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OFFICE OF THE VICE-CHANCELLOR
PUBLIC RELATIONS OFFICE

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Response to article "How Makerere's money is squandered."

Makerere University would like to categorically state that its revenue is not being squandered as was alleged in the New Vision article of October 1, 2011. On the contrary, the University administration is continuously implementing academic, administrative and financial reforms and has a strong financial team administering the institution's finances. The University has satisfactorily carried out its core functions of teaching, learning and research with a minimum budget.

Makerere is a public institution and despite generating funds from private students' tuition, the University remains underfunded. The cost of providing higher education has increased but Makerere continues to charge lower tuition than the realistic unit cost as indicated by last year's survey conducted by National Council for Higher Education. As Prof. Mahmood Mamdani noted, "Nowhere in the world do universities fund the cost of higher education mainly from fees, in public universities it is paid from the public purse." Therefore the University's revenue base is far below its expenditure and information to justify this is readily available.

For the 2011/12 financial year, projected revenue raised from private students' fees is UGX 78.7bn and we also expect UGX58bn from Government but this leaves a total of UGX 97bn unfunded of which UGX 31bn is in arrears mainly of pension and UGX 54bn in infrastructure requirements. In the year 2011/12, a total of UGX 48.8bn is expected to come from internally generated funds to supplement general staff salaries, contracts staff, allowances and social security. It is therefore unfortunate that the University spends more than half of its earnings on employee costs.

If the Government were to take on the wage bill by100% or increase subvention allocations, the University would have enough resources to optimally tackle the institution's core problems and clear its outstanding arrears amounting to UGX 31bn and also improve on its infrastructure.

The writer in the Saturday Vision article misrepresented the facts at the University because there have been several administrative and financial reforms aimed at improving financial transparency and service delivery.

The recent formation of colleges has given some degree of autonomy to these units to constitute and regulate issues of administration, finance and procurement. For example, each college has a Bursar and Accountants who ensure proper utilisation of funds. Reports that the University has failed to put in place a consolidated procurement plan are false. The University has consolidated procurement plans in place including one for 2011/2012. The Colleges also have Procurement Officers who make sure that the PPDA Act is strictly adhered to. Like all Government institutions, the University has prequalified firms who competitively bid to supply items or services to the university. The University has also reduced its bank accounts from 120 to 25 in an effort to control its expenditures and promote financial transparency.

The University has an independent Internal Audit that verifies every expenditure against the budget. In addition, every year the Auditor General audits the accounts of the University. A combination of the above has seen the University operate under reasonable financial controls.

On the issues of allowances, it is not true that the University pays out over 60 types of allowances. The Human Resource Manual clearly stipulates 25 types of allowances, but this does not mean that an individual is eligible to all these allowances. These allowances are categorized under academic, administrative and others cut across.

The University Council recently put in place an ad-hoc committee on top-up harmonization to review all allowances paid in the University. This committee handed in its final report in July 2011 and recommended that all non-essential allowances that were not in the Human Resource Manual be abolished, and that allowances that were outside the manual but crucial to the functioning of some units be maintained and integrated into the Human Resource Manual. **The recent pledge by Government to fully fund the University's wage bill and later improve the staff salaries will go a long way to solve the issue of allowances.**

With regard to the varying rates of teaching allowance in the different units, this is based on the premise that some academic units do not have as many students as others. Also some academic units do not teach late evening classes.

It is true that marking is a core responsibility of a lecturer. However, the University realized that it takes extra effort beyond normal working hours for a lecturer to mark and timely submit marks for the students to graduate on time. For example, in an evening class, a lecturer may mark up to 500 students, which requires extra remuneration.

The Printery and Guest House are commercial units within the University and although they have not been making substantial profits, the University has put in place mechanisms to revamp them and make them financially viable. The University Bakery and Building Unit ceased to be commercial units and are now service units.

On the issues raised in the Editorial on Monday 3rd October 2011, the University still has plans of venturing into real estate and other income generating projects but it awaits the passing of the Public-Private Partnership Act that is currently before Parliament.

Against this background, the University would like to assure all its stakeholders that it is still focused on becoming the leading University in Africa and will strive to overcome all challenges to attain this goal.

From: Ritah Namisango, Ag. Senior Public Relations Officer, Makerere University

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