

Uganda

Budget Act, 2001

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Budget Act, 2001

Act 6 of 2001

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Assented to on 22 February 2001

Commenced on 1 July 2001

[Up to date as at 30 September 2020]

An Act To Provide for And Regulate the Budgetary Procedure for a Systematic and Efficient Budgetary Process and for other Matters Connected therewith.

BE IT ENACTED by Parliament as follows—

1. Short title and commencement

- (1) This Act may be cited as the Budget Act, 2001.
- (2) This Act shall come into effect on the 1st day of July, 2001.

2. Interpretation

In this Act unless the context otherwise requires—

“**Budget**” means the process by which Government sets levels to efficiently collect revenue and allocate the spending of resources among all sectors to meet national objectives.

3. Submission of estimates under Article 155 of the Constitution

- (1) The President shall cause to be prepared, submitted and laid before Parliament in each Financial Year but in any case not later than the 15th day of June in the Financial year, estimates of revenue and expenditure of Government for the next Financial Year.
- (2) Notwithstanding the provisions of subsection (1) the President may cause to be prepared and laid before Parliament—
 - (a) fiscal and monetary programmes and plans for economic and social development covering a period of three years;
 - (b) estimates of revenue and expenditure covering a period of three years.

4. Macro-economic plan and indicative framework

- (1) The President shall, not later than the 1st day of April in each financial year, cause to be prepared and laid before Parliament, a three years macro economic plan and programmes for the economic and social development in preparation for the final submission under [section 3](#).
- (2) The President shall, not later than the 1st day of April in each financial year and in preparation for the final submission under [section 3](#), cause to be submitted and laid before Parliament, indicative preliminary revenue and expenditure framework of Government for the next financial year.

5. Submission of estimates of Departments etc.

- (1) The Head of any Government Department, Self Accounting Department, Institution, Organisation or Commission shall submit to the President preliminary estimates of revenue and expenditure of that

Department, Institution, Organisation or Commission for the following financial year, by the 15th day of February in each year.

- (2) Estimates prepared and submitted under subsection (1) shall be laid before Parliament by the President under sections 3 and 4 but estimates by bodies established under the Constitution shall be laid without amendments however they may have recommendations made by Government.

6. Policy statements of Ministries on estimates

- (1) Each Minister shall cause to be prepared and submitted to Parliament a Policy Statement of the relevant Ministry on the preliminary estimates submitted under sections 3 and 4 by the 30th day of June in each year.
- (2) A Policy Statement made under subsection (1) shall be in a form prescribed by the Minister responsible for finance and shall reflect specific data on value for money and the extent of achievement of the objective targets on money received and spent.

7. Consideration by Sessional and Budget Committees

- (1) The Speaker shall commit the indicative allocations to the Parliament Budget Committee and to each Sessional Committee of Parliament that part of the Preliminary indicative allocations that fall within its jurisdiction immediately after the submission of the preliminary estimates to Parliament by the President and the Departments.
- (2) Each Sessional Committee shall consider, discuss and review the indicative allocations committed to it under subsection (1) and submit its report to the Budget Committee of Parliament not later than the 25th day of April.
- (3) The Budget Committee shall scrutinize the estimates and the reports of the Sessional Committees and submit its recommendations to the Speaker who shall send the recommendations to the President by the 15th day of May.
- (4) In the exercise of their function under this section Committees of Parliament may call a Minister or any person holding a public office and private individuals to submit memoranda or appear before it to give evidence.

8. Consideration of reports on estimates by Parliament

There shall be presented to Parliament by the Budget Committee, the recommendations submitted to the Speaker under section 7 subsection (3).

9. Reports by Committees

There shall be presented to Parliament by the Sessional Committees, the reports on the budget estimates that fall within their respective jurisdictions by the 31st day of August in each financial year.

10. Cost estimates for Bills

Every Bill introduced in Parliament shall be accompanied by its indicative financial implications, if any, on revenue and expenditure over the period of not less than two years after its coming into effect.

11. Parliament to analyse policy issues

Parliament shall analyse programmes and policy issues that affect the National Budget and Economy and where necessary recommend alternative approaches to Government.

12. Supplementary expenditure

- (1) The total supplementary expenditure that requires additional resources over and above what is appropriated by Parliament shall not exceed 3% of the total approved budget for that financial year without prior approval of Parliament.
- (2) Where funds are expended under subsection (1) supplementary estimates showing the sums spent shall be laid before Parliament within four months after the money is spent.
- (3) Any reallocation of funds shall be made in consultation with all the affected Ministries, Departments, Institutions or Organisations.

13. Reports on loans and grants

- (1) The President shall, either at the time of presentation of the Budget or at any time before the 15th day of June in each financial year, cause to be presented to Parliament information relating to the total indebtedness of the State in that financial year showing *inter alia*—
 - (a) the total principal and the sources of the loans and debts;
 - (b) the accumulated interest on each loan and debt;
 - (c) provision made for servicing or repayment of each loan and debt;
 - (d) the balance on payment under (c); and
 - (e) the utilization and performance of each loan, or debt including the extent of the achievements of the objective targets of each loan.
- (2) The President shall, either at the time of presentation of the Budget or at any time before the 15th day of June in each financial year, cause to be presented to Parliament, information relating to the total sum of grants extended to the state and their sources, showing their utilization and the performance of each grant, including the extent of the achievements of the objective targets of each grant.
- (3) The President shall, cause to be presented to Parliament, information relating to guarantees of loans and grants to individual companies or Statutory Corporations.

14. Domestic debt

A Government Department, Self Accounting Department, Institution, Organisation or Commission shall not take any credit from any local company or body unless—

- (a) it has no unpaid domestic arrears from a debt in a previous financial year; and
- (b) it has capacity to pay for the expenditure from the approved estimates as appropriated by Parliament for that financial year.

15. Reports on exemptions of tax

- (1) A person or an authority having power to waive or vary any tax under Article 152 (2) of the Constitution shall make a quarterly report to Parliament which shall be on or before the 30th day of September, the 31st day of December, the 31st day of March and the 30th day of June in each financial year.
- (2) A report made under subsection (1) shall include *inter alia*—
 - (a) the organisation or person exempted from the tax;
 - (b) the reasons for the exemption;
 - (c) the amount of tax foregone by the Government; and
 - (d) the benefits from the exemption.

16. Report on expenditure from the Contingencies Fund

The Minister responsible for finance shall, within fourteen days from the date of the authorization of advances from the Contingencies Fund make a report to Parliament stating the purpose and urgency of the expenditure and the amount thereof.

17. Report on Appropriation in Aid

- (1) A Minister responsible for any vote on Appropriation in Aid shall make a quarterly report to Parliament on the manner in which the Funds from that Vote are expended.
- (2) A report made under subsection (1) shall reflect specific data on value for money on the involved expenditures.

18. Liability on failure to meet requirements

- (1) Where any Department, Institution, Organisation or Commission fails to meet any requirement under this Act, Parliament may compel the relevant Minister to appear before it and give an explanation on the circumstances leading to the failure.
- (2) Where it is evident that any officer intentionally or through negligence led to the failure of the Department, Institution, Organisation or Commission to meet any requirement under this Act, that Officer shall be held personally liable.

19. Parliament Budget Committee

- (1) There shall be a Parliament Budget Committee which shall be a Standing Committee of Parliament and all Chairpersons of the other Committees shall be *ex-officio* members of the Budget Committee.
- (2) The Budget Committee shall—
 - (a) focus on the preliminary estimates and the macroeconomic plan and programs and submit recommendations to the Speaker;
 - (b) consider the National Budget and compile amendments and refer them to the relevant Committees.
 - (c) Carry on such other functions relating to the Budget as may be assigned to it by Parliament under this Act or any other law in force.

20. Budget Office

There shall be a Parliamentary Budget Office within the Parliamentary Service consisting of full time and part time budget and economic experts as may be required from time to time.

21. Functions of Budget office

The functions of the Budget Office shall be to provide Parliament and its Committees with objective and timely analysis required for economic and budget proposals and the information and estimates required for Parliamentary Budget process, and without prejudice to the generality of the foregoing the office shall—

- (a) provide budget-related information to all Committees in relation to their jurisdiction;
- (b) submit reports on but not limited to, economic forecasts, budget projections and options for reducing the budget deficit;
- (c) identify and recommend on Bills that provide an increase or decrease in revenue and the Budget;
- (d) prepare analytic studies of specific subjects such as financial risks posed by Government sponsored enterprises and financial policy;
- (e) generally give advice to Parliament and its Committees on the Budget and National economy.

22. Extension of period set

The Speaker may extend any period provided under this Act for a reasonable period.