



National Information Technology Authority- Uganda

ANNUAL REPORT 2013/14

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ACRONYMS

BOU - Bank of Uganda

BPO – Business Process Outsourcing

CEMAS - Computerized Education Management and Accounting System

CERT – Computer Emergency Response Team

CCI – Commonwealth Cyber Crime Initiative

EAC – East African Community

ERA -Electricity Regulatory Authority

IFMS - Integrated Financial Management System

ITES – Information Technology Enabled Services

MEMD - Mineral Development

MoICT – Ministry of Information Communication Technology

MoPFED – Ministry of Planning Finance and Development

MUCCIT- Makerere University College of Computing and Informatics Technology

NBI / EGI – National Backbone Infrastructure / e- Government Infrastructure

NITA-U National Information Technology Authority – Uganda

NSIS-National Security Information System

UIA - Uganda Investment Authority

UNCTAD - United Nations Conference on Trade and Development

UNODC -United Nations Office on Drugs and Crime (UNODC)

UPDF- Uganda People’s Defence Forces

URF- Uganda Road Fund

UNBS – Uganda National Bureau of Standards

FOREWORD BY HONOURABLE MINISTER

The Government of Uganda (GoU) identified Information Communication Technology (ICT) as one of the key tools that can spur socio-economic transformation and development of the country into a knowledge based economy.

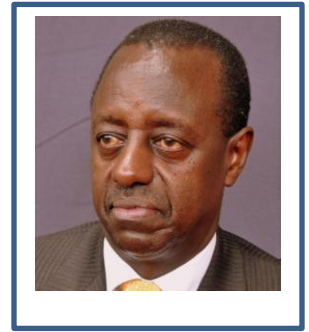
The role of ICT in fostering economic growth and socio-economic transformation is clearly enshrined in the National Development Plan (NDP) 2010/11 – 2014/15 and the National Resistance Movement (NRM) Party Manifesto. As an enabler for economic development, the ICT sector vision is to transform the country into a knowledge-based economy where national development and good governance are sustainably enhanced and accelerated by timely and secure.

The ICT Sector is composed of telecommunications, postal, information technology (IT), and broadcasting sub sectors. It is organised along three (3) functional levels namely Policy, Regulatory, and Operational. The Ministry of Information and Communications Technology (MoICT) heads and coordinates all the ICT sector activities. The Ministry over sees two (2) agencies; National Information Technology Authority Uganda (NITA-U) and Uganda Communications Commission (UCC).

NITA-U was established by an Act of Parliament (2009) to monitor, coordinate and promote IT in the country. Since its operationalization, NITA-U has been able to accomplish most of the organizational set up activities and deliver important initial phases of national IT infrastructure projects such as the National Backbone Infrastructure (NBI) and Electronic Government Infrastructure (EGI). Business Process Outsourcing (BPO) companies are also now hosted by NITA-U in order to create awareness about the business opportunities in the BPO sector, stimulate the sector, create employment for the youth, and generate revenues for the country.

The Ministry of ICT through NITA-U has taken steps to implement some of the strategies under the Rationalization Strategy. The Strategy was assented to by Cabinet and implementation will eliminate the huge outlays that result from uncoordinated and largely territorial approaches to establishing IT services and systems. So far, twenty one (21) MDAs utilise internet delivered over the National Backbone Infrastructure.

With the increasing momentum in the roll out of ICT projects, ICT as an enabler of key sectors will transform Uganda into a knowledge economy within the 30 year vision.



HON. JOHN NASASIRA

Minister of Information and Communications Technology

FOREWORD BY BOARD CHAIR

It is a pleasure to present to the Government and people of Uganda as well as all our other stakeholders the Annual Report of the National Information Technology Authority Uganda (NITA-U) for the Financial Year (FY) 2013/14.



This report represents a one year journey of dedication, commitment and perseverance along the course of implementing NITA-U's goals and targets. The report highlights the major developments in the Information Technology (IT) subsector, key programmes and projects undertaken by NITA-U, as well as the priorities in the short to medium term.

In its first year of operation, NITA-U was largely devoted to set up activities, with full operations commencing during FY 2011/12. In 2012/13, NITA-U developed and commenced implementation of several strategies and plans for regulation of IT in the Country. Notably Rationalization of IT Services was approved by Cabinet and the National e-Government Master Plan. In FY 2013/14, the distribution of internet bandwidth to MDAs connected to the NBI commenced with momentum. Twenty one (21) MDAs utilising internet band width over the NBI.

Several significant achievements were attained in FY 2013/14, these include; the development of the National Information Security Framework (NISF). NITA-U also delivered on key projects including full commercialisation of the of the NBI through the commercial manager, development of 16 National IT Standards that were gazetted by Uganda National Bureau of Standard in July 2014, undertaking an assessment of the eleven District Business Information Centres (DBICS), providing technical and project management support to several MDAs that include the Ministry of Internal Affairs on the National ID project among others.

A lot still remains to be done to transform Uganda into a modern e-enabled economy and NITA will seek the continuing support and partnership of both the public and private sectors to make this a reality.

Eng. Dr. F F Tusubira

Chairperson of the Board

FOREWORD BY EXECUTIVE DIRECTOR

It gives me great pleasure to extend my highest regards and appreciation to all NITA-U staff for their consistent and continuous efforts to improve NITA-U's work. I would also like to thank all Government agencies, private establishments and non-governmental organizations for the continued support to NITA-U's objectives and goals.



The report has been developed based on regular monitoring reports of the IT subsector by the regulator, assessment of NITA performance and analysis of stakeholder expectations and comments. A number of processes that informed the reporting include ICT sector review, stakeholder consultations, engagements and review of the ICT sector contribution to the Government Performance Report.

I am pleased to announce that this is the first year of implementation of the NITA-U Strategic Plan that was completed in 2012/13. It gives strategic direction for NITA-U over the next Five (5) years and the strategic interventions planned for each year. The strategy review and alignment is planned after completion of the Sector Investment Plan (SIP) that is currently in the advanced stages of development.

FY 2013/14 was the first year of NITA-U operating as a vote, (Vote 126), a status that was obtained during FY 2012/13. NITA-U had previously been previously a subvention under the Ministry of ICT. The Authority is now fully self - accounting and getting funding directly from the consolidated fund.

We wish to applaud all stakeholders for the good will and support extended to NITA-U during the period. We pray that the sector will continue to grow and fully deliver to stakeholder's expectations.

JAMES SAAKA

Executive Director.

1. INTRODUCTION

This report presents the Annual Performance of the National Information Technology Authority Uganda (NITA-U) for the period starting 1st July 2013 to 30th June 2014. 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 (MoICT), Ministry of Planning Finance and Economic Development (MoFPED) and Government Half Annual and Annual Reports to the Office of the Prime Minister (OPM).

The report is arranged into five sections;

The first section captures the performance highlights for the reporting period

The second section states the institution background functions and governance structures of NITA-U. The strategic direction and priority over the medium term are also in this section.

The third section covers the physical performance of NITA-U. The physical performance is in alignment with the strategic goals as per the Strategic plan.

The fourth section, covers NITA-U's financial performance for the reported period.

The fifth section, highlights the challenges faced in the period reported for, the mitigation strategies and also appraises the priorities for the medium term.

2. HIGHLIGHTS OF KEY ACHIEVEMENT IN FY 2013/14

The physical performance in FY 2013/14 improved as compared to the previous year FY 2012/13. In FY 2013/14, 74.6 % of the targeted outputs were delivered as compared 62.1 % of the targeted outputs that were completed in FY 2012/13. The organisation has become more visible since we launched the NITA-U brand complemented by several engagements with both government and the public entities. The organization has attracted media attention with a remarkable increase in media coverage.

IT infrastructure

- (a) The National Backbone Infrastructure which 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 network was fully commercialized and Twenty One (21) MDAs are currently receiving high speed internet through the NBI.

- (b) The BPO incubation center was officially launched by the Hon. Minister of ICT. The launch of the centre culminated into the 2nd Regional BPO Conference, which gave Ugandan BPO actors an opportunity to exchange best practice with contemporaries from EAC partner states and international countries.



Information Security

The Directorate of Information Security was operationalized in FY 2012/13 with the appointment of the Director Information Security. In FY 2013/14 several achievement were made that include the following; Information Security standards were published in the UNBS gazette; Feasibility study for PKI (Public Key Infrastructure) was completed; A National CERT Maturity Roadmap and CERT.UG website developed and four conferences were held among which was the East African Information Security held in partnership with information systems Audit and Control Association (ISACA).

National ID Project

NITA-U continues to play a crucial part as of the team implementing the National Mass Enrolment project. This exercise is aimed at ensuring rationalized use of human, financial, infrastructure and other resources used in the registration of persons. The exercise among other thing shall reduce duplication in the collection of information of persons and harmonizing the registration and enumeration processes.

A number of NITA-U resources played a key role in the planning, training, and creating a secure system to ensure that the project is a success. NITA is in charge of providing technology compliance assurance, quality assurance leadership, and technical support to the project secretariat.



NITA-U Executive Director officiates at the Mass Enrolment launch. Phase 1 of registration commenced in February 2014 and ended in August.

Establishment of e-Government

In alignment with one of our functions; to promote and provide technical guidance for the establishment of e-Government, technical assistance was offered to Ministry of Health (MoH) on the e- Health Strategy, Public Procurement and Disposal of Assets (PPDA) on e-Procurement. Other projects to which support was offered include; CEMAS, e-Licensing, e-immigration, e-visa, e-Tourism Visa for East Africa, Output Oriented Budgeting Tool (OBT) and Work Permits.

Towards the consolidation of Government licences a contract signed with the Enterprise Direct Advisor. The consolidation of licences is aligned to the NITA-U mandate and the rationalization strategy. The implementation of this component of this strategy will realise cost savings for government as leveraged from the economies of scale.

To develop e-Government, the e-Government web Portal (www.gov.ug) was developed with basic content and handed over to OPM for operationalization and maintenance. The e-services portal is now under construction to enable citizens to easily access services offered by the different institutions.

Unified Messaging and Collaboration Systems (UMCS) was supported and maintained in the four MDAs these include; NITA-U, Ministry of ICT, State House and Ministry of Internal Affairs.

3. NITA-U MANDATE, GOVERNANCE & MANAGEMENT STRUCTURES

3.1. Background and Mandate of NITA

The National Information Technology Authority Uganda (NITA-U) was established in 2009 by an Act of Parliament of Uganda. NITA-U is an autonomous body which is also an agency of Government under the general supervision of the Ministry of Information Communication Technology (MoICT).

The agency was established in anticipation to deliver the following benefits among other things.

- i. 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.
- ii. 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: The National Information Technology Authority Uganda (NITA-U) was established Act of Parliament (National Information Technology Authority, Uganda Act of 2009) and was charged with the overall mandate to coordinate, promote and monitor the development of Informational Technology (IT) in the context of social and economic development of Uganda.

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

- i. Provide high quality Information Technology services to government
- ii. 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
- iii. Provide guidance and other assistance as may be required to other users and providers of Information Technology

- iv. 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
- v. Promote and be the focal point of cooperation for Information Technology users and provider at regional and international levels
- vi. To promote access to and utilization of Information Technology by the special interest groups

In order to undertake the functions stipulated by 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 NITA-U ACT.

3.2. NITA-U Governance and Management

The Act that established NITA-U splits its operational structures into two namely; the Board and Secretariat.

The Board of Directors



Frederick F Tusubira (Board Chairman)



Beatrice Amongi Lagada (Board Member)



Kenneth Mugambe (Board Member)



David Turahi (Board Member)



Patrick Mangeni (Board Member)



Excellence Favor (Board Member)



James Saaka (Secretary to the Board)



James Saaka
Executive Director



Frederick Kitoogo
Directorate of Planning, Research and
Development



Vivian Ddambya
Directorate of Technical Services



Julius Torach
Directorate of E-Government
Services



Stella Alibateese
Directorate of Regulation and Legal
Services



Peter Kahiigi
Directorate of Information
Security



Directorate of Finance and
Administration

NITA-U Top Management

3.3. Overview of NITA-U Strategic plan

In alignment with the NITA-U Mandate, a strategic plan was developed to guide institutions execution. The NITA-U strategic plan was approved in FY 2012/13. FY 2013/14 was the first year of operationalizing the NITA-U strategic plan. The 5-year plan states the overall mission, goals, objectives and strategic interventions towards achieving the NITA- U vision. The NITA-U vision is “A globally competitive Uganda enabled by Information Technology (IT)”

The strategic plan has informed all NITA-U's planning and performance execution tools. The plan is the major source of input for the planning and reporting tools for the institution as required by government. These include the Ministerial Policy Statement (MPS), Budget Framework Paper (BFP) and the Output Budgeting Tool (OBT). The NITA-U strategic plan recommends eight strategic goals to attain the vision. The section that follows gives highlights of the NITA-U strategic direction.

The physical performance reported in section 5 of this report is in alignment with the NITA-U strategic plan.

4. NITA STRATEGIC DIRECTION

4.1. Vision

The NITA-U strategic plan 2013/14 -2017/18 spells its long term vision as ***“A globally competitive Uganda enabled by Information Technology”***.

The vision expresses a strong desire to deploy IT in transforming Uganda into a highly productive and globally competitive country both in quality of its human resources (workforce) as well as quality of goods and services produced. We yearn for an enlightened society due to the diffusion of knowledge and information in all spheres of life. We perceive information as a strategic resource for its socio-economic development.

4.2. Mission

In alignment with the above vision, NITA-U's purpose for existence is ***“to transform Uganda into a knowledge-based society by leveraging IT as a strategic resource to enhance government services, enrich businesses and empower citizens”***.

To actualize the mission, NITA-U's key focus areas include; development of the IT infrastructure, creation of an enabling environment, promotion of e-Government services, strengthening IT human resources capacity and continuously planning for a systematic, harmonized and coordinated IT deployment.

4.3. Values

NITA-U's internal conduct, as well as relationships with other stakeholders is enshrined in the five core values. This forms NITA-U's brand identity. The values espouse the attitudes, beliefs and behaviours that will be cognizant with the NITA-U identity. The core values are;

- *Integrity.*
- *Innovation.*
- *Teamwork.*
- *Customer centricity.*
- *Quality.*

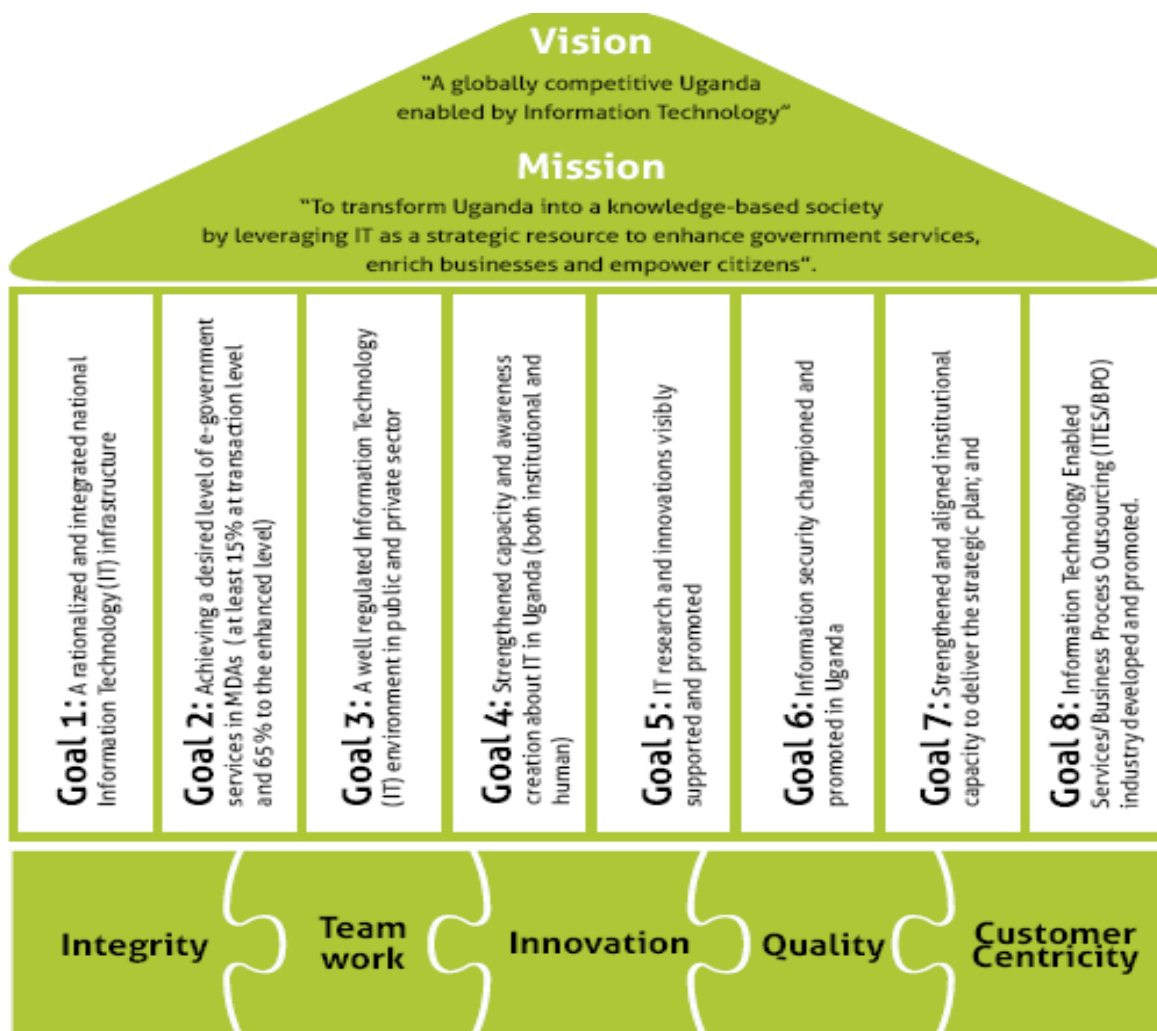
4.4. Strategic Goals

The NITA-U strategic goals are 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;

- i. A rationalized and integrated national Information Technology (IT) infrastructure*
- ii. Achieving transaction level e-government services for at least 50% of MDA IT systems*
- iii. A well regulated Information Technology (IT) environment in public and private sector*
- iv. Strengthened capacity in MDAs (both institutional and human)*
- v. IT research and innovations visibly supported and promoted*
- vi. Information security championed and promoted in Uganda*
- vii. Strengthened and aligned institutional capacity to deliver the strategic plan*

viii. *BPO/ITES industry developed and promoted*

Figure 1: NITA-U strategy House.



5. NITA-U PERFORMANCE FOR FY 2013/14

5.1. Key Achievements in each of the strategic goals

This section highlights key achievements in each of the strategic thematic areas as laid out by the NITA-U Strategic plan FY 2012/13 - FY 2017/18. The section further details the technical support provided to MDAs towards the promotion of e-government.

5.1.1. A rationalized National Information Technology (IT) infrastructure

This section is concerned with the steps that have been taken 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.

This followed 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.

The following are the objectives and planned outputs for FY 2013/14

| Planned Outputs 2013/14 | FY 2013/14 Annual Target | Achievements |
|--|--|---|
| A rationalized and integrated national Information Technology (IT) infrastructure | | |
| a. Connect more Ministries and Departments to the NBI | Twenty seven (27) MDAs connected to the NBI | (12) MDAs additional were connected to the National Backbone Infrastructure increasing the total number of MDAs connected to the NBI to thirty nine (39). |
| b. Implementation of Phase III ¹ of the NBI | Obtain approval from MoFPED for Phase III loan | The preparatory works for Phase III that included contracting a supervisor for this phase was completed. |
| c. Bulk internet bandwidth delivered to MDAs connected to the NBI | At least twenty (20) MDAs connected to the NBI utilizing the internet. | (21) MDAs are utilizing internet delivered over the NBI. |
| d. Provide first-level technical support to MDAs Technical support and advice for critical | 80% of MDA requests responded to | 90% of all the MDAs the requested for support in areas of IT infrastructure |

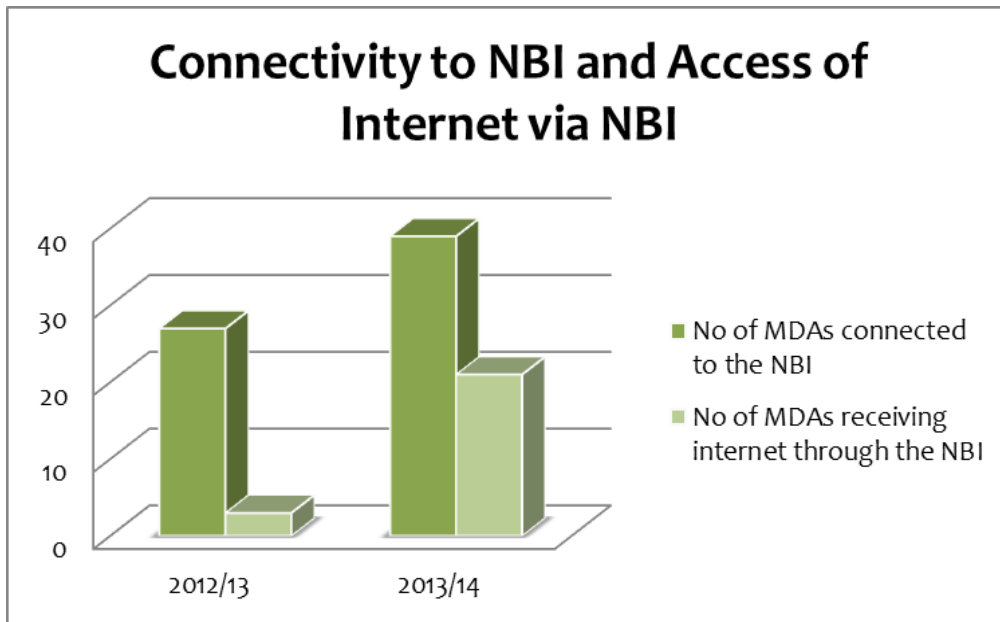
¹Phase III the planned phase of the undersea cables that will connect Mutukula through mainland Tanzania to the East African Submarine cables and will also connect Uganda to the Rwandan border . Refer to Figure 3 for detail of coverage.

| | | |
|---|--|---------------------------------------|
| Government Information Technology Systems | | and shared services were attended to. |
|---|--|---------------------------------------|

(a) MDAs connected to the NBI;

In FY 2013/14 twelve (12) MDAs additional were connected to the National Backbone Infrastructure increasing the total number of MDAs connected to the NBI to thirty nine (39). Of the total number of connected MDAs, twenty one (21) MDAs are utilizing internet delivered over the NBI. The growing number of MDAs connecting to the NBI and utilizing IT services will create efficiencies in government as well as save costs.

Figure 2



(b) Implementation of NBI Phase III

In a quest to extend infrastructure to un-served and underserved areas, with the objective to operationalize the exiting IT/e-government infrastructure, several activities have been undertaken. In FY 2012/13 Phase I and II were completed and handed over to the commercialization manager and some MDAs are already accessing services. The preparatory works for Phase III that included contracting a supervisor for this phase was completed. The MoFPED communicated to Exim Bank on the readiness for Phase III. The roll out of Phase III shall therefore commence in FY 2014/15.

Figure 3

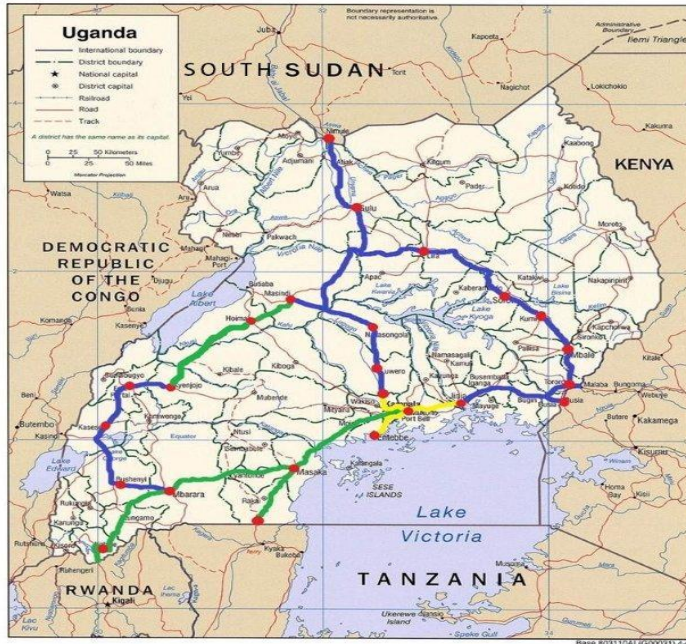


Figure 3 showing the current rollout of the NBI (**Phase I:** Kampala, Entebbe, Bombo, Mukono and Jinja. **Phase II:** Luwero, Nakasongola, Masindi, Gulu, Elegu, Lira, Soroti, Kumi, Mbale, Malaba, Tororo, Busia, Mbarara, Kasese, Fort Portal and Kyenjojo) **Phase III** Masaka, Mutukula, Kabale, Katuna

(c) Bulk internet bandwidth delivered to MDAs

Twenty one (21) of the thirty nine MDAs that were connected on the NBI are utilizing internet over the NBI. There is accelerated effort to connect and deliver internet bandwidth to more government MDAs as it results into huge cost savings for government. The ratio of the MDAs connected to those connected and utilizing the internet over the NBI is represented by Figure 2 above. There is a significant growth in the number of MDAs utilizing the internet in FY 2013/14 as compared to FY 2012/13.

(d) Technical support given to MDAs

In line of NITA-U’s function to provide first-level Technical support and advice for critical Government Information Technology Systems, support was offered in the areas of IT infrastructure and shared services.

| MDA | Project type |
|--|------------------------------------|
| Ministry of Internal Affairs | NSIS project |
| Uganda Registration Services Bureau (URSB) | e-Registry |
| Uganda Investment Authority (UIA) | Establishment of One Stop Shop for |

| | |
|---|---|
| | Investors |
| Ministry of Health (MoH) | e-health |
| Public Procurement and Disposal Authority | e-procurement |
| Ministry of Finance Planning and Economic Development | Technical assistance on the Computerized Education Management & Accounting System (CEMAS) |

5.1.2. Implementation of e-Government services

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 citizen is e-Government .

E-Government involves delivering services via the Internet, telephone, electronic media, community centers (self-service or facilitated by others), wireless devices or other communications systems. NITA-U endeavors to promote e-Government services by doing the following;

The table below shows the progress on the key outputs targeted for FY 2013/14.

| Planned Outputs 2013/14 | FY 2013/14 Annual Target | Achievements |
|---|--|--|
| Achieving transaction level e-government services for at least 50% of MDA IT systems | | |
| a. Promote and provide technical guidance for the establishment of e-Government. | Respond to requests by MDAs for technical support promptly | Technical e-Government support provided to MDAs on the following; NSIS, e- Health, e-Procurement, CEMAS, e-Licensing , e-immigration , e-visa, e-Tourism Visa for East Africa, Output Oriented Budgeting Tool (OBT), Work Permits. |
| | Development of e-Government undertaken. | Projects such as the One-Stop centre, e- Cabinet, e- Passport for EAC were undertaken |
| b. Sign contract with | Contract with EDA signed. | Contract signed with |

| | | |
|--|---|--|
| Enterprise Direct Advisor (EDA) for consolidation of Microsoft licenses | | Enterprise Direct Advisor for consolidation of licenses |
| c. Complete the procurement of Microsoft licenses | Procurement process for Microsoft licenses completed. | Procurement process completed for consolidation of Microsoft licenses. |
| d. Establish a help desk for e-Government Services | Contract for Government helpdesk signed. | Procurement for an Help desk for e- Government services completed |
| e. Government web Portal developed | E-Government web portal developed. | Government web Portal (www.gov.ug) was developed with basic content and handed over to OPM for operationalization and maintenance. |
| f. Unified Messaging and Collaboration System (UMCS) in the MDAs maintained. | UMCS maintained in four MDAs. | Unified Messaging and Collaboration System supported and maintained in the MDAs (NITA-U), MoICT and Ministry of Internal Affairs. |

(a) Technical guidance for the establishment of e-Government.

Several MDAs were offered technical/ advisory support which in a way is the initial step to establishing e-Government. The Ministry of health was offered input to their e-Health strategy. Towards the establishment of e-Government NITA-U has played a critical role in the one-stop-Center project, Uganda Investment Authority was supported to develop a technical proposal for the establishment of the One Stop Shop for investors; also a website to promote the Uganda Investment Forum in London was developed.

The e-cabinet concept note was developed and presented to cabinet secretariat. The technical proposal is under discussion by cabinet. The Directorate of Citizenship and Immigration support on procurement of electronic document management system. Internal

affairs were offered support in developing procurement documents for e-visas and automation of work permits and e-passports.

The document tracking system for automation of internal processes was implemented for the First parliamentary council. Other projects supported included CEMAS, NSIS, e-Health, e-procurement and e-registry.

(b) Consolidation of government licenses.

The signing of the contract with the Microsoft Enterprise Direct Advisor is critical step towards realizing one of the IT rationalization strategies. The consolidation of government licenses will realize huge savings for government.

(c) Government web portal

NITA- U developed the Government web portal and handed it over to Office of the Prime Minister (OPM). In establishing the government web portal, (www.gov.ug) OPM will ensure that government services are uploaded and managed under a single resource/facility so as to improve security of information and improve its sharability.

5.1.3. Creating an enabling environment

Creation of an enabling environment with in the Information Technology sector spurs innovation and makes the country’s products and services competitive globally. To promote the use of IT products and services there is need to do the following;

- 1) Set and monitor standards for IT.
- 2) Develop and Operationalize the Certification and Accreditation framework.
- 3) Operationalize the Cyber laws (electronic signatures act, electronic transactions act and computer misuse act.
- 4) Develop and Implement the National Information Technology Project Management Methodology

The table shows the achievements towards creation of an enabling environment;

| Key outputs | FY 2013/14 Targets | Achievements |
|--|--|--|
| a. Standards | | |
| Priority standards developed, approved and adopted | At least six priority standards developed. | <ul style="list-style-type: none"> • Twenty four (24) National IT standards were reviewed and a public call for |

| | | |
|---|--|---|
| | | <p>comments ended in July 2014.</p> <ul style="list-style-type: none"> • Two (2) MDA standards on Websites and Social media were developed. |
| Awareness and sensitization of MDAs about MDA standards conducted | At least five MDAs sensitized about the MDA Standards. | <ul style="list-style-type: none"> • Five (5) MDAs that include; Ministry of internal Affairs, Auditor General, Foreign Affairs, Education and Sports and Prisons department) undertook the initial meetings for compliance assessments on structured cabling standards • Operationalization framework of standards in MDAs is currently being developed. |
| b. Certification and Accreditation | | |
| Certification and Accreditation framework developed. | Draft Certification and Accreditation Framework for IT products, Services, IT training Institutions, and IT professionals, was developed | The National IT Certification and Accreditation Framework for IT products, Services, IT training Institutions, and IT professionals, was developed and reviewed by the NITA-U Board and proposed for wider stakeholder consultations. |
| c. Regulation and Legal Services | | |
| Obtain Ministers approval of the Regulations. | Regulations for e-Transactions Act and e-Signatures Act signed by | Regulations for e-Transactions Act and e-Signatures Act were signed |

| | | |
|---|---|---|
| | the Minister and gazetted. | by the Minister and gazette on 30th September 2013. |
| Draft Data Protection and Privacy Bill developed | Support provided to MoICT in developing the draft Data protection and privacy bill. | The Draft Bill was developed and submitted to MoICT for further action. The draft Bill was submitted to UNCTAD for comments and the same have been received. The draft will accordingly be updated. |
| Conclude procurement process of Consultant to develop the (National Data Bank Management) Regulations | Consultant to develop the National Databank Management regulations. | The Contract has been signed and the Consultancy has commenced. The Inception Report was presented and approved on 13th June 2014. |
| Draft e-Government Law developed and approved | Draft e-Government regulations developed. | i) The draft NITA-U (E-Government) Regulations developed. |
| d. IT Project Management Methodology | | |
| Support the implementation of the National IT Project Management Methodology amongst MDAs. | Obtain board approval of the IT project Management methodology. Disseminate the NITPMM to at least three MDAs. | <ul style="list-style-type: none"> • National IT Project Management Methodology approved by the NITA-U Board • Dissemination and Sensitizations conducted in Three (3) MDAS i.e. Judiciary, Gender and KCCA • 10 Support guidelines developed for the Project management methodology |

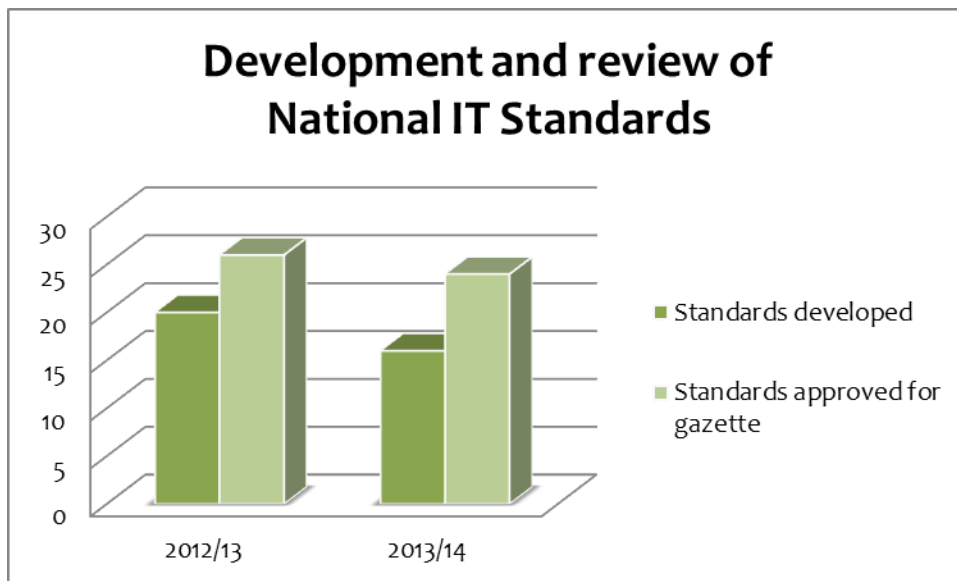
(a) National IT Standards

To operationalize NITA-U mandate, there is 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 2013/14 twenty four (24) National IT standards were reviewed and a public call for comments ended in July 2014. This brings the total number of IT standards developed to forty (40). This is in addition to the sixteen (16) national IT Standards were developed and approved by the National Standards Council and are ready for being gazetted. As displayed in fig 5

A sensitization session on the three (3) priority MDA standards that were developed in FY 2012/13 were conducted in five (5) MDAs that include; Ministry of internal Affairs, Auditor General, Foreign Affairs, Education and Sports and Prisons department) undertook the initial meetings for compliance assessments on structured cabling standards.

Figure 5



(b) Certification and Accreditation Framework

The Draft Certification and Accreditation framework was developed. Focus group discussions were conducted and the draft updated in preparation for the wider stakeholder validation that was scheduled for Q1 FY 2014/15.

(c) Operationalization of the Cyber Laws

Three Cyber Laws were developed and accented to by the President in 2011; electronic signatures act, electronic transactions 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. The regulations to the cyber laws were approved by Board and MoICT, and obtained the Solicitor General approval FY2013/14

In FY 2013/14 Twenty one (21) stakeholder sensitization on Cyber Laws were undertaken. This brings the total number of sensitization to Thirty nine (39) with an estimated number of people sensitized in excess of one thousand.

(d) National IT Project Management Methodology

The National IT project management methodology was developed in FY 2012/13 with the aim of providing guidance to Ministries, Department and Agencies (MDAs) executing IT projects on how best they can effectively initiate, plan, , execute, monitor and control; and close IT projects.

In FY2013/14 the IT project management methodology was approved by the Board and an abridged version of the methodology was prepared. The methodology was disseminated to twenty (20) MDAs and sensitizations conducted for three (3) MDAs.

5.1.4. Strengthened capacity in MDAs

Strengthened capacity in IT products and services both in institutions and at individual level is a prerequisite for IT uptake/ utilization in Uganda. 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;

- 1) Establish the skills gap amongst the civil servants and address the gaps
- 2) Developing and operationalizing the framework to accredit and certify IT Professionals and Training Institutions

- 3) Continuously offering support towards IT capacity building in MDAs
- 4) Establishing and providing support to the IT Association

| Key outputs | FY 2013/14 Target | Achievements |
|---|---|--|
| a. Capacity Building & regulation of IT Training | | |
| A comprehensive IT skills development strategy in place | An open source tool for e-learning identified and tested. | <ul style="list-style-type: none"> • A business case for training Citizens Civil servants and special interest groups developed. • Identified and downloaded an open source tool (MOODLE) that will be used for e-learning. • Application is being tested on the virtual server to ascertain the requirements for customization. • A high level CBNA is being developed to establish Quick win training needs for Civil servants. |
| Support towards IT Capacity building provided to MDAs | 100% participation and support to all capacity building events. | <ul style="list-style-type: none"> • Provided support to the executive training on foundations of government information leadership Reviewed the ICT institutionalization strategy and identified gaps that would be addressed by the GCIO project) Participated in the BPO Training of Trainers Preparatory Workshop • Participated in meetings for the Local Organizing committee for e-learning Africa 2014 • Commenced the development for a business case for capacity |

| | | |
|--|--|---|
| | | <p>building for Civil Servants and citizens through e-learning.</p> <ul style="list-style-type: none"> • Identified training content developed by Microsoft that will be reviewed with a view of adopting it as training material for citizens. |
| Certification and Accreditation of IT professionals and training institutions. | Certification and Accreditation framework developed and approved. | Draft Certification and Accreditation framework for IT professional and training institutions developed |
| b. ICT Association of Uganda | | |
| Facilitate the establishment of the ICT Industry Association | <p>Support provided to the ICT Industry association.</p> <p>Provide guidance on how the ICT Industry can establish partnerships.</p> | <ul style="list-style-type: none"> • Continued support offered to the ICT Association of Uganda; the association members were invited for the focus group discussions on Certification and Accreditation framework, BPO Standards Dissemination workshop, IS Validation workshop, Review of R&I Master plan. • Provided guidance on how the ICT Association can join the Private Sector Foundation. |
| Facilitate the establishment of IT Professionals Association | Obtain ExCo approval of the IT professional association strategy. | <ul style="list-style-type: none"> • Strategy establishing the professional association developed and approved by ExCo. |

(a) Capacity Building & regulation of IT Training

The draft Certification and Accreditation framework was developed. Implementation of this framework will yield the desired benefits to effectively increase utilization, promotion of IT in Uganda. Further still, collaborations with Education institutions have already been

established with the aim of promoting IT training by incorporating IT in the curriculum. The table below details progress toward the targeted outputs.

(b) ICT Association of Uganda

The IT Association which was established in FY 2012/13 to promote prosperity and competitiveness of the IT Industry players, while increasing growth and development in the ICT sector was supported through FY 2013/14. Under NITA-U's purview, the Association elected the board committee.

The Information and Communication Technology Association Uganda (ICTAU) board was involved in several IT consultations and workshops such as the validation workshop for the National Information Security Framework (NISF), Consultations for the Certification and accreditation framework among others.

5.1.5. Research and Innovations supported and promoted

Research and Innovation is an enabler to all sectors of the economy. The market has increasingly become competitive with more firms coming up with ways of using IT to increase productivity levels. 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 as may be necessary In the promotion of the authority, the following areas were identified as key;

- 1) Develop the National IT Research and Innovation Master plan and system.
- 2) Offer internal support in undertaking research on the key identified areas.
- 3) Develop the IT data collection and dissemination system

The table below provides detailed progress on each of the key areas above;

| Key Outputs | 2013/14 Target | Key Achievements |
|--|---|---|
| Conducting surveys to support the functions of NITA-U. | Provide 100% support to the requests raised by users. | 80% of the user requests for surveys were undertaken. These include; Data collection for IT Systems integration and PKI feasibility study. Market survey on |

| | | |
|---|---|--|
| | | installation of Optical fiber cable and inventory of the IT Business establishments. |
| NITA-U Survey framework developed. | Obtain ExCo approval of the survey framework. | The survey frame work was developed and presented to the board Upon presentation to the board. Based on the board comments, guidelines for conducting surveys in NITA-U were drafted. |
| Draft IT data collection and dissemination system developed. | IT data collection and dissemination system in place. | The draft IT data collection and dissemination system developed and discussed by a multispectral team and recommendations made. |
| National IT Research and Innovation Master plan and system developed. | ICT research and Innovation strategy developed. | The final draft for ICT research and innovation strategy developed by the task team was signed off and forwarded to MoICT for harmonization into the SIP. |

5.1.6. Information Security championed and promoted in Uganda

Secure information and information systems create a favourable climate for economic development and national security. The Information Security Directorate was operationalized in FY 2012/13 as the first step to the implementing of the National Information Security Strategy (NISS). 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 2013/14 included;

- 1) Develop and operationalize the framework to guide information national security issues.
- 2) Establish a computer emergency response teams on the regional and international levels

- 3) Build security capacity across sectors to handle security accidents
- 4) Build trust in terms of using Government services.

The table below details the achievements that were made towards the targeted outputs.

| Key outputs | FY 2013/14 Annual Target | Achievements |
|--|---|--|
| Feasibility study report on Public Key Infrastructure (PKI) in place | Feasibility study report on PKI in place. | The Final feasibility study report on Public Key Infrastructure (PKI) in place, awaiting official hand over. |
| NISAG constituted & launched | NISAG Launched. | Members of the National Information Security Technical Working Group were nominated by the constituent organization. |
| CERT Maturity roadmap in place | Obtain ExCo approval of the CERT maturity road map. | <ol style="list-style-type: none"> i) CERT Maturity roadmap was approved by ExCo. ii) CERT Training conducted for Police, URA, UCC in collaboration with Egypt. The CERT.UG website and email developed and launched |
| Eight (8) MDA s sensitized on cyber security | Cyber security sensitization campaigns conducted in 8 MDAs. | Twenty two (22) institutions were sensitized on information security .They include ;Judiciary MoFPED, UNCST, Ministry of Energy and Mineral Development ,BoU, Commonwealth cybercrime initiative (UK), Director of Cyber Security at Foreign , Commonwealth office and four Commonwealth office , Makerere University, Uganda Peoples Defence Force, Uganda Electricity Generation Company Limited |

| | | |
|---|--------------------------------------|---|
| | | (UEGCL)Uganda Road fund (URF) , NITA-U Staff, Uganda Electricity Generation Company (UEGCL) |
| At least one (1) conference on cyber security organized | Cyber security conference conducted. | Four (4) major events were organized they are; i) The EA Information Security conference organized in partnership with ISACA ii) The East African Banking Summit. iii) The EAC Regional Meeting on ‘Preventing and Combating Cybercrime’ in partnership with United Nations Office on Drugs and Crime (UNODC) and the iv) Commonwealth Cybercrime Initiative (CCI). |
| Cooperation frame work in place. | Cooperation framework established. | Engaged CTO & CCI on cyber security collaboration Sensitized participating MDAs on outcome of CCI scoping mission Engaged CTO & CCI on cyber security collaboration Common wealth cybercrime initiative (UK), Director of Cyber Security at Foreign , Commonwealth office |

5.1.7. Strengthened and aligned Institutional Capacity

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

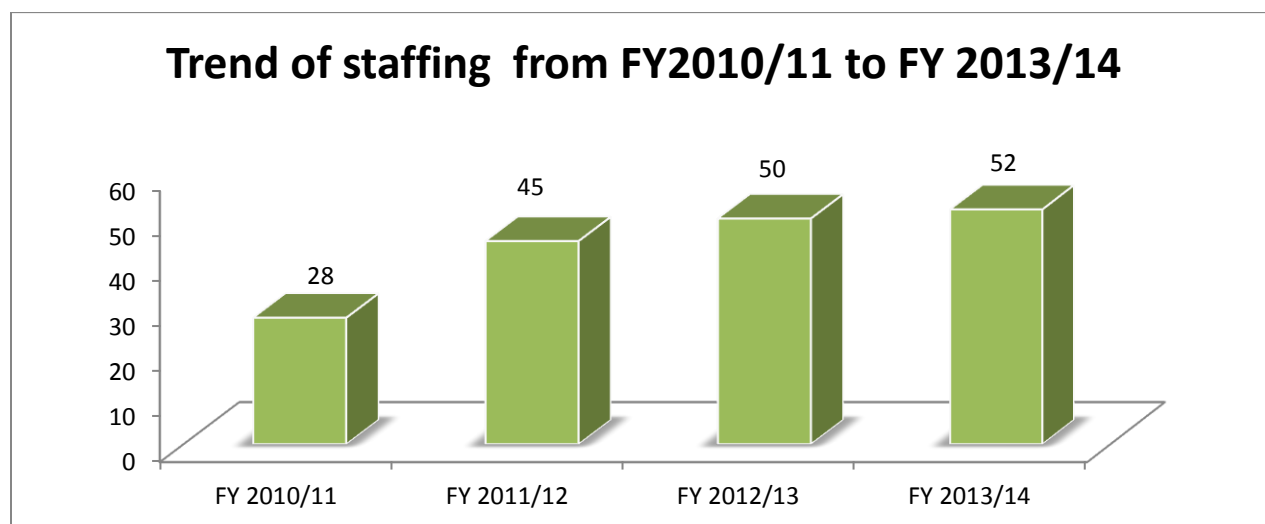
(a) Operationalization of NITA-U

FY 2013/14 marked the first year for NITA-U to operate as a fully self-accounting organization directly receiving funds from the consolidated fund. NITA-U operates as Vote (126).

Implementation of the Strategic plan commenced in FY 2013/14 having been approved by the board, the strategic plan was disseminated to the key stakeholders in FY 2012/13. Some of the key strategic interventions planned for the first year of the plan commenced, however full implementation of outputs planned for the first year could not be attained due to constrained by financial resources. The priority outputs for FY2014/15 were guided by the strategic plan.

The total number of staff registered and average of 21% year on year over the last three years. The highest increase was 61% in FY2011/12 when the skeleton staff was beefed from twenty eight (28) up to forty five (45) employees. The human capital resourcing to support the implementation of the strategic plan however is still constrained.

Figure 6



(b) NITA-U visibility and Awareness

There was nineteen per cent (19%) increase in the number of events NITA-U participated in this year FY2013/14 as compared to FY 2012/13.

Table of events that NITA-U participated in FY 2013/14

| July 2013 | August 2013 | September 2013 |
|-----------|-------------|----------------|
| | | |

| | | |
|--|--|--|
| <ul style="list-style-type: none"> i. Staff Retreat- Chobe Safari Lodge ii. Minister’s Inaugural Visit -15th July iii. KISA delegation visit iv. Executive Training on Foundations of Government Information Leadership in Kampala, Uganda during 22-26 July 2013 v. IT coordinators meeting on Cabinet skills Program-NITA-U boardroom-25th July vi. Sensitization Of The Staff Of Ministry Of Energy On Cyber Laws, Is & Services Offered By NITA-U-25th July vii. UICT Open Week 29th July-2nd August 2013 | <ul style="list-style-type: none"> i. UICT Open Week 29th July-2nd August 2013 ii. East African Information Security Conference - 13th-14th August 2013 at Hotel Africana Kampala. iii. NIPA Consultation Workshop. iv. Sensitization workshop on GIDC & PKI-27th UBOS Conference hall | <ul style="list-style-type: none"> i. BPO Press Conference-9th ii. Official Launch of the BPO Incubation Centre-18th iii. Regional BPO Conference-18th-20th iv. Korean delegation Visit to MOICT-20th v. Sensitization of ERA staff on Cyber Laws-27th |
| <p>October 2013</p> <ul style="list-style-type: none"> i. Sensitization Workshop on IT Standards-30th October 2013, Statistics house. ii. Cyber Security Training(Forensics) -UICT | <p>November 2013</p> <ul style="list-style-type: none"> i. 25th Nov-Mass Enrolment Launch-Kololo | <p>December 2013</p> <ul style="list-style-type: none"> i. Sensitization on Cyber Laws and Information Security Aspects-Ambrosoli ii. -Exhibition –Public Service Innovation Conference ii. -Sensitization on Cyber Laws, BPO, Project Management Methodologies, and Information Security – |

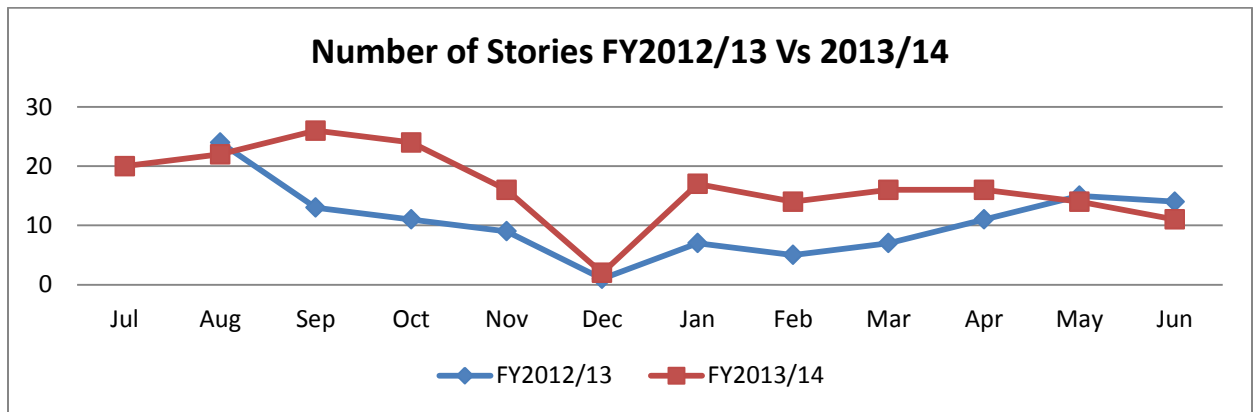
| | | |
|---|---|--|
| | | UPDF |
| <p>January 2014</p> <ul style="list-style-type: none"> i. -- National preparatory meeting for Regional Sensitization on Mass Enrolment-Serena Hotel ii. -Regional Sensitization on Mass Enrolment iii. -National Information Security Strategy dissemination workshop-Hotel International Muyenga iv. Sensitization on Cyber Laws and Cyber Security-Annual Judges Conference v. - ICT Sector dinner-25th January vi. -- Swedish-Ugandan ICT conference-Serena Hotel | <p>February 2014</p> <ul style="list-style-type: none"> i. -- UEGCL Sensitization-Cyber Laws, Cyber Security ii. --ICTAU annual general meeting. iii. --Launch of National CERT Coordination centre. iv. --TechPost #AskNita Interview | <p>March 2014</p> <ul style="list-style-type: none"> i. Uganda Road Fund Sensitization-Cyber Laws, Cyber Security ii. Mass Enrolment District workshops. iii. Launch of Training of Trainers-Mass Enrolment(Jinja) Safer Internet Day-Gayaza High School |
| <p>April 2014</p> <ul style="list-style-type: none"> i. -- Uganda Road Fund Sensitization-Cyber Laws, Cyber Security ii. -- Mass Enrolment District workshops. iii. -- Launch of Training of Trainers-Mass | <p>May 2014</p> <ul style="list-style-type: none"> i. EAC Regional meeting on combating Cybercrime | <p>June 2014</p> <ul style="list-style-type: none"> i. e-Government Draft Regulations Consultation Workshop ii. -BPO Standards Workshops ii. - Accreditation and Certification |

| | | |
|--|--|---|
| Enrolment(Jinja) Safer Internet Day-Gayaza High School | | Framework-Focus Group Discussions. v. -Launch of Child Helpline-Lira |
|--|--|---|

(c) Media and Social Networks Coverage of NITA-U

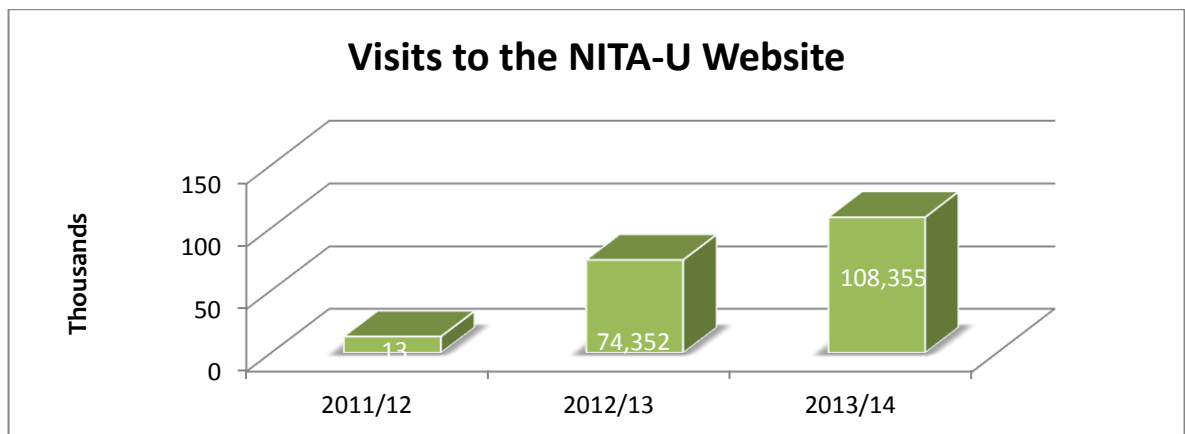
Media coverage improved, with the number of stories in the print media increasing by 69% to one hundred and ninety eight stories (198). As compared to FY 2012/13, in FY2013/14 over 90% of the stories were positive.

Figure 7



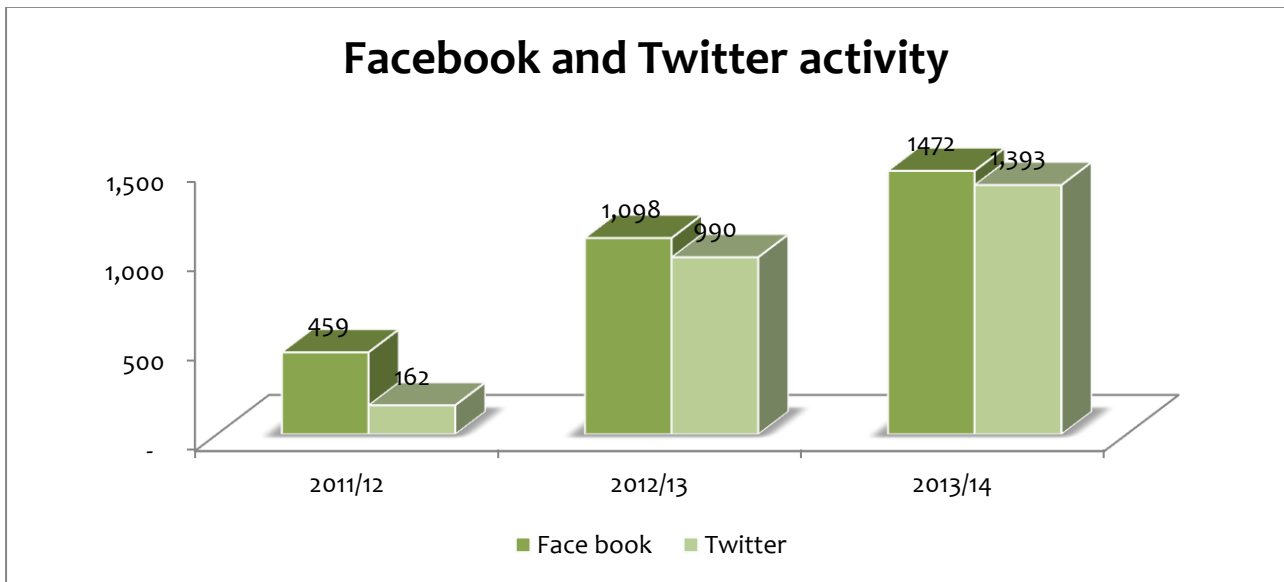
Public interest in NITA-U website has grown significantly year on year, in FY 2012/13 website visits shot up by 400%, in FY 2013/14 the visits grew by 237%. The steady growth is attributed to increased awareness about NITA-U in the public.

Figure 8



In addition, NITA-U runs two social network pages i.e. (Facebook and Twitter). In FY 2013/14 three (3) social media avenues launched. They are; Google +You tube and Linked in. The visits to the NITA-U Facebook and twitter pages dramatically increased by 34% and 40% respectively as compared to FY 2012/13.

Figure 9



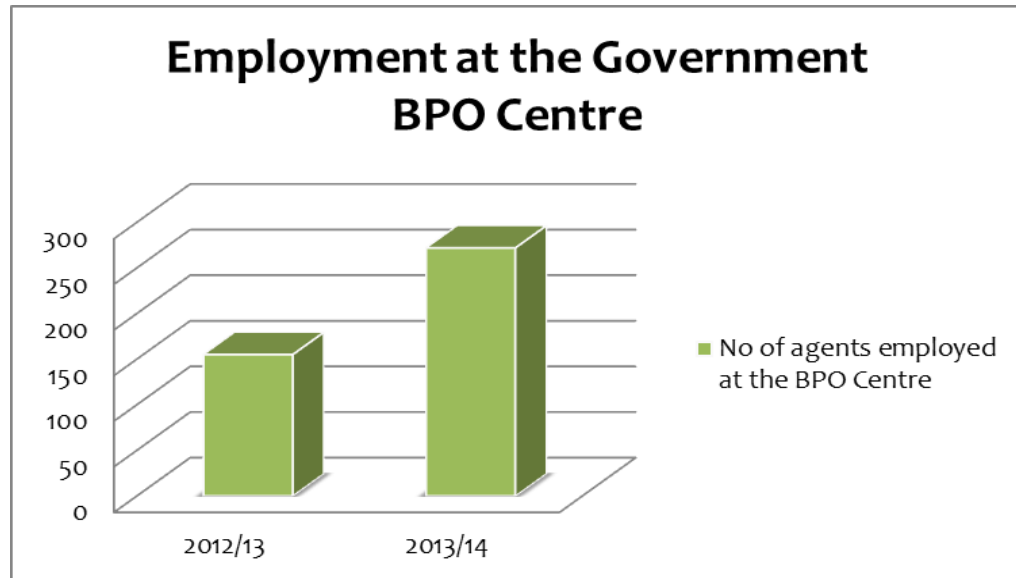
5.1.8. Business Process Outsourcing (ITES/BPO) industry promoted.

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 catalysing initiatives to foster and facilitate the quick and planned growth of Uganda’s ITES-BPO industry. To this end, in FY 2011/12, the BPO incubation centre, whose focus was to nurture the BPO industry and create jobs, was established and the BPO Strategy and incentives guidelines developed.

In FY 2012/13 the centre employed one hundred and fifty five (155) youth. NITA-U ensured that the centre was maintained. Further still the Standards, Regulations and Accreditation Guidelines to enhance the Business Process Outsourcing (BPO) Industry in Uganda were developed.

FY 2013/14 saw the number of youths employed by the incubation centre increase to two hundred and seventy two (272), an 8.5% as displayed in Fig 11. from the planned annual target of two hundred and fifty (250). The centre was officially launched to by the Hon. Minister of ICT in September 2013. The FY 2013/14 Annual Regional BPO conference ‘

Figure 10



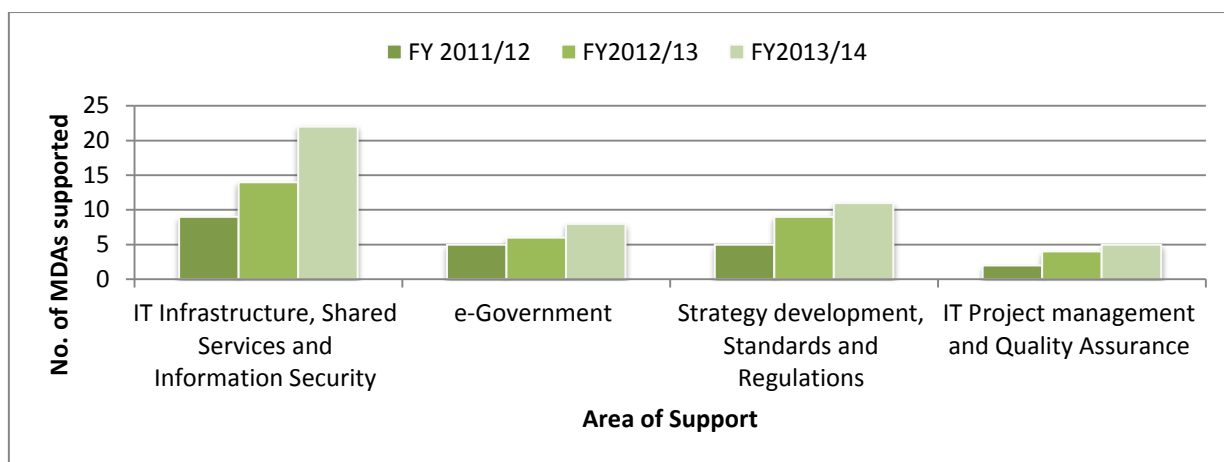
| Key outputs | FY 2013/14 Target | Achievements |
|--|---|---|
| Operationalize the unutilized space at BPO incubation Centre | A company to occupy the unoccupied space of the BPO centre procured. | <ul style="list-style-type: none"> • Procurement for BPO operator tie occupies the un-utilized space at the BPO incubation centre completed. Space handed over to Dial-a -Service and Cameo TECH Edge |
| Promote the BPO industry | Regional and national events to enrich the Uganda BPO operator’s knowledge organized and conducted. | <ul style="list-style-type: none"> • Partnered with the BPO association to organize the 2013 BPO Regional Conference • Abridged version was developed and submitted to ExCo for comments. • Engaged the ICT Parliamentary committee on BPO government outsourcing through the Uganda |

| | | |
|---|---|---|
| | | <p>BPO Association.</p> <ul style="list-style-type: none"> • Participated in a talk show on WBS to promote BPO <p>Awaiting feedback from ITC on the final plan of implementing the Export sector competitive programme.</p> |
| Obtain approval of the requirements for training. | Training for four trainers on how to manage events conducted. | <ul style="list-style-type: none"> • EDU Egypt trained four (4) NITA-U staff to manage the upcoming trainings. The training was conducted on the 25th November. |
| Two hundred and fifty (250) youths employed at BPO centre. | Two hundred and fifty (250) youths employed. | <ul style="list-style-type: none"> • Two hundred and seventy two (272) staff is employed by the BPO incubation centre. This is a 8.5% increase from the set target of 250. |
| Ensure availability of services (technical and administrative) to the BPO operators | Availability of services maintained as per signed contract. | <ul style="list-style-type: none"> • 90% of the tickets closed <p>The service levels were affected by a power cut that lasted for 19hrs due to transformer explosion.</p> <ul style="list-style-type: none"> • Internet was down for 22hrs due to a break down in the service providers' equipment. |

e- Government development and technical support offered to MDAs.

The number of institutions supported increased by 39.4 % as from FY 2012/13. More support was offered in the areas of IT Infrastructure, Shared services and Information Security. The support offered to the NSIS project was unique in that it cut across numerous areas of support. The figure shows the number of Institutions supported by the areas of support.

Figure 4



The table below highlights the support offered by institution.

| Support / Project | Institution |
|--|--|
| Infrastructure | |
| Delivery of internet band width to government MDAs | Petroleum Exploration and Production Department |
| e-Government | |
| Implementation of IT systems | 1. Ministry of Internal Affairs |
| i. Configuration of mass enrollment kits. | 2. First Parliamentary Council |
| ii. Electronic tracking system | 3. Ministry of trade |
| iii. Electronic single window | 4. Directorate of Citizenship and Immigration support |
| | 5. Uganda Registration Services bureau |
| Development and maintenance of websites | 1. Uganda Investment Authority |
| | 2. Min of Internal Affairs |
| | 3. Ministry of foreign affairs |
| | 4. Higher Education Students' Financing Board |
| Standards | |
| Technical input to IT related Policies, Frameworks and Strategies | Public Procurement Disposal of Public Assets Ministry of Health |
| Guiding the design and procurement process for the for the procurement of IT systems | Courts of Judicature Uganda Insurers Regulatory Authority |

| | |
|---|-------------------------------|
| Project Management | |
| Project management support on the NSIS project. | Ministry of Internal Affairs. |

6. NITA-U FINANCIAL STATEMENTS FY 2013/14

6.1. STATEMENT OF DIRECTORS RESPONSIBILITIES

The Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit and loss. It also requires the directors to ensure that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company.

The directors accept the responsibility for the preparation of the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with International Financial Reporting Standards and the requirements of the Uganda Companies Act 2010, the Finance and Accountability Act 2003 and the NITA-U Act 2009.

The Directors are of the opinion that the financial statements give a true and fair view of the state of financial affairs of the Authority and her surplus and deficit in accordance with applicable standards. The Directors further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, including designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

The Directors confirm that nothing has come to their attention to indicate that the Authority will not remain a going concern for at least twelve months from the date of this statement.

Board Secretary

Board Chairman

6.2. STATEMENT OF RESPONSIBILITIES OF THE ACCOUNTING OFFICER

The financial statements set out on pages **8 to 21** have been prepared in accordance with the provisions of the Public Finance and Accountability Act, 2003 [the Act] and the modified accrual basis of accounting, they comply with the generally accepted accounting practice for the public sector.

In accordance with the provisions of Section 8 of the Public Finance and Accountability Act, 2003, [the Act], I am responsible for the control and personally accountable to Parliament for the regularity and propriety of the expenditure of money applied by an expenditure vote, or any provision funded wholly through the Consolidated Fund, and for all resources received, held or disposed of.

Accordingly, I am pleased to submit the required financial statements in compliance with the Act. I have provided, and will continue to provide all the information and explanations as maybe required in connection with these financial statements.

To the best of my knowledge and belief, these financial statements agree with the books of account, which have been properly kept.

I accept responsibility for the integrity of these financial statements, the financial information they contain and their compliance with the Public Finance and Accountability Act, 2003.

.....

James Saaka

Executive Director/ Accounting Officer

6.3. STATEMENT OF FINANCIAL POSITION

2013/2014

2012/2013

| | NOTES | UG. SHS | UG. SHS |
|--------------------------------------|-------|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property and Equipment | 5 | 149,235,787,271 | 172,175,312,067 |
| Total Non-current assets | | 149,235,787,271 | 172,175,312,067 |
| Current assets | | | |
| Receivables | 6 | 1,300,114,290 | 1,057,811,891 |
| Inventory | 7 | 44,613,650 | 54,711,933 |
| Cash and Cash Equivalents | 8 | 6,339,000 | 886,319,574 |
| Total Current assets | | 1,351,066,940 | 1,998,843,398 |
| TOTAL ASSETS | | 150,586,854,211 | 174,174,155,465 |
| Capital Employed | | | |
| Deferred Grant | 9 | 149,316,942,470 | 172,256,467,266 |
| Accumulated Surplus/(Deficit) | 10 | (465,554,304) | 423,958,120 |
| Total Capital Employed | | 148,979,198,944 | 172,680,425,386 |
| Current Liabilities | | | |
| Payables | 11 | 1,735,466,045 | 1,493,730,079 |
| Total Current Liabilities | | 1,735,466,045 | 1,493,730,079 |
| TOTAL CAPITAL AND LIABILITIES | | 150,586,854,211 | 174,174,155,465 |

.....
James Saaka

**Executive Director
administration**

.....
Andrew Kilama Lajul

Director Finance &

6.4. STATEMENT OF COMPREHENSIVE INCOME

| | | 2013/2014 | 2012/2013 |
|-------------------------------------|-------|-----------------------|-----------------------|
| | NOTES | UG. SHS | UG. SHS |
| REVENUES | | | |
| Grants related to Revenue | 2 | 9,575,887,489 | 10,786,259,296 |
| Deferred Capital Grants (Amortised) | 5 | 23,037,745,454 | 23,007,170,662 |
| Other revenues (Non Tax Revenues) | 3 | 1,253,383,782 | 145,425,042 |
| TOTAL REVENUES | | 33,867,016,725 | 33,929,193,353 |
| EXPENSES | | | |
| Administration expenses | 4 | 11,718,783,694 | 10,881,392,551 |
| Depreciation charge | 5 | 23,037,745,454 | 23,007,170,662 |
| TOTAL EXPENSES | | 34,756,529,149 | 33,878,901,566 |
| SURPLUS/(DEFICIT) | | (889,512,424) | 50,291,787 |

.....
.....
James Saaka

Executive Director

.....
.....
Andrew Kilama Lajul

Director Finance & administration

6.5. STATEMENT OF CASH FLOW

| | | FY | |
|---|------|----------------------|------------------------|
| | | 2013/2014 | FY 2012/2013 |
| | NOTE | | |
| | S | UG. SHS | UG. SHS |
| Cash generated from operating activities | | | |
| (Deficit)/Surplus for the period | 10 | (889,512,424) | 50,291,787 |
| Adjustments for:- | | | |
| Prior year Adjustments-Deferred Income | | - | (1,403,138,646) |
| | | (23,037,745,4 | |
| Amortisation of deferred income | 9 | 54) | (23,007,170,662) |
| | | 23,037,745,45 | |
| Depreciation charge | 5 | 4 | 23,007,170,662 |
| Operating profit before working capital changes | | (889,512,424) | (1,352,846,859) |
| Receivables | 6 | (242,302,399) | (655,756,511) |
| Inventories | 7 | 10,098,283 | (3,556,734) |
| Trade and other payables | 11 | 241,735,966 | (1,220,497,074) |
| Cash from /(used) in operations | | 9,531,849 | (1,879,810,319) |
| Net cash from operating activities | | (879,980,574) | (3,232,657,178) |
| Cash flows from investing activities | | | |
| Purchase of property and equipment | 5 | (98,220,659) | (37,887,700) |
| Net cash used in investing activities | | (98,220,659) | (37,887,700) |
| Cash flows from financing activities | | | |
| Deferred Capital Grant | 5 | 98,220,659 | 37,887,700 |
| Net cash (used in) /generated from financing activities | | 98,220,659 | 2,029,162,594 |
| Net increase in cash and cash equivalents | | (879,980,574) | (3,232,657,178) |
| Cash and cash equivalents at beginning of the year | | 886,319,574 | - |

| | | | |
|---|----------|------------------|--------------------|
| Cash and cash equivalents at end of the year | 8 | 6,339,000 | 886,319,574 |
|---|----------|------------------|--------------------|

Represented by:

| | | | |
|-------------------------------|--|-----------|-------------|
| Bank balance - Bank of Uganda | | - | 885,982,874 |
| Petty cash balance | | 6,339,000 | 336,700 |

| | | | |
|---|----------|------------------|--------------------|
| Cash and cash equivalents at end of the year | 8 | 6,339,000 | 886,319,574 |
|---|----------|------------------|--------------------|

.....

James Saaka

.....

Andrew Kilama Lajul

Executive Director

Director Finance & administration

6.6. STATEMENT OF CHANGES IN EQUITY

| | | Contributed Capital | Revaluation Reserve | Translation Reserve | Accumulated Surplus | Total Net Assets/Equity UGShs |
|-------------------------------------|-----------|---------------------|---------------------|---------------------|----------------------|-------------------------------|
| | Notes | UGShs | UGShs | UGShs | UGShs | |
| Balance as at 30th June 2013 | 10 | - | - | - | 423,958,120 | 423,958,120 |
| Net surplus(Deficit) for the period | | | | | (889,512,424) | (889,512,424) |
| Balance as at 30th June 2014 | 10 | - | - | - | (465,554,304) | (465,554,304) |

.....
James Saaka

Executive Director

.....
Andrew Kilama Lajul

Director Finance & administration

6.7. NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING POLICIES

Note 1.1 Basis of Accounting

The Authority maintains and reports her financial data using the Generally Accepted Accounting Principles (GAAP) Basis. The Generally Accepted Accounting Principles (GAAP) the Authority follows requires that its financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and in compliance with the NITA-U, Act 2009 and the Public Finance and Accountability Act 2003.

In order to comply with GAAP, management is expected to exercise judgment in the process of applying accounting policies. Under GAAP principle financial statements of the Authority are, therefore, prepared in accordance with International Financial Reporting Standards (IFRS) and in compliance with the NITA-U, Act 2009.

In order to comply with GAAP, the following accounting concepts have, therefore, been used and incorporated in our financial reports presented above:

Note 1.2 Accruals concept

In adopting the Accruals concept the Authority records her expenditure and revenue when they become due (i.e. in many cases before the associated cash flows take place), before the recording of assets and liabilities, and therefore is involved with making provisions, the depreciation of assets with finite lives and the production of balance sheets. In addition, accrual accounting entails recording of non-cash transactions such as depreciation,

provisions, and bad debts, etc. non-cash transactions have a monetary value and contribute to the Authority's financial position.

Note 1.4 Matching Concept

Under this accounting method the performance and position of a company is measured by recognizing economic events regardless of when actual cash transactions occur. The Authority therefore recognizes economic events by matching the revenues to expenses at the time in which the transaction occurs rather than when actual payment is made or received. This ensures that the reporting period cash inflows/outflows are combined with future expected cash inflows/outflows to give a more accurate picture of the Authority's present financial condition.

Note 1.5 Recognition Concepts

The Authority recognizes revenue only when the rewards and benefits associated with the items sold or service rendered is transferred, or in the case of grants when their conditions have been met and where the amount can be estimated reliability and when the amount is recoverable i.e. when the earnings process is virtually complete and an arm's length exchange transaction has occurred.

Furthermore, all the Authority's received revenues were either paid directly into the Authority's bank accounts or to her cash office. These included: - Government Grants (GoU), Grants, donations and other revenue from sale of tender documents. All revenues earned by the Authority were promptly collected and fully accounted for in the appropriate accounting records and monthly reconciliations were carried out to ensure that the total of all receipt entries in the relevant cashbook equals the amount actually brought to account under the relevant revenue item for the same period. No debts became overdue for more than 30 days to be subjected to debt recovery procedures during the financial year.

Note 1.6 Historical Cost Concepts

The Authority accounting policy requires that assets and liabilities are accounted for and reported on the basis of the initial acquisition price. The Authority, therefore, records

transactions following the historical concept unless modified to accommodate revaluation of certain assets in accordance with the requirements of a specific IFRS/IAS as the case may be.

Note 1.7 Going Concern Concepts

The Authority's accounts are prepared on the presumption that she will continue in her operation in the pursuance of her statutory mandate for the foreseeable future and no reliable and or verifiable information has come to her attention, if at all, that it's otherwise not the case.

Note 1.8 Materiality Concepts

The Authority prepares financial statements to help stakeholders and any other the users make their decisions. Hence, all items and or information which have the ability to affect the decisions of the users of financial statements are treated as material if its inclusion or omission would influence or change the judgment of a reasonable person in his/her review of the financial statements i.e. in deciding whether a piece of information is material or not requires considerable judgment based on an assessment of either the amount involved and or the importance of the event.

Note 1.9 Grants;

Grants related to Revenue grants and those related to Capital (i.e. acquisition of Property Plant & Equipment) were treated in accordance with the International Accounting Standard 20 (Accounting for government grants). While IAS 20 permits the following two methods of presentation the first option was adopted:

- i.** i. Present the grant as deferred income which is recognized as income on a Systematic and rational basis over the useful life of the asset; or
- ii.** Deducting the grant in arriving at the carrying value of the asset, in which Case the grant is recognized in the statement of comprehensive income over the life of the asset by way of a reduced depreciation charge.

Under the first option a Deferred Grant income account was created in accordance with the provisions of IAS 20 that requires that grants related to assets should be presented in the financial statements by setting up the grant as deferred income.

Note 1.10 Properties, Plant, and Equipment

IAS 16 prescribes the accounting treatment for property, plant, and equipment which includes the recognition of assets, the determination of their carrying amounts, and the depreciation charges. The Authority depreciates her Non-current Assets using the “straight line” method.

The expected useful life of each category of asset is:

- i. Acquisition of buildings – purchase or construction: 40 years
- ii. Building improvements: 20 years
- iii. Land improvements: 20 years
- iv. Autos, vans and passenger vehicles: 4years
- v. Computer software, hardware and related accessories: 3. 1/3 years
- vi. All furnishings and equipment not specifically defined in other classifications: 8 years.
- vii. NBI/ EGI infrastructure: 10 years.

Note 1.11 Transaction currencies

Financial statements are presented in Uganda Shillings (UShs). Transactions denominated in foreign currency are converted into Uganda Shillings at the exchange rate ruling at the date of the transaction. At year end the exchange rates used were 1 Usd = Ushs.2, 604. This is in accordance with IAS 21.

Note 1.12 Deferred Incomes

A deferred Income Account is maintained equal to unrecognized revenue grant plus the written-down value of non-current assets and depreciation is charged to this account. Net revenue balances at the end of the year is posted to the Capital fund account.

Note 1.13 Comparatives

The Authority has adopted the basic format of comparative accounting statements including reporting her financial results for multiple years on each statement. The policy is to present all her statements with data for two years. This is intended to allow users of the financial statement to compare the results from one year to the next. Therefore, this being NITA-U's 3rd year of operation, comparatives for the previous financial year 2012-13 have been included in the financial statements for the Current financial year. The figures for the previous financial years have, however, taken account of all prior year adjustments that have been determined necessary and passed in accordance with the relevant accounting standards.

NOTE 2: INCOME FROM GOVERNMENT GRANTS

| | 2013/2014 | 2012/2013 |
|------------------------------------|----------------------|-----------------------|
| | UG. SHS | UG. SHS |
| Government Revenue Grants (GOU) | 9,575,887,489 | 10,786,259,296 |
| Other Government Grants | - | - |
| Total Revenue Grant | 9,575,887,489 | 10,786,259,296 |

NOTE 3: OTHER REVENUES

| | 2013/2014 | 2012/2013 |
|--------------------------------|------------------|------------------|
| | UG. SHS | UG. SHS |
| Donations from private Persons | - | - |

None Tax Revenues:

| | | |
|---|----------------------|--------------------|
| Commercialization of NBI/EGI infrastructure | 901,957,896 | - |
| Supply of Local Internet Bandwidth to MDAs | 341,172,000 | - |
| Tender fees and other miscellaneous income | 10,253,886 | 145,425,042 |
| Total Other Revenues | 1,253,383,782 | 145,425,042 |

NOTE 4: ADMINISTRATIVE EXPENSES

| | 2013/2014 | 2012/2013 |
|-----------------------------------|------------------|------------------|
| | UG. SHS | UG. SHS |
| Staff Salaries | 6,026,175,560 | 6,793,810,125 |
| Gratuity Expense | 644,028,651 | - |
| Allowances | 210,855,763 | 188,176,868 |
| Medical Expenses | 67,456,625 | 35,244,500 |
| Advertisement & Publicity | 50,850,746 | 66,666,000 |
| Workshops & Seminars | 152,451,621 | 173,461,374 |
| Staff Training & Development | 59,802,595 | 268,628,620 |
| Staff welfare & Entertainment | 89,414,327 | 29,596,809 |
| News Papers & Periodicals | 5,937,501 | 4,847,746 |
| Computer Supplies and IT services | 887,199,538 | 129,678,750 |
| Stationary & Printing | 77,443,741 | 70,143,046 |
| Bank Charges | 683,185 | - |
| Small Office Equipment | - | 3,588,610 |
| Telecommunication | 32,806,872 | 98,529,761 |
| Information & Com. Technology | 189,235,431 | 166,643,855 |

| | | |
|--------------------------------------|-----------------------|-----------------------|
| Security Guards | 102,869,101 | 70,645,708 |
| Electricity & Water | 268,234,489 | 433,693,791 |
| Postage & Courier | 5,494,424 | 7,079,700 |
| Rent | 1,028,388,089 | 929,700,969 |
| General Supply of Gds. & Services | - | 133,195,365 |
| Consultancy Services | 1,249,565,163 | 398,680,556 |
| Travel Inland | 48,078,820 | 68,054,125 |
| Travel Abroad | 291,663,881 | 245,388,807 |
| Fuel , Lubricant & Oil | 130,394,860 | 124,245,617 |
| Maintenance Civil | 31,675,471 | 19,200,960 |
| Maintenance MV | 15,823,611 | 32,645,959 |
| Maintenance Machinery & Equipment | - | 264,149,257 |
| Mint. Property, Plant & Equip`ts | 35,520,410 | 29,636,507 |
| Maintenance Other | 16,733,220 | 96,059,166 |
| Total Admin. Expenses | 11,718,783,694 | 10,881,392,551 |

NOTE 5: (A) PROPERTY, PLANT & EQUIPMENTS

| | Motor Cycles 25% | Motor Vehicles 25% | Machinery & Equipment Account 12.5% | Computers 33.33% | Furniture, Fix & Fittings 12.5% | NBI/EGI Phase 1 10% | NBI/EGI Phase 2 10% | Total |
|-------------------------------------|----------------------------|------------------------------|---|----------------------------|---|-------------------------------|-------------------------------|------------------------|
| | UG. SHS | UG. SHS | UG. SHS | UG. SHS | UG. SHS | UG. SHS | UG. SHS | UG. SHS |
| Cost / Valuation | | | | | | | | |
| At 1st Jul 2013 | 2,000,000 | 227,608,723 | 3,640,000 | 1,242,843,061 | 610,478,311 | 37,679,721,645 | 177,487,988,951 | 217,254,280,691 |
| Additions (Paid from Grant Incomes) | - | - | - | 87,840,659 | 10,380,000 | - | - | 98,220,659 |
| Additions | - | - | - | - | - | - | - | - |
| Disposal | - | - | - | - | - | - | - | - |
| At 30th June 2013 | 2,000,000 | 227,608,723 | 3,640,000 | 1,330,683,720 | 620,858,311 | 37,679,721,645 | 177,487,988,951 | 217,352,501,350 |
| Depreciation | | | | | | | | |
| At 1st Jul 2013 | 1,000,000 | 113,804,362 | 910,000 | 810,489,318 | 150,296,115 | 9,419,930,410 | 34,582,538,420 | 45,078,968,624 |
| Disposal | - | - | - | - | - | - | - | - |
| Charge for the year | 500,000 | 56,902,181 | 455,000 | 443,516,884 | 77,607,289 | 4,709,965,206 | 17,748,798,895 | 23,037,745,454 |
| At 30th June 2014 | 1,500,000 | 170,706,542 | 1,365,000 | 1,254,006,202 | 227,903,404 | 14,129,895,616 | 52,331,337,315 | 68,116,714,079 |
| Net Book Value | | | | | | | | |
| At 30th June 2014 | 500,000 | 56,902,181 | 2,275,000 | 76,677,518 | 392,954,907 | 23,549,826,029 | 125,156,651,636 | 149,235,787,271 |

• Included within the non-current assets are various project assets the Authority inherited from the Ministry of ICT upon becoming a subvention under Vote 20 at the beginning of FY 2011/2012. These assets include the NBI/EGI Phase 1 Infrastructure valued at Ug.Shs37, 679,721,645, Motor Vehicles (3) valued at Ug.Shs64, 000,000 and Motor Cycles (2) valued Ug.Shs2, 000,000. While the NBI/EGI Phase 1 assets were taken on at their written down values (i.e. Historical Costs of US\$25,139,658 or Ug.Shs47, 099,652,056 Less Accumulated Depreciation at 10% over two years) the Motor Vehicles and Cycles were included at reasonable estimates by management pending future valuations by the Chief Government Valuer (Also refer to Note 5 (b) and Note 12.1). The NBI Phase I assets, taken on at written down value (as indicated above), will continue to be depreciated on straight line basis at 10% over the remaining Eight (8) Years useful life (i.e. Five (5) years still remaining).

NOTE 5: (B) NBI/EGI INFRASTRUCTURE

"The NBI/EGI Infrastructure is composed of Phases 1 & 2. The first phase of the project (NBI/EGI Phase 1 Project) with net worth of about Ug.Shs37, 679,721, 645 was completed and handed over to the Ministry of Information and Communication Technology (MoICT) during the FY 2009/2010. The 2nd phase of the project (NBI/EGI Phase 2 Project) worth over Ug.Shs168, 337,395,246 was completed and handed over to the Authority during the last financial year 2012-13. While 95% of the phase two component was capitalize in the other financial year 2011-12 an additional 5%, representing final cost to completion of about Ug. Shs 9,150,593,705 (or US\$ 3,523,796.10 equivalent translated at Ug.Shs. 2,596.80 per US\$), was recognized during the previous Financial Year 2012-13.

The construction of the 3rd Phase of the project which amongst others is to provide the Country critical alternative connection to the sea through the Republic of Tanzania was scheduled to begin in this financial year however it did not materialize. However, significant progress was made during the reporting period in tentatively agreeing conditions precedents with the main project financiers EXIM Bank of China (but subject to final signing of financing agreements) in order for project implementation start in the next financial year 2014-15. (Also refer to Note 5 (a) and Note 12.1)

NOTE 6: RECEIVABLES

| | 2013/2014 | 2012/2013 |
|--------------------------|----------------------|----------------------|
| | UG. SHS | UG. SHS |
| Trade Debtors | 715,955,012 | 500,805,513 |
| Prepayments | 584,159,278 | 557,006,378 |
| TOTAL RECEIVABLES | 1,300,114,290 | 1,057,811,891 |

NOTE 7: INVENTORY

The Inventory reported is comprised of stock of mainly materials and office consumables unused at the end of the year.

| | 2013/2014 | 2012/2013 |
|---|-------------------|-------------------|
| | UG. SHS | UG. SHS |
| Inventory asset for the period | 44,613,650 | 54,711,933 |
| Inventory asset as at 30 June (end of the year) | 44,613,650 | 54,711,933 |

NOTE 8: CASH AND CASH EQUIVALENT

| | 2013/2014 | 2012/2013 |
|---|------------------|--------------------|
| | UG. SHS | UG. SHS |
| Bank balance - Bank of Uganda: | | |
| NITA-U Project Account | - | 885,982,874 |
| NITA-U Treasury Single Account | - | - |
| NITA-U Local Revenue Expenditure Accounts | | |
| Petty Cash balance (Office Imprest) | 6,339,000 | 336,700 |
| Cash and Cash Equivalents at end of the year | 6,339,000 | 886,319,574 |

The following additional information may be noted:

- a) The NITA-U Project Account was closed by the Ministry of Finance as part of the transition to a vote. The monies there in worth about Ug.Shs443, 992 were swept to the consolidated funds with no likelihood for refund and therefore have not been recognised in the accounts.
- b) The NITA-U Local Revenue Expenditure Accounts closing balances worth Ug.Shs112, 104,450 were erroneously swept by Bank of Uganda to the Consolidated Fund Account notwithstanding the granting of Authority to NITA-U to receive and utilize non tax revenues at source by the Secretary to the Treasury. This amount is refundable and therefore it has been included as a receivable against the Accountant General's Office, Ministry Finance Planning

and Economic Development.

- c) The NITA-U Treasury Single Account is operated and managed through the government IFMS System. As a Vote, therefore, any balances unutilized by the Authority at end of the financial year are automatically returned to the consolidated fund and none refundable.

NOTE 9: DEFERRED GRANT INCOME

| | | 2013/2014 | 2012/2013 |
|------------------------------------|--------------|-------------------------------|-------------------------------|
| | Notes | UG. SHS | UG. SHS |
| Deferred Grant as at 1st July | | 172,256,467,266 | 187,443,620,169 |
| Additions during the year | | 87,440,659 | 9,188,481,405 |
| Amortization for the year | | (23,037,745,454) | (22,997,509,015) |
| Prior year adjustments: | | | |
| Grant Income(Recognized) | 10 | | |
| /Derecognized | | - | (1,403,138,646) |
| Prior year adjustment | | | 34,675,000 |
| Prior year adjustment-Amortization | | | (9,661,647) |
| As at 30 June | | <u>149,306,162,471</u> | <u>172,256,467,266</u> |

- A deferred grant account was created in accordance with the provisions of IAS20, which requires that grants related to assets be presented in the financial statements by setting up the grant as deferred income that is recognised in the profit or loss account on a systematic basis over the useful life of the asset.
- The Prior Year adjustment relates to recognition of Deferred Capital Grant with respect to the supply and installation of Computers and other accessories for the District Business Information Centre in Tororo owned by NITA-U but managed by Posta Uganda under a Memorandum of Understanding which was erroneously treated as Revenue Grant during the FY2012-2013.

NOTE 10: RETAINED EARNINGS

| | 2013/2014 | 2012/2013 |
|--|----------------------|--------------------|
| | UG. SHS | UG. SHS |
| As at 1st July | 423,958,120 | 373,666,333 |
| Surplus/(Deficit) for the period | (889,512,424) | 50,291,787 |
| Prior year adjustments | - | - |
| Cumulative Retained Earnings as at 30th June | (465,554,304) | 423,958,120 |

NOTE 11: ACCOUNTS PAYABLES

| | 2013/2014 | 2012/2013 |
|-------------------------|----------------------|----------------------|
| | UG. SHS | UG. SHS |
| Trade Creditors | 1,575,395,377 | 778,137,590 |
| Gratuity payable | 160,070,668 | 715,592,489 |
| Total Accounts Payables | 1,735,466,045 | 1,493,730,079 |

NOTE 12: DISCLOSURES

12.1 When NITA U was granted a subvention status under Vote 2o at the beginning of FY 2011/2012, it inherited a number of project Assets including completed Phase 1 of the NBI/EGI infrastructure valued at **Ug.Shs37, 679,721,645**, 3 Motor Vehicles of **Ug.Shs64, 000,000** and 2 Motor Cycles worth **Ug.Shs2, 000,000**. These assets are included in the financial statements based on written down values for the NBI/EGI Phase 1 (i.e. Historical Costs of US\$25,139,658 or Ug.Shs47, 099,652,056 Less Accumulated Depreciation) and reasonable management valuations for the Motor Vehicles and Cycles pending valuation by the Chief Government Valuer respectively **(Also refer to Notes 5)**.

12.2 Following the granting of a Vote status to the Authority in addition to the above financial statements it has prepared and submitted another set of accounts, in a prescribed format, using cash basis to the Accountant Generals Office in accordance with Section 8 of the Public Finance and Accountability Act, 2003

7. CHALLENGES AND MITIGATION MEASURES

The table below highlights the main challenges / mitigation measures and support required.

| No. | Challenge | Mitigation |
|-----|--|--|
| 1 | Funding: The institution has unfunded priorities; | <p>a. Expedite the resources mobilization avenues that include;</p> <ul style="list-style-type: none"> ✓ Certification and accreditation. ✓ NITA-U's share of the 1% ICT levy ✓ The World Bank loan through the Regional Communications Infrastructure Program (RCIP). <p>b. Fully commercialize the National Backbone Infrastructure (NBI).</p> |
| 2 | Institutionalization of the ICT role in MDAs. Lack of well designated focal point and IT change agents in MDAs | a. Institutionalize and build capacity of IT personnel in Ministries, Departments and Agencies. |
| 3 | Slow operationalization of the NITA-U establishment. The institution is operating at 30% of the approved establishment. | <p>a. Use consultants under the framework contract to deliver on projects. Procurement is underway for consultants, to provide support from time to time to address NITA-U's resourcing needs at organization level</p> <p>b. Fast-track the replacement of priority positions (that have funding)</p> <p>c. Utilization of Universities Innovators and Researchers as per the existing MOUs</p> |

8. PRIORITIES FOR FY 2014/15

The list below summarizes the planned priorities FY 2014/15 stemming from the on-going projects as stated in section 3 above.

A rationalized IT Infrastructure

- i) Implement Phase III of the NBI

- ii) Increase the number of MDAs utilizing internet over the NBI Information Security
- iii) Implement the National Information Security framework in three (3) MDAs

E-Government

- i) Implement e-Government services in MDAs these include;
 - a) IT Service desk,
 - b) Integration of national databases, and
 - c) maintain and support UMCS

Business Process Outsourcing (BPO)

- i) Undertake the following of activities towards promoting BPO/ITES industry
 - a) Sufficient and reliable bandwidth provided to the BPO operators at the BPO centre
 - b) At least 50 BPO ToTs trained
 - c) At least 320 agents employed at the BPO Centre
 - d) One regional Annual Conference organised in partnership with the BPO Association
 - e) At least 4 awareness sessions on BPO standards conducted
 - f) 6 awareness sessions on BPO conducted

Regulations, Standards and Laws

- i) Develop / operationalize IT standards, regulations guidelines, procedures
 - a) Five (5) standards
 - b) Two(2) regulations
- ii) Implement the Certification framework
 - a) Three (3) institutions accredited.
- iii) Operationalization of the IT Project Management Methodology in the MDAs
- iv) Conduct awareness sessions on IT regulations and standards in Fifteen (15) MDAs

Capacity development

- i) Under take a pilot training for One hundred (100) Civil servants in ICT skills

ANNEX: MATRIX SHOWING THE FY 2013/14 PLANNED OUTPUTS, ANNUAL TARGET AND ACHEIVEMENTS

| Planned Outputs 2013/14 | FY 2013/14Annual Target | Achievements |
|--|--|--|
| A rationalized and integrated national Information Technology (IT) infrastructure | | |
| e. Connect more Ministries and Departments to the NBI | Twenty seven (27) MDAs connected to the NBI | (12) MDAs additional were connected to the National Backbone Infrastructure increasing the total number of MDAs connected to the NBI to thirty nine (39). |
| f. Implementation of Phase III of the NBI | Obtain approval of MoFPED for Phase III loan | The preparatory works for Phase III that included contracting a supervisor for this phase was completed. |
| g. Bulk internet bandwidth delivered to MDAs connected to the NBI | At least twenty (20) MDAs connected to the NBI utilizing the internet. | (21) MDAs are utilizing internet delivered over the NBI. |
| h. Provide first-level technical support to MDAs Technical support and advice for critical Government Information Technology Systems | 80% of MDA requests responded to | NITA-U provided technical support to MDAs in areas of IT infrastructure and shared services. |
| Key outputs | FY 2013/14Annual Target | Achievements |
| Achieving transaction level e-government services for at least 50% of MDA IT systems | | |
| g. Promote and provide technical guidance for the establishment of e-Government. | Respond to requests by MDAs for technical support promptly | Technical e-Government support provided to MDAs on the following; NSIS, e- Health, e-Procurement, CEMAS, e-Licensing , e-immigration , e-visa, e-Tourism Visa for East Africa, Output Oriented Budgeting Tool (OBT), |

| | | |
|--|---|--|
| | | Work Permits. |
| | Development of e-Government undertaken. | Projects such as the One-Stop centre, e- Cabinet, e- Passport for EAC were undertaken |
| h. Sign contract with Enterprise Direct Advisor (EDA) for consolidation of licenses | Contract with EDA signed. | Contract signed with Enterprise Direct Advisor for consolidation of licenses |
| i. Complete the procurement of Microsoft | Procurement process for Microsoft completed. | Procurement process completed for consolidation of Microsoft licenses. |
| j. Contract for the Operationalization of e-Government helpdesk signed | Contract for Government helpdesk signed. | Procurement for an e-Government Help desk completed |
| k. Government web Portal developed | E-Government web portal developed. | Government web Portal (www.gov.ug) was developed with basic content and handed over to OPM for operationalization and maintenance. |
| l. Unified Messaging and Collaboration System (UMCS) in the MDAs maintained. | UMCS maintained in four MDAs. | Unified Messaging and Collaboration System supported and maintained in the MDAs (NITA-U), MoICT and Ministry of Internal Affairs. |
| Key outputs | FY 2013/14 Annual Target | Achievements |
| A well regulated Information Technology (IT) environment in public and private sector | | |
| Certification and Accreditation | | |
| Certification and Accreditation framework developed. | Certification and Accreditation framework in place. | The National IT Certification and Accreditation Framework for IT products, Services, IT training Institutions, and IT professionals, was developed and reviewed by |

| | | |
|--|--|---|
| | | the NITA-U Board and proposed for wider stakeholder consultations. |
| Develop and implement the Certification and Accreditation framework for IT training institutions and Professionals | Draft Certification and Accreditation framework for IT training institutions and Professionals in place. | The draft Certification and Accreditation framework for IT training Institutions and IT professionals was developed. |
| Laws and Regulations | | |
| Obtain Ministers approval of the Regulations. | Regulations for e-Transactions Act and e-Signatures Act signed by the Minister and gazetted. | Regulations for e-Transactions Act and e-Signatures Act were signed by the Minister and gazette on 30th September 2013. |
| Draft Data Protection and Privacy Bill developed | Support provided to MoICT in developing the draft Data protection and privacy bill. | The Draft Bill was developed and submitted to MoICT for further action. The draft Bill was submitted to UNCTAD for comments and the same have been received. The draft will accordingly be updated. |
| Conclude procurement process of Consultant to develop the (National Data Bank Management) Regulations | Consultant to develop the National Databank Management regulations. | The Contract has been signed and the Consultancy has commenced. The Inception Report was presented and approved on 13th June 2014. |
| Draft e Government Law developed and approved | Draft e-Government regulations developed. | i) The draft NITA-U (E-Government) Regulations developed. |
| Project Management | | |
| Support the implementation of the National IT Project Management Methodology amongst MDAs. | Obtain board approval of the IT project Management methodology. Disseminate the NITPMM to at least three | <ul style="list-style-type: none"> • National IT Project Management Methodology approved by the NITA-U Board • Dissemination and Sensitizations conducted in Three (3) MDAS i.e. Judiciary, Gender and KCCA |

| | | |
|---|---|--|
| | MDAs. | <ul style="list-style-type: none"> • 10 Support guidelines developed for the Project management methodology |
| Strengthened capacity in MDAs (both institutional and human) | | |
| A comprehensive IT skills development strategy in place | An open source tool for e-learning identified and tested. | <ul style="list-style-type: none"> • A business case for training Citizens Civil servants and special interest groups developed. • Identified and downloaded an open source tool (MOODLE) that will be used for e-learning. • Application is being tested on the virtual server to ascertain the requirements for customization. • A high level CBNA is being developed to establish Quick win training needs for Civil servants. |
| Support towards IT Capacity building provided to MDAs | 100% participation and support to all capacity building events. | <ul style="list-style-type: none"> • Provided support to the executive training on foundations of government information leadership Reviewed the ICT institutionalization strategy and identified gaps that would be addressed by the GCIO project) Participated in the BPO Training of Trainers Preparatory Workshop • Participated in meetings for the Local Organizing committee for e-learning Africa 2014 • Commenced the development for a business case for capacity building for Civil Servants and citizens through e-learning. • Identified training content |

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| | | developed by Microsoft that will be reviewed with a view of adopting it as training material for citizens. |
| Facilitate the establishment of the ICT Industry Association | Support provided to the ICT Industry association. Provide guidance on how the ICT Industry can establish partnerships. | <ul style="list-style-type: none"> Continued support offered to the ICT Association of Uganda; the association members were invited for the focus group discussions on Certification and Accreditation framework, BPO Standards Dissemination workshop, IS Validation workshop, Review of R&I Master plan. Provided guidance on how the ICT Association can join the Private Sector Foundation. |
| Facilitate the establishment of IT Professionals Association | Obtain ExCo approval of the IT professional association strategy. | <ul style="list-style-type: none"> Strategy establishing the professional association developed and approved by ExCo. |
| Key outputs | FY 2013/14 Annual Target | Achievements |
| IT research and innovations visibly supported and promoted | | |
| 100% of all survey requests raised by the directorates completed. | Provide 100% support to the requests raised by users. | 80% of the user requests for surveys were undertaken. These include; Data collection for IT Systems integration and PKI feasibility study. Market survey on installation of Optical fiber cable and inventory of the IT Business establishments. |
| NITA-U Survey framework developed. | Obtain ExCo approval of the survey framework. | The survey frame work was developed and presented to the board Upon presentation to the board. |

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| | | Based on the board comments, guidelines for conducting surveys in NITA-U were drafted. |
| Draft IT data collection and dissemination system developed. | IT data collection and dissemination system in place. | The draft IT data collection and dissemination system developed and discussed by a multispectral team and recommendations made. |
| National IT Research and Innovation Master plan and system developed. | ICT research and Innovation strategy developed. | The final draft for ICT research and innovation strategy developed by the task team was signed off and forwarded to MoICT for harmonization into the SIP. |
| Key outputs | FY 2013/14 Annual Target | Achievements |
| Information security championed and promoted in Uganda | | |
| Feasibility study report on Public Key Infrastructure (PKI) in place | Feasibility study report on PKI in place. | The Final feasibility study report on Public Key Infrastructure (PKI) in place, awaiting official hand over. |
| NISAG constituted & launched | NISAG Launched. | Members of the National Information Security Technical Working Group were nominated by the constituent organization. |
| CERT Maturity roadmap in place | Obtain ExCo approval of the CERT maturity road map. | iii) CERT Maturity roadmap was approved by ExCo. iv) CERT Training conducted for Police, URA, UCC in collaboration with Egypt. The CERT.UG website and email developed and launched |
| Eight (8) MDA s sensitized on cyber security | Cyber security sensitization campaigns conducted in 8 MDAs. | Twenty two (22) institutions were sensitized on information security .They include ;Judiciary MoFPED, UNCST, Ministry of Energy and Mineral Development ,BoU, |

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| | | Common wealth cybercrime initiative (UK), Director of Cyber Security at Foreign , Commonwealth office and four Commonwealth office , Makerere University, Uganda Peoples Defence Force, Uganda Electricity Generation Company Limited (UEGCL)Uganda Road fund (URF) , NITA-U Staff, Uganda Electricity Generation Company (UEGCL) |
| At least one (1) conference on cyber security organized | Cyber security conference conducted. | Four (4) major events were organized they are; i) The EA Information Security conference organized in partnership with ISACA ii) The East African Banking Summit. iii) The EAC Regional Meeting on 'Preventing and Combating Cybercrime' in partnership with United Nations Office on Drugs and Crime (UNODC) and the iv) Commonwealth Cybercrime Initiative (CCI). |
| Cooperation frame work in place. | Cooperation framework established. | Engaged CTO & CCI on cyber security collaboration Sensitized participating MDAs on outcome of CCI scoping mission Engaged CTO & CCI on cyber security collaboration Common wealth cybercrime initiative (UK), Director of Cyber Security at Foreign , Commonwealth office |
| Key outputs | FY 2013/14Annual | Achievements |

| | Target | |
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| Strengthened and aligned institutional capacity to deliver the strategic plan | | |
| Obtain approval annual Statement of Accounts FY 2012-13 | Annual statements prepared and approved | <ul style="list-style-type: none"> Financial Statements FY 2012-13 were prepared and approved by the Board. |
| Annual Procurement Plans Developed and Approved; | Obtain approval of Procurement plan | <ul style="list-style-type: none"> Procurement Plan FY 2013-14 reviewed and approved by ExCo Board and Minister ii) Annual procurement plans FY 2014/15 prepared and submitted. |
| Comprehensive Staff Mentoring Programme Developed and Implemented | At least 60% of staff trained | <ul style="list-style-type: none"> 4 Staff trained; Regulation and Legal Service (2) Finance and Administration (2); Three (3) staff in DPRD enrolled for training in African ICT leadership. Training on Budget, Procurement. |
| Utilities (Water, Electricity) contracts managed; | Updated utilities | <ul style="list-style-type: none"> All utilities have been serviced. Payments to be made by external parties have delayed |
| Increase NITA-U's awareness through selected media channels. | 60 Positive Mentions about NITA-U published | <ul style="list-style-type: none"> Over one hundred and ninety eight (198) mentions of NITA-U were recorded in the media. 90% of which were positive. |
| Key outputs | FY 2013/14 Annual Target | <ul style="list-style-type: none"> Achievements |
| BPO/ITES industry developed and promoted | | |
| Operationalize the unoccupied space of the BPO incubation Centre | A company to occupy the unoccupied space of the BPO centre procured. | <ul style="list-style-type: none"> The 3rd Floor handed over to Dial-a -Service and Cameo TECH Edge |
| Promote the BPO industry | Regional and national events to enrich the Uganda BPO operator's knowledge organized | <ul style="list-style-type: none"> Partnered with the BPO association to organize the 2013 BPO Regional Conference Abridged version was developed |

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| | and conducted. | and submitted to ExCo for comments. <ul style="list-style-type: none"> • Engaged the ICT Parliamentary committee on BPO government outsourcing through the Uganda BPO Association. • Participated in a talk show on WBS to promote BPO. |
| Obtain approval of the requirements for training. | Training for four trainers on how to manage events conducted. | <ul style="list-style-type: none"> • EDU Egypt trained four (4) NITA-U staff to manage the upcoming trainings. The training was conducted on the 25th November. |
| Two hundred and fifty (250) youths employed at BPO centre. | Two hundred and fifty (250) youths employed. | <ul style="list-style-type: none"> • Two hundred and seventy two (272) staff is employed by the BPO incubation centre. This is a 8.5% increase from the set target of 250. |
| Ensure availability of services (technical and administrative) to the BPO operators | Availability of services maintained as per signed contract. | <ul style="list-style-type: none"> • 90% of the tickets closed <p>The service levels were affected by a power cut that lasted for 19hrs due to transformer explosion.</p> <ul style="list-style-type: none"> • Internet was down for 22hrs due to a break down in the service providers' equipment. |