADDRESSING GAPS IDENTIFIED DURING THE LOCAL GOVERNMENT PERFORMANCE ASSESSMENT CONDUCTED BY THE OFFICE OF THE PRIME MINISTER

Since 2015, Government has been implementing reforms aimed at improving the adequacy and equity of fiscal transfers, and improving fiscal management of resources by Local Governments for improved service delivery. In order to ensure that public resources are efficiently used and properly accounted for, Government designed a system for assessing the Performance of Local Governments.

The Office of the Prime Minister coordinated a country wide Local Government Performance Assessment exercise during January and February 2017 focusing on;

- i) Compliance with the accountability requirements, and;
- ii) Functional processes and systems of importance to Local Governments for efficiency in service delivery addressing cross-cutting, Education, Health and Water processes.

Accordingly, Local Government Specific Reports as well as a synthesis Report detailing the key assessment findings and recommendations for addressing the weak areas at both Local Government and Ministries, Departments and Agencies (MDA) levels have been compiled and will be shared with you soon.

Whereas some of the identified gaps will be addressed through performance improvement support, there are a number of weaknesses that require your immediate administrative actions to be undertaken. These include:

- a) Ensuring that all Local Governments submit the Final Performance Contracts for FY 2018/19 to this Ministry before **June 30th 2018**;
- b) Ensuring that all LGs submit the Annual Performance Reports (Quarter Four Budget Performance Reports for 2017/18) to this Ministry before

Mission

"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"

July 31st 2018 without fail. This therefore implies that the respective Local Government Departments should submit their departmental reports to the Budget Desk by **15th July 2018** for consolidation to avoid delays;

- c) Ensuring that vacant Heads of Departments (HoDs) positions are prioritized during recruitment. The prioritized positions which have a wage bill provision, should be included in the recruitment plan to be submitted together with the Final Performance Contracts;
- d) Ensuring that all Heads of Departments are appraised as provided for by the guidelines issued by Ministry of Public Service;
- e) Ensuring that all bid documents for investments to be constructed in FY 2018/19 are prepared by **August 30th 2018**, to ensure timely contracting and execution of projects;
- f) Ensuring that all infrastructure projects being constructed are clearly labeled indicating the name of the project, contract value, the contractor, source of funding and expected duration to enhance transparency;
- g) Ensuring that all Local Government projects are constructed on land on which there is proof of ownership. In case there is no proof of ownership, the Local Government must enter into a Memorandum of Understanding (MOU) with land owners;
- h) Designating an Officer to be responsible for Communication to enhance transparency and accountability.
- i) Ensure that all Government land is titled by **30th December 2018**.

The purpose of this circular therefore is to:

- a) Bring the above administrative actions to your attention and to advise you to implement them accordingly;
- b) Inform you that the results of the Local Government Performance Assessment that will be conducted by the Office of the Prime Minister before the end of 2018 will impact on your appointment as an Accounting Officer for FY 2019/20 as well as the allocation of your Development Grants for FY 2019/20.


Keith Muhakanizi

PERMANENT SECRETARY/ SECRETARY TO TREASURY

Cc: The Permanent Secretary, Office of the Prime Minister
The Permanent Secretary, Ministry of Local Government
The Permanent Secretary, Ministry of Education and Sports
The Permanent Secretary, Ministry of Health
The Permanent Secretary, Ministry of Water and Environment
The Secretary, Local Government Finance Commission