



PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY
"Procurement That Delivers"

ANNUAL PERFORMANCE REPORT

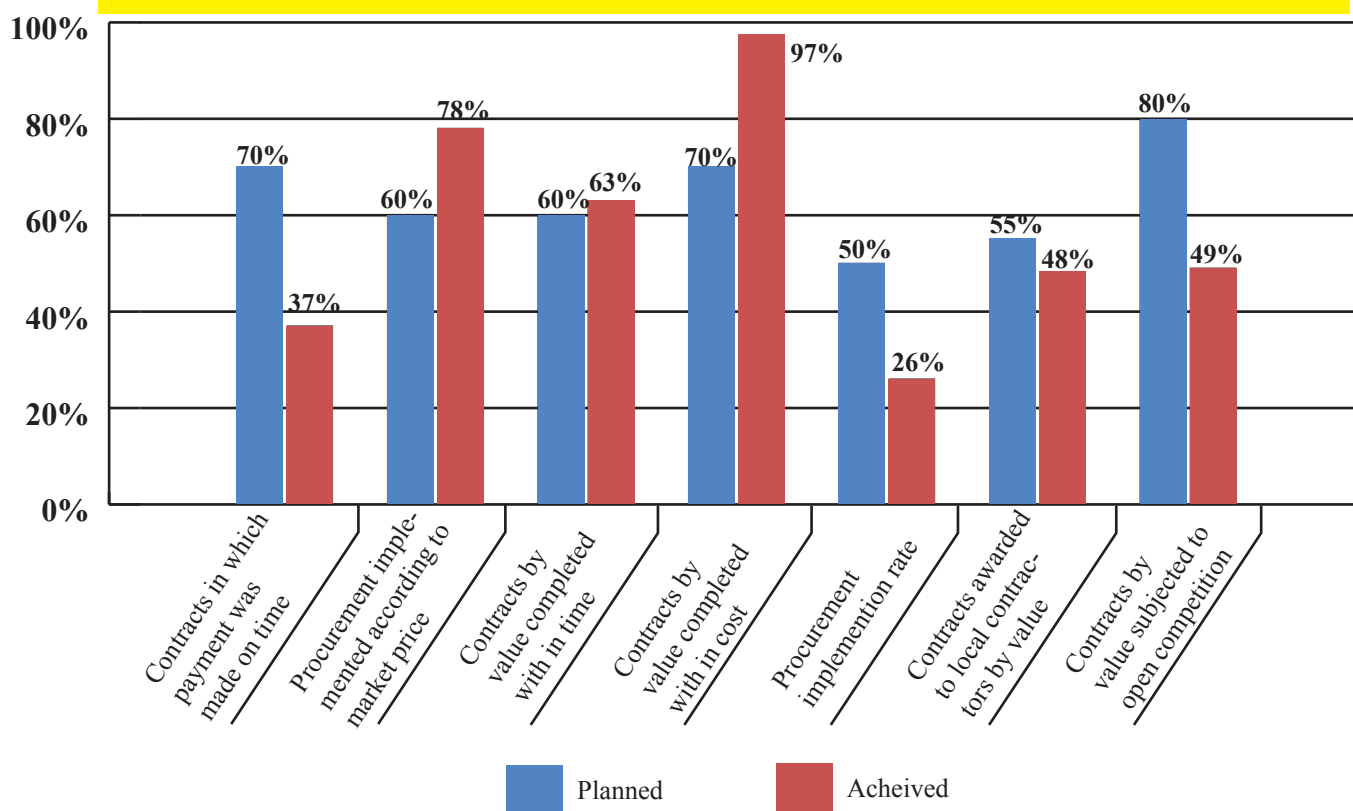
FY 2022/2023



"Procurement That Delivers"

KEY PERFORMANCE INDICATORS

Planned Vs Achieved on Outcome Indicators



Average lead time taken to complete a procurement process

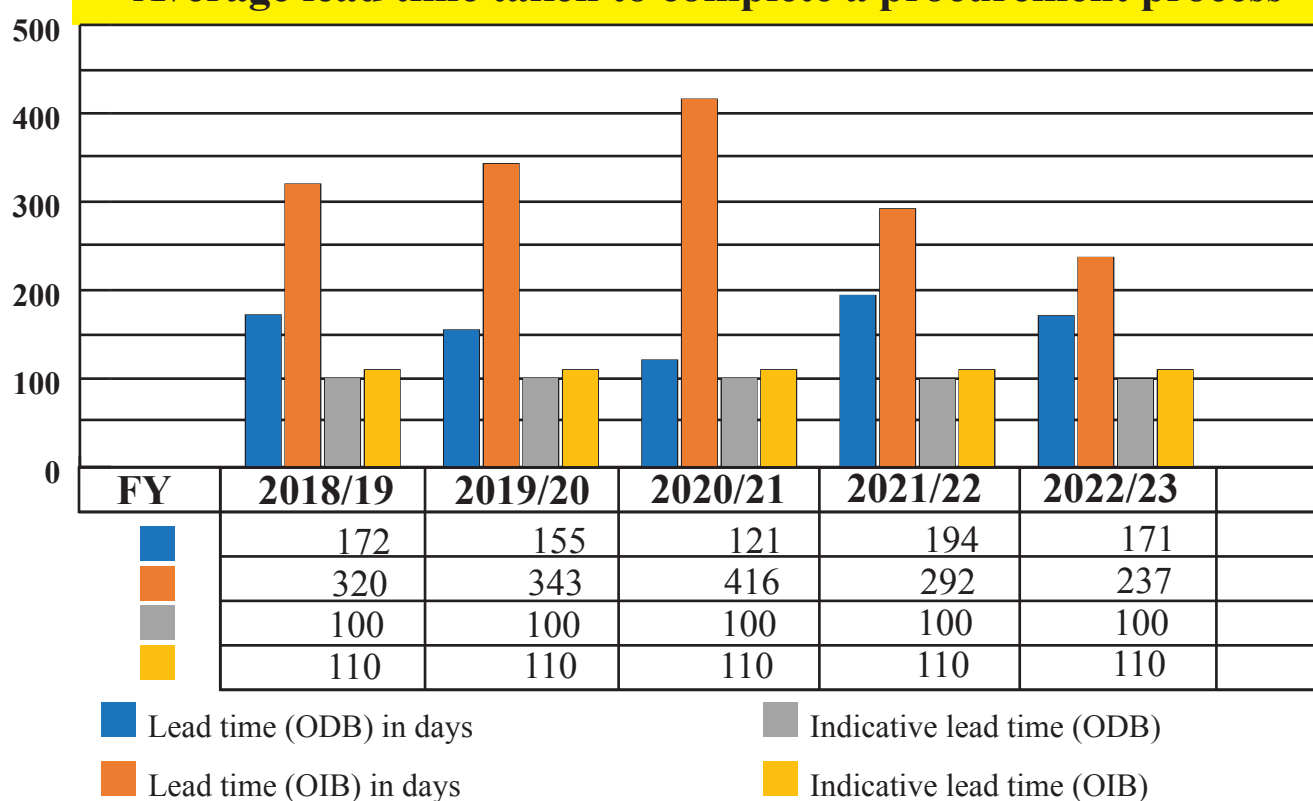


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ACRONYMS

ACRONYMS	MEANING
BEB	Best Evaluated Bidder
BUBU	Buy Uganda Build Uganda
CC	Contracts Committee
CG	Central Government
CS	Civil Society Organization
DLG	District Local Government
EAPF	East African Procurement Forum
EC	Evaluation Committee
EDMS	Electronic Document Management System
e-GP	Electronic Government Procurement
e-learning	Electronic Learning
FY	Financial Year
GAPP	Governance, Accountability, Participation, Performance Programme
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GoU	Government of Uganda
GPP	Government procurement Portal
HR	Human Resource
HSE	High Spend Entity
ICT	Information and Communications Technology
KCCA	Kampala Capital City Authority

ACRONYMS	MEANING
LG	Local Government
MOFPED	Ministry of Finance, Planning and Economic Development
MoLG	Ministry of Local Government
MoU	Memorandum of Understanding
MoWT	Ministry of Works and Transport
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NITA-U	National Information Technology Authority – Uganda
OAG	Office of the Auditor General
PAD	Project Agreement Document
PDEs	Procuring and Disposing Entities
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
PPDA Act	Public Procurement and Disposal of Public Assets Act No. 1/2003
PPDA Regulations	Public Procurement and Disposal of Public Assets Regulations
RoP	Register of Providers
SBD	Standard Bidding Document
SBDs	Standard Bidding Documents
SMEs	Small and Medium Enterprises
UGIFT	Uganda Intergovernmental Fiscal Transfers Programme for Results
UGX	Uganda Shillings
UNRA	Uganda National Roads Authority
URF	Uganda Road Fund
USD	United States Dollars

Message From BOARD CHAIRMAN



JULIUS K. ISHUNGISA
Chairman - Board of Directors

On behalf of the Board of Directors and Management of the Public Procurement and Disposal of Public Assets Authority, I am honored to present to you the 20th Annual Report of the Authority for the Financial Year (FY) 2022/23. This is the third year of implementation of the fifth Strategic Plan FY 2020/21-2024/25 with the overall goal of achieving value for money in public procurement.

The Authority continued to implement the activities that lead to the acquisition of electronic-Government Procurement (e-GP) to provide a platform for: increased transparency in procurement procedures and practices; improved efficiency in procurement by minimizing the procurement cycle time, maximizing value for money and fostering accountability; improved confidentiality, integrity and authenticity of transactions between the PDEs and the suppliers.

In the FY 2023/24, the Authority will finalize the updating and aligning the procurement guidelines and regulations to the amended PPDA Act. The Authority will also focus on strengthening contract management and performance through enforcing contract monitoring in Entities, systematically addressing the capacity gaps in contract management, fast tracking the implementation of e-GP to

improve transparency, efficiency and lower transactions costs. The Authority will continue to monitor the execution of contracts, enhance competition and promote the development of the domestic industry through monitoring the implementation of the local content strategy.

I would like to express my appreciation to Ministry of Finance, Planning and Economic Development, Board, Management, Staff, Government, Development Partners and other stakeholders for their support in improving efficiency and effectiveness in Public Procurement.



Julius K. Ishungisa
CHAIRMAN - BOARD OF DIRECTORS



Message From **EXECUTIVE DIRECTOR**

The Authority (PPDA) is mandated to ensure the application of fair, competitive, transparent, and non-discriminatory and value for money procurement and disposal standards and practices. The Authority carries out activities in the form of procurement audits, investigations, capacity building, accreditation and suspension of Providers among others, to fulfill the above mandate. By strengthening regulation in procurement, Government is in the position to address the weaknesses that undermine public procurement outcomes.

It therefore gives me pleasure to present the Authority's Annual Report for the Financial Year 2022/23. The annual Report lays down the achievements attained during the implementation of the third year of the PPDA strategic plan. The overall Performance for FY 2022/23 indicated 22% of the overall 5 year outcome target and this was mainly attributed to the proportion of procurements implemented according to the market price which stood at 78% against a target of 60%, proportion of contracts by value completed within cost at 97% against at a target of 70% and contracts by value completed within time at 63% against a target of 60% for the year.

There are still non performing procurement indicators that have undermined the performance of the procurement system and these include the proportion of contracts in which payment was made on time to the providers at 37% against a target of 70%, proportion of contracts by value awarded to local providers at 48% against a target of 55% and proportion of contracts by value subjected to open competition at 49% against the target of 80%. This is further worsened by the longer procurement lead times indicating that the average lead time taken to complete a procurement under open domestic bidding is 171 days against the indicative period of 100 days. The average lead time taken to complete a procurement under open International bidding is 237 days against the indicative period of 110 days.

These glaring performance gaps are mainly caused by the inefficiencies of the manual procurement processes and the inadequate funding to the Authority which limits it to only 20% of audit and inspection coverage, hence creating more room for procurement malpractices.

However, as a way of minimizing the risks associated with the manual system, the Authority will expedite the activities which lead to the successful rollout of the electronic Government Procurement system. The successful rollout of the system will lead to improved procurement outcomes. The Authority will also mobilize resources from Development Partners to supplement the meagre resources from Government and widen the scope of bid preparatory audits, contract audits, contract monitoring and inspections to ensure real time monitoring of the procurement system.

In Conclusion, whereas the performance of the public procurement system is still wanting, several efforts are being made to improve it. These include but not limited to the rolling out of electronic Government Procurement, strengthening the contract monitoring system and improving the PPDA staff capacity.

I thank the Ministry of Finance, Planning and Economic Development for clear political guidance and leadership in executing the procurement function of the Country. I thank the Board for providing policy direction and support to the Authority's vision. Above all, I convey my appreciation to the Management Team and Staff of the Authority whose resilience and commitment has always made us sail through. To our dear stakeholders, you are always at the Centre of all that we do. We shall always remain committed to meeting your expectations.



Benson Turamye

EXECUTIVE DIRECTOR

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

INTRODUCTION

The Public Procurement and Disposal of Public Assets Authority (PPDA) is implementing the fifth Strategic Plan since its inception in 2003. The current Strategic Plan (FY 2020/21 – 2024/25) articulates four (4) Strategic Objectives which guides the operations of the Authority over a 5-year planning horizon ending in FY 2024/25.

The legal mandate of the Authority is derived from the objectives of the Authority as stipulated under section 6 of the PPDA Act, 2003 namely to:

- a. Ensure the application of fair, competitive, transparent, non-discriminatory and value for money public procurement and disposal standards and practices.
- b. Advise Government, local governments and other procuring and disposing entities on the procurement and disposal policies, systems and practices and where necessary, on their harmonization.
- c. Set standards for the public procurement and disposal systems in Uganda.
- d. Monitor compliance of procuring and disposing entities; and
- e. Build procurement and disposal capacity in Uganda.

The Annual Report for Financial Year 2022/23 highlights the key achievements of the Authority, the challenges faced during the implementation of activities and the main activities planned for the Financial Year 2023/24 based on the priorities of the strategic plan (2020/21-2024/25).

KEY HIGHLIGHTS IN FY 2022/23

Overall, 22% of the outcome targets were achieved, however poor performance is still observed on the lower absorption rates of the procurement budget and lengthy procurement processes depicted by longer average time to complete the procurement process for both ODB and OIB as shown by figure 1 and 2

Figure 1: Overview of outcome indicators

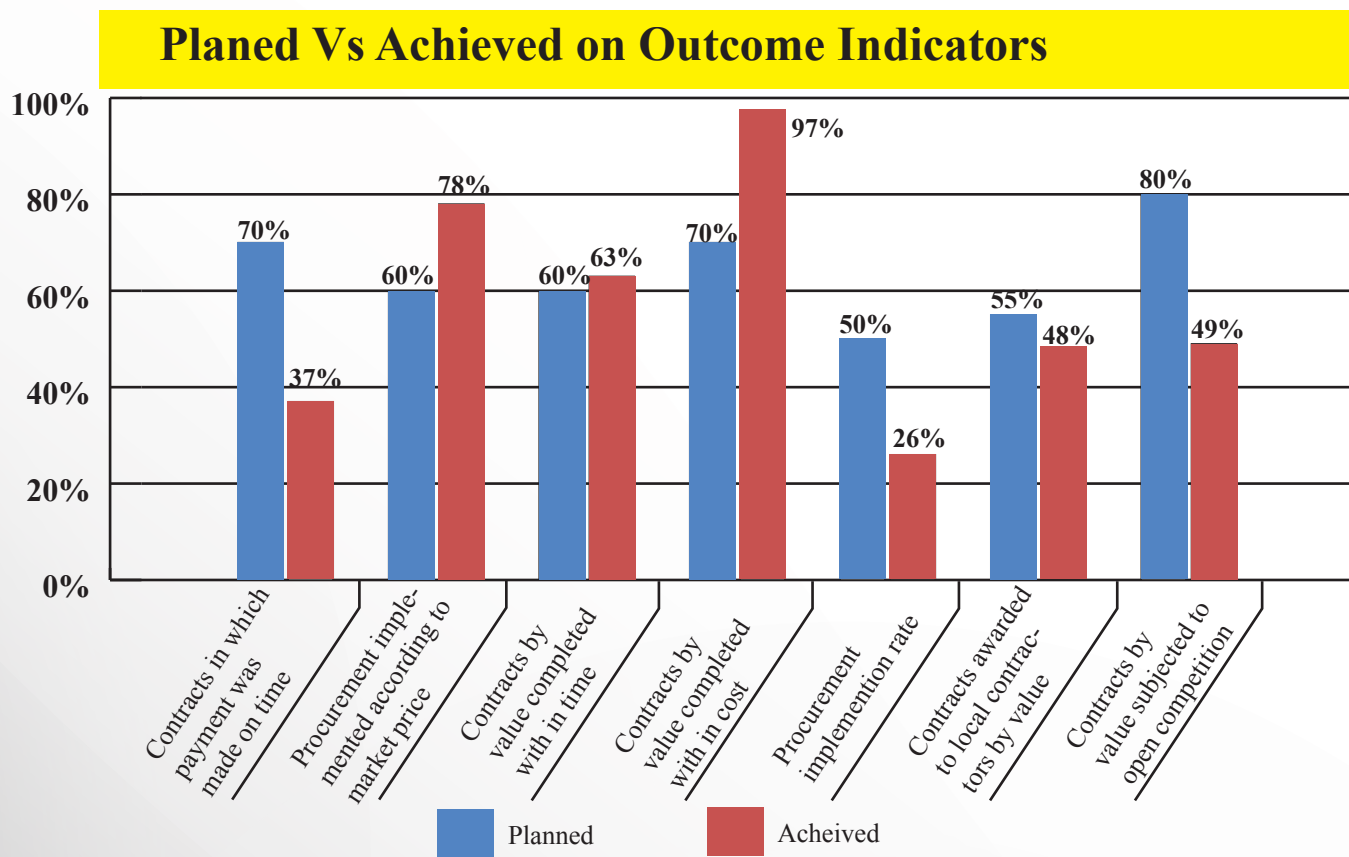
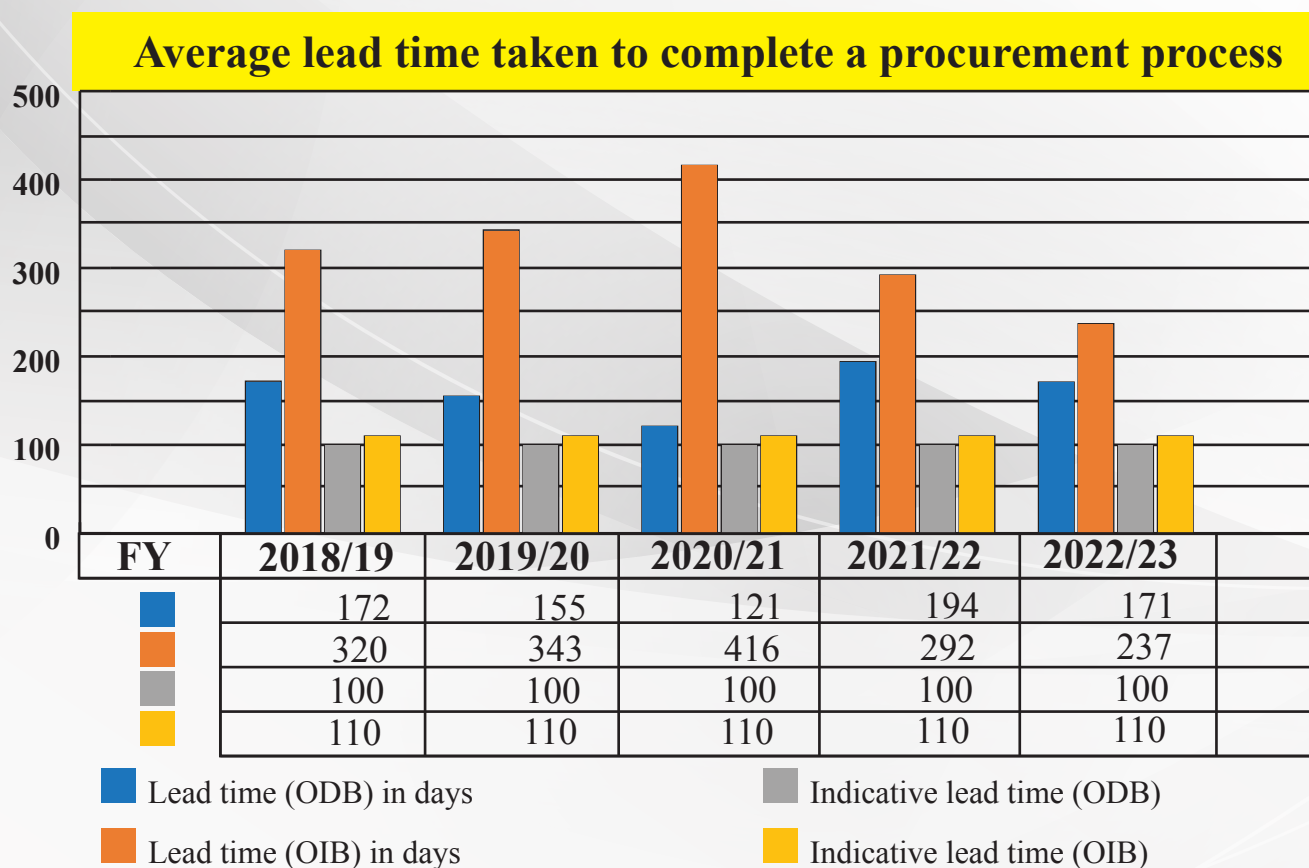


Figure 2: Average length of time taken to complete a procurement process





BRIEF ON THE PERFORMANCE OF SPECIFIC OUTPUTS

BRIEF ON THE PERFORMANCE OF SPECIFIC OUTPUTS

A)

STRENGTHEN REGULATION OF PUBLIC PROCUREMENT SYSTEM

Procurement Audits

In accordance with Section 7 (j) (i) of the PPDA Act, the Authority is mandated to conduct procurement and disposal audits in government institutions. In fulfilment of the above mandate, the Authority completed 93 Performance Audits, 40 Contract Audits, 63 Compliance Inspections and 21 Bid Preparatory Audits. The audit findings also revealed that only 63% of contracts by value were completed within the contractual timelines implying that 37% of the contracts by value were not completed within the contractual period. Only 49% of the procurements were subjected to open competition and payment was made on time in 37% of the contracts.

Investigations

The Authority conducted 70 investigations. The average investigation lead time was 35 working days. The lead time was higher than the lead time provided in the PPDA Investigations Manual due to delays in submission of procurement and disposal action files, delays in holding interviews which limits the rights granted under the principle of natural justice and lack of adequate funds to undertake physical verification where a requirement.

Accreditations

During the period under review, the Authority handled 22 applications for accreditation of alternative procurement procedures from various entities. Of these, 15 were granted, three were rejected and four were still under consideration.

Deviations

During the period under review, the Authority received and granted 13 requests for deviations as indicated below:

- i. MOWT (2) for development of the modular motor vehicle registration components on the intelligent transport monitoring system – (system development, supply, installation, commissioning and support) of a Motor Vehicle Registration System (MVRS) and for engineering design, procurement, construction/turnkey plus finance model for the standard gauge railway Malaba-Kampala (Eastern route) project Ref. MOWT/WORKS/ 2022-2023/00095;
- ii. Ministry of Defence and Veteran Affairs (2) for procurement of phase II works for the solar

- plant at Kololo Ceremonial Grounds and use of placement sourcing modality for medical equipment;
- iii. NSSF (2) for the design and construction of the Yusuf Lule commercial development project and for the procurement of an inventory management solution;
 - iv. State House for accreditation to use an alternative for procurement of requirements for donation of the items to different stakeholders under the Poverty Alleviation Project.
 - v. Uganda National Oil Company (4) for the provision of transaction advisory services (legal and tax) for implementation of the UNOC crude oil trading strategy and roadmap under framework arrangement; for the provision of tax consultancy services under framework arrangement; for the provision of consultancy services for technical and commercial advisory for the implementation of the UNOC crude oil trading strategy and roadmap under framework arrangement; for the preliminary design, detailed engineering design, bidding documentation, assistance during bidding and bid evaluation for the design of the water distribution network, wastewater treatment and sewerage system for the Kabaale Industrial Park including a feasibility study on supply water to KIP from River Nile or Kafu River;
 - vi. UETCL for procurement of plant, design, installation and commissioning of Kabaale Industrial Park;
 - vii. Uganda Post Limited for procurement of re-development of Postal Building; and
 - viii. Uganda Airlines for procurements under the on-going accreditation.

Suspension of Providers

The Authority received 76 recommendations to suspend the providers in the financial year. The Authority found merit in 12 recommendations and suspended the providers.

Study on Lead Times and Causes of Delays in the Procurement Processes by HSEs

Public procurement represents a significant proportion (60%) of the budget and this therefore calls for efficiency in the public procurement processes to achieve value for money. The efficiency of any procurement process is measured by the procurement lead time, the time taken at the different stages of the procurement processes.

Shorter lead times in the public procurement cycle lead to an improved budget absorption rate, timely service delivery and increased trust in public institutions while longer lead times lead to delay in project completion, price escalation due to contract variations and discourages bidders from participating in public procurement, hence lower competition. Findings on Causes of Delays included the following:

- Delays in pre-initiation activities: delayed submission and approval of user department work plans, budgets and consolidated procurement plans, delayed initiation of procurements.
- Laxity by the user departments and the lack of capacity to develop the right specifications for the procurement.
- Delays in confirmation of funding by the Accounting Officers. As a result of tight schedules and not delegating the procurements
- Delayed submission to the Contracts Committee for approval by PDU. As a result of staffing gaps back-and-forth processes

Study to Conduct Quarterly Price Surveys of Common User Items

The Authority with support from the Resource Enhancement and Accountability Programme (REAP), Ministry of Finance Planning and Economic Development procured the services of a competent consultancy firm (ABS Consulting Group LTD) to conduct price surveys. The overall objective of the assignment was to review and validate the existing list of common user items, conduct quarterly price surveys to determine average prices for these items and also recommend a model for determining the market price for procurement of supplies, works and services by PDEs. The quarterly price survey reports were produced.

B)

ENHANCE STAKEHOLDER ENGAGEMENT AND MANAGEMENT

The 14th East African Procurement Forum

The Authority organized the 14th East African Procurement Forum (EAPF) under the theme “Open Contracting as a Vehicle for Social Accountability and Sustainable Development.” The Forum adopted a hybrid method of participation where some participants attended physically and other virtually on Zoom and YouTube platforms. 237 delegates from Kenya, Burundi, Tanzania, Zimbabwe, Rwanda and Uganda attended the forum

World Bank Group’s International Corruption Hunters Alliance (ICHA) Forum

The ICHA forum is a global gathering of front-line anticorruption actors with the aim of sharing knowledge and discussing the challenges, risks, as well as opportunities for advancing anticorruption efforts at all levels. The Authority was represented at the ICHA meeting in Abidjan, Côte d’Ivoire and made a presentation on the Suspended Providers Rehabilitation Program.

The African Public Procurement Network Second General Assembly

The Authority was represented at the conference organized by the Government of the Kingdom of Eswatini and World Bank. A paper was presented on Public Procurement Data to support sustainable and inclusive economic development

The International Anti-Corruption Conference

The Authority was represented at the conference organized by Transparency International in Washington, D.C. USA funded by the Belgian Development Agency (Enabel). A paper was presented on Electronic Public Procurement as a means of reducing corruption.

Diagnostic Study of Contractor Facilitated Financing for Projects in Uganda

The Authority with support from the Resource Enhancement and Accountability Programme (REAP), Ministry of Finance Planning and Economic Development procured the services of a consultant to conduct a diagnostic study of Contractor Facilitated Financing (CFF) for projects in Uganda. The main objective of the assignment was to conduct a diagnostic study of contractor facilitated financing for projects in Uganda, identify the features and risks associated with these projects, undertake comparative analysis with other project funding models and propose strategies for effective implementation and management of such projects. The following were the risks and challenges of Contractor Facilitated Projects.

- The existing legal framework does not adequately cover CFF as a mechanism for seeking financing, procuring and contract management for projects.
- The lack of competition in procurement of CFF contractors poses risks as the contractors usually overprice the contracts. This can easily cause loss to government
- Failure by the MDAs to plan and account for contingent liabilities which are often not disclosed. These pose serious fiscal and budgetary impacts.
- There is limited and/or lack of sufficient due diligence on the contractors before the commercial contract is awarded.

Capacity Building of stakeholders

In total, 3960 participants against a planned 3929 were trained in various aspects of the procurement and disposal system. The break down of participants is as shown in Table 2 below

Table 1: Participants trained per various procurement category

No.	Category	Number of participants	
		Planned	Actual
1	Contracts Committee (CC), Accounting Officers (AOs), Procurement and Disposal Units (PDUs) and User Departments (UD)	2110	2072
2	Providers and PDUs (eGP)	1506	1614
3	Civil Society Organisations (CSOs)	55	53
4	Students	258	221
TOTAL		3929	3960

The major capacity building activities include induction of contracts committee members, Accounting Officers, Procurement Department Units (PDUs) and User Departments (UD) for both Central and local Government Entities, training of the CSOs and demand driven trainings. The capacity building interventions have led to improved implementation of PPDA recommendations and improved compliance to the PPDA law.

Training of CSOs in Open Contracting and usage of the Contract Monitoring System (CMS)
PPDA with support from GIZ, embarked on the development of a digital solution - the Contract Monitoring System (CMS), to aid contract monitoring by CSOs partners and their community monitors. The Contract Monitoring System (CMS) development was successfully completed and roll-out activities were done. The Contract Monitoring System was launched in Mbarara and other trainings were also arranged in the different regions as well as monitoring of public projects to improve the capacity of the contract Monitors.

Technical backstopping for the poorly performing entities in the implementation of ESHS in UgIFT sites

The Uganda Intergovernmental Fiscal Transfers (UgIFT) program is a multi-stakeholder government program which aims at improving the adequacy and equity of fiscal transfers and improves fiscal management of resources by Local Governments for health, education services, water, environment, micro-irrigation and refugee host communities. Under this program PPDA trained Ministry of Education and Sports (MoES), and Ministry of Health (MoH) UgIFT Contractors. The Authority also conducted trainings of selected Local Government Staff and Contractors in implementation of ESHS in public procurement as well as other Procurement Procedures.

Issuance of Advice to Entities:

In accordance with Section 7(1) (a) of the PPDA Act, the Authority advised various Entities and private firms on public procurement and disposal policies, principles and practices. A total of 109 written requests for legal guidance/advice were handled during the financial year 2022/23. The Authority also handled 253 informal requests which include; physical walk-ins, phone calls and via email and WhatsApp. Out of the total of 109 written requests for guidance, 79 (73%) were from Central Government, 20 (18%) were from the Local Government and 10 (9%) were from providers. The guidance given improves compliance to the PPDA law

C)

STRENGTHEN INSTITUTIONAL AND MANAGEMENT CAPACITY

Overall Financial Performance

Below are the highlights of financial performance of the Authority as impacted by the events and performance during the financial year.

- The Authority operated on an approved budget for FY 2022/23 of UGX 24.934 billion with GoU contributing 23.176 billion (93%) and Development Partners contributing UGX 1.758 billion (7%) as per Table 2 below.
- During the financial year, the Authority received cash releases of UGX 21.27 billion from Government of Uganda (GoU) representing 91.75% of the annual GoU budget and UGX 1.308 billion from Development Partners representing 74% of the External budget.

- c. Expenditure from the GoU budget was UGX 21.26 billion representing 99.98% of released funds. Similarly, UGX 1.304 billion representing 99% of the external funds released was spent by the end of the financial year as highlighted in Table 2 below. Funding under REAP and UGIFT was managed directly from the source Ministry (MoFPED). Figure 3 below highlights the financial performance.
- d. The Authority did not implement some of the activities because only UGX 21.26 billion was released for FY 2022/23 against the strategic plan estimate of UGX 34.085 billion. This represents 62% of the funds received against the planned figure in the strategic plan.

Figure 3: Approved Budget by funding source (UGX 'Millions)

Summary of Budget Performance by Funding Source, UG' Billion

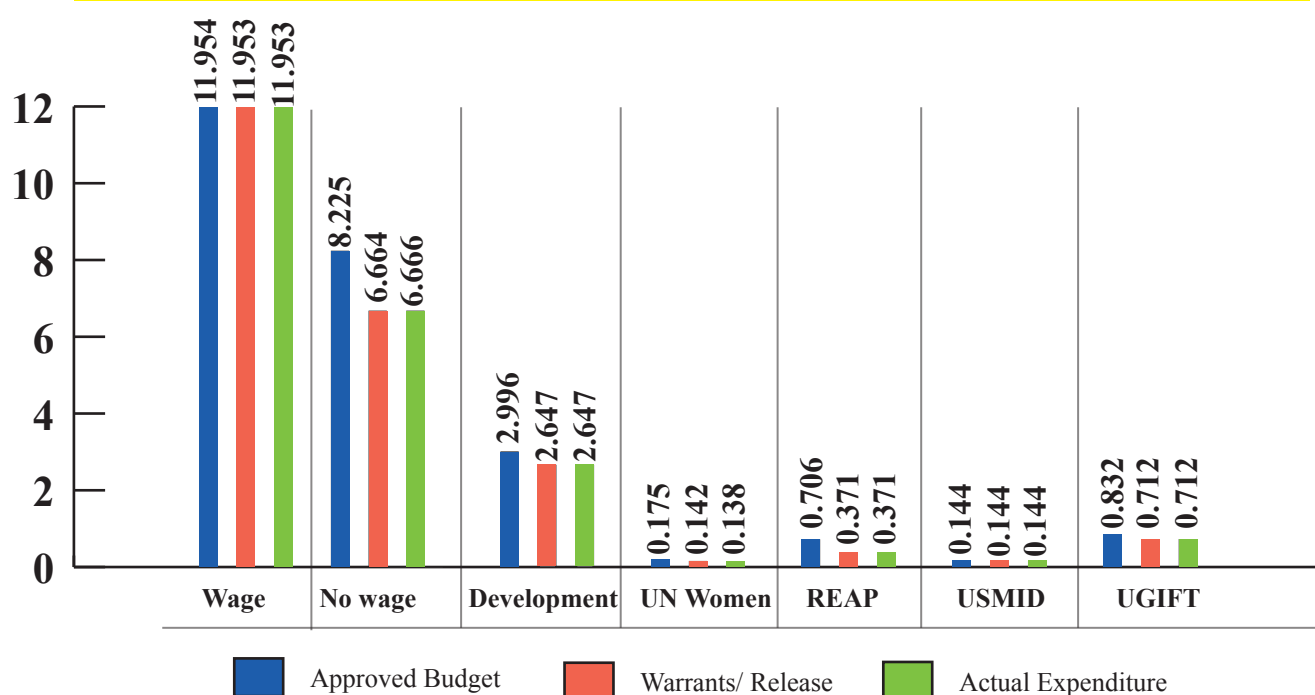


Table 2: Analysis of Budget performance per expenditure Category (GOU and Donor)

Analysis of Budget performance per expenditure Category (GOU and Donor)

Funding Source	Approved Budget – UGX bns	Releases - UGX bns	Actual-Expenditure UGX bns	Variance–Release Vs Exp UGX bns	Exp Vs Release (%)
GoU					
Wage	11.954	11.953	11.953	0	100%
Non-Wage	8.225	6.664	6.659	0.005	99.8%
Development	2.996	2.647	2.642	0.005	99.8%
Total GoU	23.176	21.265	21.255	0.01	99.98%
External funding					
UN WOMEN	0.175	0.142	0.138	0.004	97.18%
REAP	0.607	0.273	0.273	0	100%
USMID	0.144	0.144	0.144	0	100%
UGIFT	0.832	0.749	0.749	0	100%
Total Donor	1.758	1.308	1.304	0	99.7%
Total Funding	24.934	22.573	22.559	0.014	99.7%

DEVELOPMENT PARTNER FUNDING

UN WOMEN

UNWOMEN released UGX 142.67 million in the period to facilitate the capacity building arm of the Authority in empowering women entrepreneurs to participate in public procurement. UGX 138.65 million (representing 97.18% of released funds) was utilised in the period.

Resource Enhancement and Accountability Programme (REAP)

The Authority received UGX 273 million, against a planned UGX 607 million to enhance VFM in public procurement for large complex procurements through capacity building and establishment of standard prices for public procurement. 45% of the budget was released Ugx 219 million was utilised to conduct a Survey for prices on common user items. Ugx 54 million was spent on Pilot aspects of recommendations from the study on feasibility of independent parallel bidding.

Uganda Intergovernmental Fiscal Transfer Programme (UgIFT)

The Authority received funding support from UgIFT worth UGX 749 million, against a planned UGX 832 million (86%), to facilitate contract audits, compliance inspections in government entities implementing the ESHS, and sensitization of bidders applying the ESHS in their bidding process.

Uganda Support to Municipal Infrastructure Development (USMID)

Of the UGX 144.64 million released by USMID, by the end of the FY 2022-23, against a planned UGX 144.64 million (100%). The Authority utilised all the funds representing 100% absorption rate to conduct procurement audits and inspections in 10 Municipal Councils, Board monitoring activities in Gulu and Mbale cities, training on the procurement audit tool and purchase stationery to aid in report writing and dissemination.

D)

LEVERAGING TECHNOLOGY TO DELIVER EFFICIENCY IN PUBLIC PROCUREMENT

Conduct e-GP Change Management and Training

The Authority in partnership with PSFU under the SG+ Project conducted trainings on public procurement cycle and the use of the Electronic Government Procurement (EGP) system. Radio Talk shows were also organized in the districts of Jinja, Kampala, Mbarara, Hoima and Gulu on Baba FM, Radio One, UBC West, Radio Spice and Mega FM respectively.

The major objective of the trainings was to sensitize and build capacities of companies and business enterprises on the public procurement process and use of e-GP with the purpose of increasing the

private sector enrolment on the e-GP. The targeted companies were from the core sectors that the SG+ project is targeting including Manufacturing, Construction, ICT and Tourism.

Digitize and Automate HR Processes

The Authority developed an Appraisal System as part of its Integrated Enterprise Architecture where all the PPDA applications have been integrated into one platform. As part of the Authority's new HR manual of 2022, the format of the appraisal tool was changed to match the objectives of the new PPDA strategy. As such the appraisal tool was upgraded to match the requirements of the new HR manual.

Develop strategies to improve automation of Internal Processes (Development of a Digital Roadmap for PPDA)

The Authority partnered with the African Union – European Union (AU-EU) Digital for Development (D4D) Hub to provide technical assistance and capacity building towards leveraging technology to better achieve the Authority's strategic objectives. It is expected that this collaborative support will culminate in the development of a comprehensive digital roadmap in support of the Authority's strategic objectives.

CHAPTER 1

ORGANIZATION OVERVIEW

1

ORGANIZATION OVERVIEW

1.0 BACKGROUND

The Public Procurement and Disposal of Public Assets Act No.1 of 2003 (PPDA Act) established the Public Procurement and Disposal of Public Assets Authority (PPDA) as an autonomous regulatory body. The Act empowers the Authority to formulate policies, set procurement and disposal standards, build procurement and disposal capacity and supervise the procurement and disposal practices of all Procuring and Disposing Entities (PDEs). PPDA's mandate is derived from the objectives and functions of the Authority as stipulated in the PPDA Act Sections 6 and 7 as shown in Table 5.

Table 3: Objectives and Functions of the Authority

No.	Objective	Function
1	Effective and efficient procurement	Ensure the application of fair, competitive, transparent, non-discriminatory and value for money procurement and disposal standards and practices.
2	Advisory	The Authority is mandated to advise central governments, Local Governments and statutory bodies on all public procurement and disposal policies, principles and practices; and where necessary on their harmonization.
3	Monitoring, Audit & Compliance	PPDA monitors, audits and ensures compliance of public procurement in order to ensure fairness, transparency, and efficiency.
4	Setting standards	PPDA is also responsible for setting and updating standards; more specifically for advising on standards for procurement education and training, competence levels, certification requirements, updating and issuing standard procurement documents and enforcing their use, issuing guidelines.
5	Building capacity in public procurement	PPDA is tasked with building capacity in public procurement for both the public sector and the private sector.
6	Information management	Another key function of PPDA is to manage the information generated in procurement and disposal process in a meaningful value adding way.

In drawing up the strategic plan FY 2021/22- 2024/25, PPDA reviewed and refined its vision, mission, and focus. The following section presents the vision, mission, overall goal, core values as outlined in the expiring strategic plan as well as the organizational structure of the Authority.

1.1 Vision, Mission, and Overall Goal of the Authority

Figure 4: Vision, Mission, and Overall Goal of the Authority



1.2 Core Values of PPDA

- i. **Integrity;** We act with honesty, transparency and always strive to do what is right and fair for all our stakeholders.
- ii. **Customer Focus;** Internal and External are our top priority and are the centre of everything we do.
- iii. **Professionalism;** We consistently demonstrate competence, knowledge, resourcefulness, quality and a positive attitude when engaging with our stakeholders.
- iv. **Innovation;** We value creativity and work with passion to offer alternative solutions to meeting and exceeding our stakeholder expectations.
- v. **Teamwork;** We are committed to building an encouraging, respectful and supportive environment and work together collaboratively and selflessly by sustaining open and honest two way communication.

1.3 Organizational Structure

1.3.1 The Board of Directors

Section 10 of the PPDA Act, 2003 establishes the Board of Directors of the Authority. The functions and powers of the Authority are vested in the Board. The Board of Directors of the Authority consists of a Non-Executive Chairperson, six Non- Executive Directors and the Executive Director of the Authority who is an ex officio member. The Board is supported by the Board Secretary who provides administrative support to the operations of the Board and convenes Board meetings as directed by the Chairman of the Board.

The Board Secretary provides legal guidance and advice on corporate governance principles and plans. The Board Secretary is an advocate of the high court in good standing. The Board has four committees: the Human Resource Committee, the Audit and Risk Committee, the Advisory Committee and the Regulatory Functions Committee. Under the PPDA Act, 2003 as amended, at least one Board meeting must be held in two months of a Financial Year. The following were the Board of Directors as at 30th June 2022.

Mr Julius K. Ishungisa:
Chairman of the Board of Directors

Mr. David Kiyangi Nyimbwa:
Member

Ms Rita Namakiika Nangono:
Member

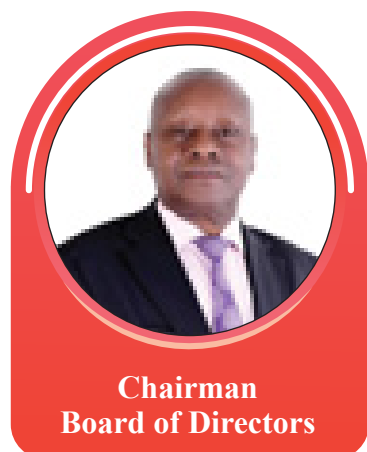
Mr. David Sserebe Bbunya:
Member

Eng. George William Bwanga:
Member

Dr. Levi Kabagambe (PhD):
Member

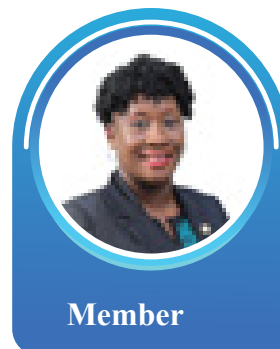
Arch. Dorothy Abola:
Member

Mr. Benson Turamye:
Member



**MR.
JULIUS
K. ISHUNGISA**

**Chairman
Board of Directors**



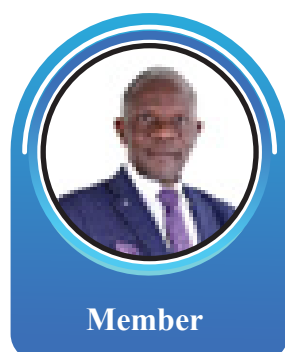
**Ms.
Rita Namakiika
Nangono**

Member



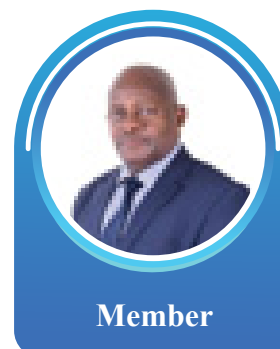
**Arch.
Dorothy Abola**

Member



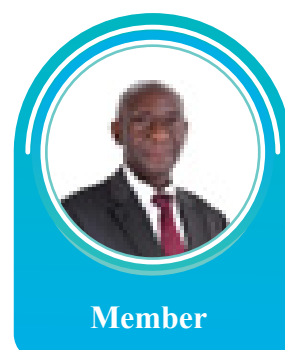
**Eng.
George
William Bwanga**

Member



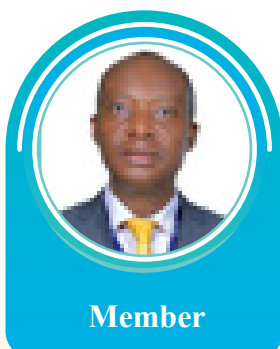
**Mr.
David
Sserebe Bbunya**

Member



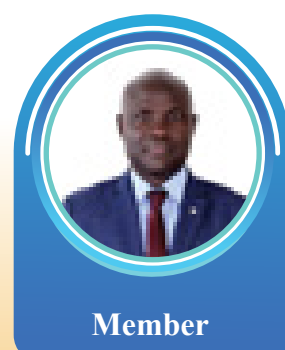
**Mr.
David
Kiyingi Nyimbwa**

Member



**Mr.
Benson Turamye**

Member



**Dr.
Levi Kabagambe
(PhD)**

Member



**Mr.
Uthman Segawa**

Board Secretary

1.3.2 Departments of the Authority

The Executive Director, who is the Accounting Officer, is responsible for the day to day Affairs of the Authority and is in charge of the overall planning in the organization. He is also responsible for coordinating with other Government agencies. The Executive Director oversees the following Departments of the Authority:

Office of the Executive Director

The Office of the Executive Director is responsible for overall implementation of the Strategic Plan and holds full accountability of the Authority. The office is in charge of corporate and public affairs as well as enterprise-wide risk management. The Internal Audit function which is an independent function under the Office of Executive Director provides an independent assurance that PPDA's risk management, governance and internal control processes are operating effectively.

Legal and Board Affairs

The Department is responsible for strengthening the Corporate Governance framework, regulation of public procurement and disposal system by setting standards in addition to ensuring that the legal and board affairs are handled in an efficient and effective way to reduce the litigation risks to the Authority.

Performance Monitoring Central Government

The Department is responsible for effective regulation of the public procurement and disposal function in Central Government entities. This is undertaken with a goal of improved service delivery geared towards achievement of sustainable national development. The Department undertakes bid preparatory, contract and performance audits; compliance inspections, capacity-building and investigations in Central Government Entities. It also prepares and implements initiatives to enhance local content uptake in procurement and disposal activities.

Performance Monitoring Regional Offices

The Department is responsible for bid preparatory, contract and performance audits; compliance inspections, capacity-building and investigations in entities within the four regions of the country i.e. northern, eastern, western and central.

Finance

The Department is responsible for the smooth management of the financial affairs of the Authority. It is responsible for procurement and asset disposal management as well as resource mobilization at the Authority.

Strategy and Planning

The Department is responsible for strategic planning, monitoring and evaluation as well as managing both the internal and external relations of the Authority. It is responsible for annual budget preparation, monitoring, research, IT services, library and documentation Centre.

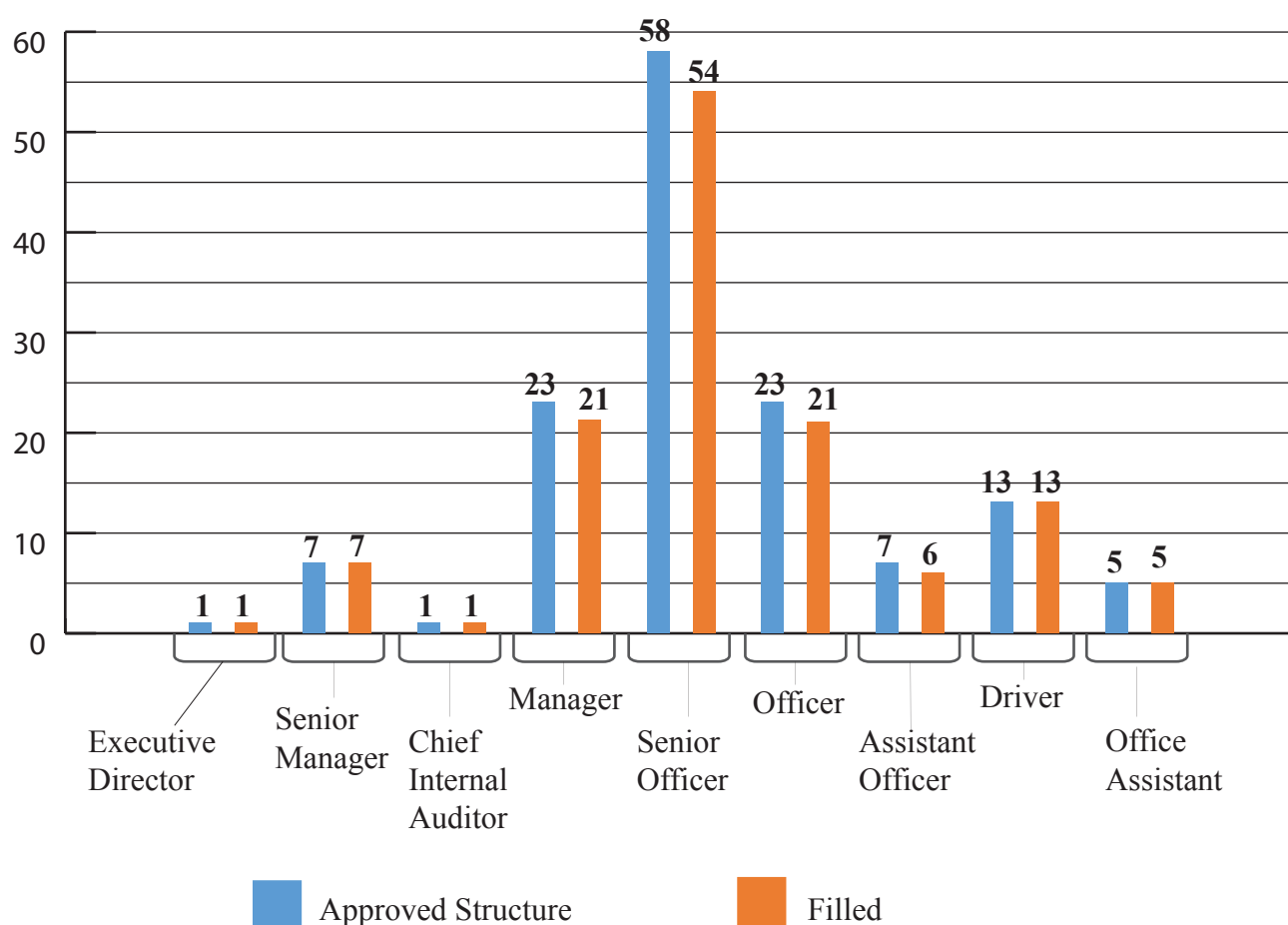
Human Resource and Administration

The Department is in charge of human resource management and general Administration of the Authority.

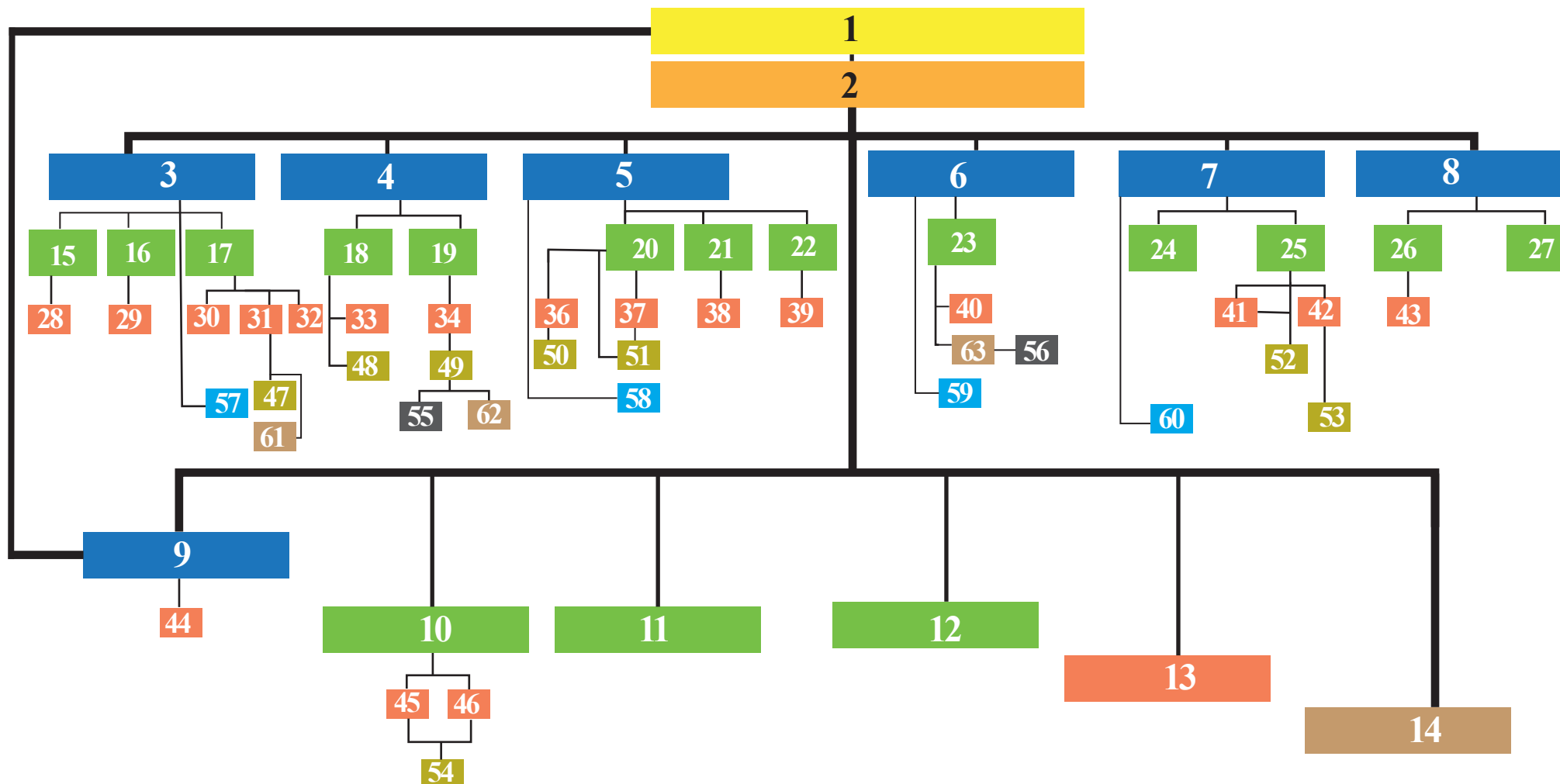
As at end of June 2022, the Authority had a staff complement of 129(93.5%) out of the 138 approved positions in the structure. The distribution of the various staff in the various directorates of the Authority is illustrated in Figure 4 below.

Figure 5: Approved structure against filled positions

Approved structure against filled positions



ORGANISATIONAL STRUCTURE OF THE AUTHORITY



1. BOARD OF DIRECTORS

2. EXECUTIVE DIRECTOR

- 10. MANAGER CORPORATE AND PUBLIC AFFAIRS(1)
- 45. Senior Officer Corporate and Public Affairs(1)
- 46. Senior Officer Customer Service(1)
- 54. Officer Customer Service(2)
- 11. MANAGER EDS OFFICE(1)
- 12. MANAGER RISKS(1)
- 13. EXECUTIVE ASSISTANT(1)
- 14. EXECUTIVE TRANSPORT ASSISTANT(1)

3. SENIOR MANAGER STRATEGY & PLANNING

- 15. Manager Research(1)
- 16. Manager Planning, Monitoring and Evaluation(1)
- 17. Manager ICT(1)
- 28. Senior Officer Research(1)
- 29. Senior Officer Planning, Monitoring and Evaluation(1)
- 30. Senior Software and Database Administrator (1)
- 31. Senior Officer Registry(1)
- 32. Senior Software and Network Administrator (1)
- 47. Officer Registry(1)
- 57. Administrative Assistant(1)
- 61. Transport Assistant Mail Delivery(1)

4. SENIOR MANAGER HUMAN RESOURCES & ADMINISTRATION

- 18. Manager Human Resources (1)
- 19. Manager Administration(1)
- 33. Senior Officer Human Resources (1)
- 34. Senior Officer Administration(1)
- 48. Officer Human Resources (1)
- 49. Officer Administration(1)
- 55. Office Assistant(2)
- 62. Transport Assistant (12)

5. SENIOR MANAGER PERFORMANCE MONITORING CENTRAL GOV'T (1)

- 20. Manager Performance Monitoring(4)
- 21. Manager Local Content(1)
- 22. Manager Procurement Capacity Building (1)
- 36. Proc. Data Analyst (1)
- 37. Senior Officer Performance Monitoring(10)
- 38. Senior Officer Local Content(1)
- 39. Senior Officer Procurement Capacity Building (3)
- 50. Officer ROP(2)
- 51. Officer Performance Monitoring(13)
- 58. Administrative Assistant(1)

6. SENIOR MANAGER PERFORMANCE REGIONAL OFFICES (1)

- 25. Regional Manager (4)
- 40. Senior Officer Performance Monitoring(24)
- 56. Office Assistant(3)
- 59. Administrative Assistant(1)
- 63. Office Administrator(3)

7. SENIOR MANAGER FINANCE(1)

- 24. Manager Resource Mobilisation and Stakeholder Engagements(1)
- 25. Manager Finance (1)
- 41. Senior Officer Finance(2)
- 42. Senior Officer Procurement and Logistics(1)
- 52. Officer Finance(1)
- 53. Officer Procurement and Logistics(1)
- 60. Administrative Assistant(1)

8. SENIOR MANAGER LEGAL AND BOARD AFFAIRS (1)

- 26. Manager Legal Affairs(2)
- 27. Manager Board Affairs(1)
- 43. Senior Officer Legal Affairs(5)

9. CHIEF INTERNAL AUDITOR(1)

- 44. Senior Internal Auditor(2)

CHAPTER 2

STRENGTHEN REGULATION OF PUBLIC PROCUREMENT

2

STRENGTHEN REGULATION OF PUBLIC PROCUREMENT

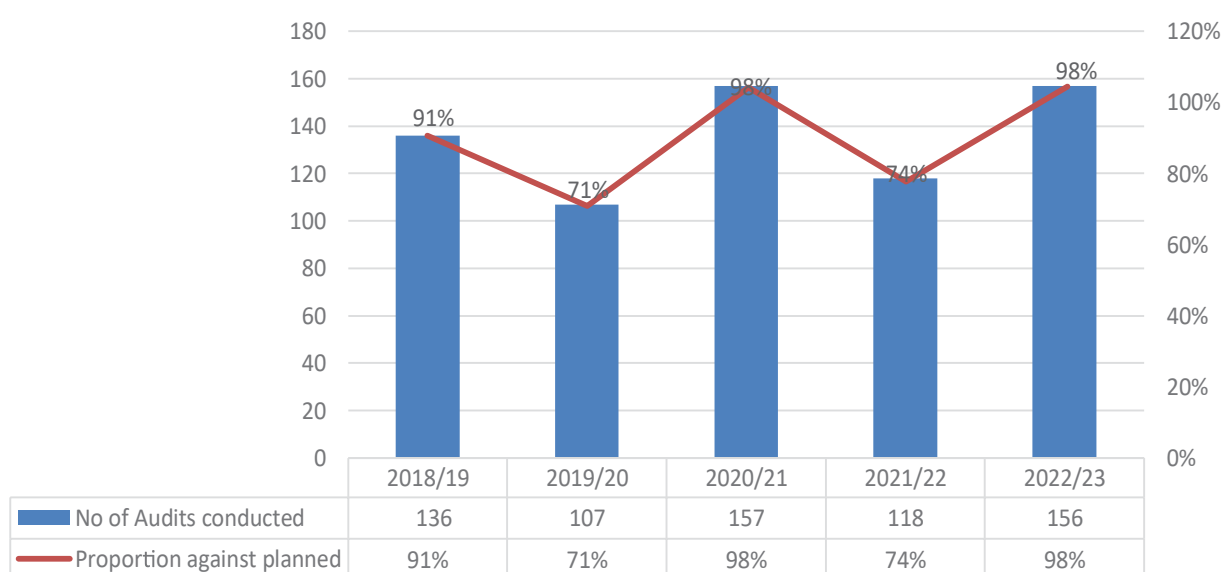
2.0 BACKGROUND

The Authority under Section 6(a) of the PPDA Act 2003 is mandated to ensure the application of fair, competitive, transparent, and non-discriminatory and value for money procurement and disposal standards and practices. The Authority carries out activities in the form of procurement audits, investigations and administrative reviews, among others, to fulfill this mandate. By strengthening regulation in procurement, Government will be in position to address the weaknesses that have undermined public procurement through malpractices. The chapter presents the performance of the Authority towards strengthening regulation.

2.1. Procurement and Disposal Audits

In accordance with Section 7 (j) (i) of the PPDA Act, the Authority is mandated to conduct procurement and disposal audits in government institutions. In fulfillment of the above mandate, the Authority completed 93 Performance Audits, 40 Contract Audits, 63 Compliance Inspections and 21 Bid Preparatory Audits. The audit findings also revealed that only 48% of contracts by value were awarded to local providers. Only 49% of the procurements were subjected to open competition.

Figure 6: Audit and compliance inspections over the period of five years

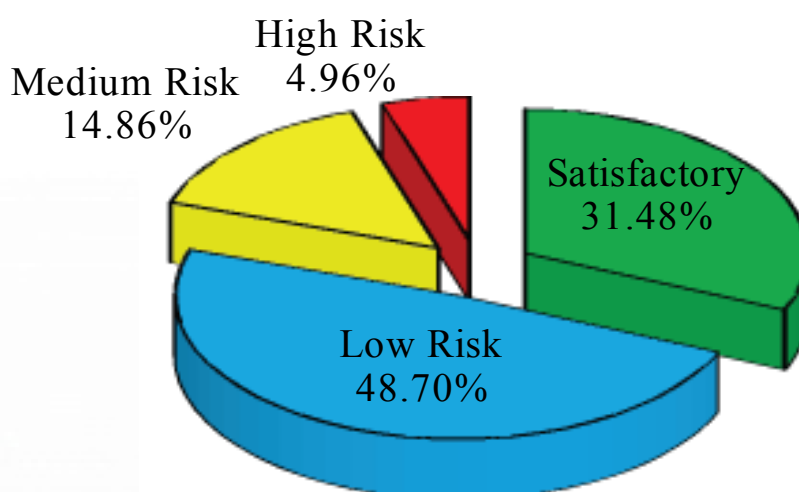


The drop in performance in FY 2019/20 and FY 2021/22 was attributed to covid 19 pandemic and budget cuts respectively. The rise in FY 2022/23 is attributed to additional support from UGIFT.

The audit findings also revealed that out of the 1,285 sampled procurements, procurements of UGX 44,339,364,763(4.96%) were categorized as high risk by value, UGX 132,876,144,701 (14.86%) were medium risk by value, UGX 435,389,362,211(48.70%) were low risk by value and UGX 281,391,612,691(31.48%) were satisfactory by value. Figure 7 below illustrates the performance of contracts by value under performance audits.

Figure 7: Performance of contracts by value under performance audits

Performance by Value of Contracts



Monitoring Entities to ensure efficiency in their Procurement Processes

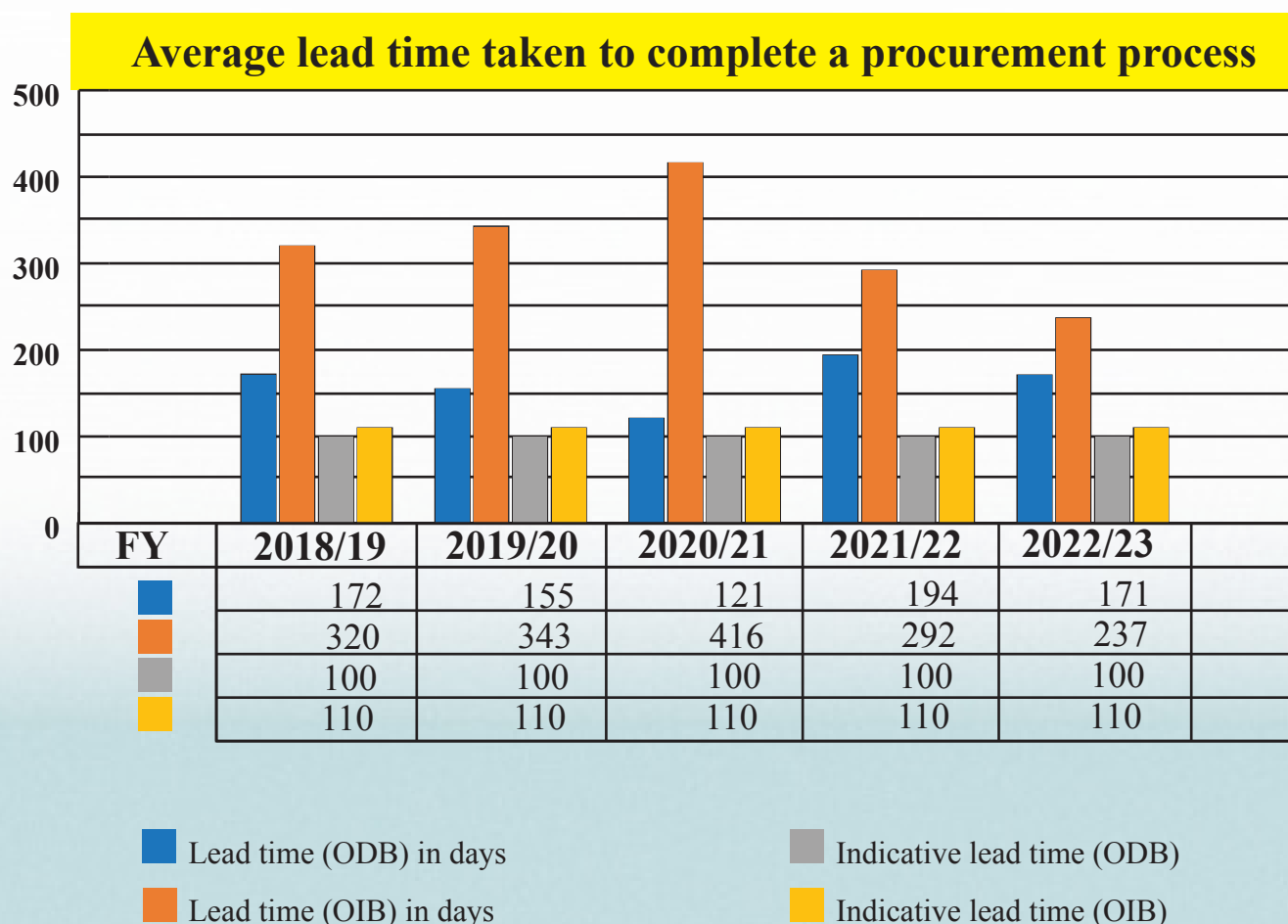
Through use of the Government Procurement Portal as well as review of monthly/quarterly reports, procurement plans and performance audits, the Authority was able to monitor the efficiency of procurement processes within Entities. Performance under this indicator deteriorated for open domestic and international bidding.

The Authority noted that despite efforts to regulate previously unregulated time frames such as time taken during evaluation under the amendments to the PPDA Act, Entities are still taking longer than the recommended timelines. Audits conducted by the Authority indicated major delays were at the evaluation stage with evaluation delays in some Entities such as Uganda National Roads Authority (UNRA), Kampala Capital City Authority (KCCA) and Ministry of Works and Transport lasting 237 days on average.

In a number of Entities, the lengthy lead times were attributed to the early start of procurement processes that are not completed until funds are actually released. A number of Entities noted that their lead times seem longer than is the case because they start their procurement processes early and stop at award stage until funds are released to them. The calculation of the lead times does not take into account administrative delays that occur during the procurement process for example from the time of completion of evaluation to the time of contract signature, as Entities wait for release of funds.

Other areas of concern are the timelines between submission of bids and start of evaluation and time taken between completion of evaluation and submission to the Contracts Committee. Of particular concern and a point for policy consideration is the period taken by development partners especially the Arab Bank for Economic Development in Africa (BADEA) and the OPEC Fund for International Development (OFID) to provide no-objections to procurements. For example, in two sampled procurements reviewed at KCCA, AfDB provided a no-objection to the evaluation reports after an average 207 working days. Time taken at these stages remain unnecessarily long. The Authority shall continue to monitor delays in procurement processes especially through its High Spend Entity initiatives to ensure that delays at these stages of the procurement process are minimized.

Figure 8: Average lead time taken to complete a procurement process



The graph shows the lead times for both Open Domestic Bidding and Open International Bidding over a period of four years against the predetermined target of 100 days and 110 days respectively.

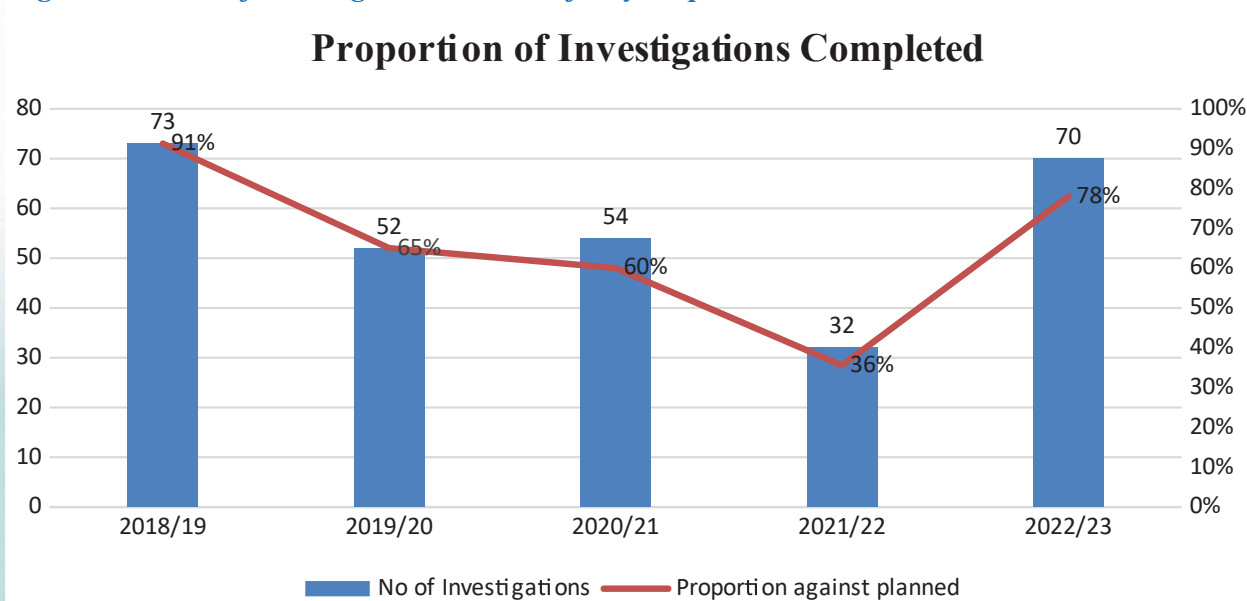
2.2 Investigations

The Authority conducted 70 investigations. The average investigation lead time was 35 working days. The lead time was higher than the lead time provided in the PPDA Investigations Manual due to delays in submission of procurement and disposal action files, delays in holding interviews which limits the rights granted under the principle of natural justice and lack of adequate funds to undertake physical verification.

Some of the investigation findings include:

1. Unfairness in the manner in which bidders were treated during the due-diligence process. The Authority recommended that the Accounting Officer should reconstitute the due-diligence team and ensure fairness in the treatment of bidders.
2. Gross negligence and dilatory conduct in the manner in which the procurements were undertaken. The Authority further found that staff within the Entity forged bids and awarded contracts to themselves. The Authority recommended that the Accounting Officer should take appropriate disciplinary action against the staff mentioned in the report and that the Accounting Officer should hold a baraza wherein the Authority will seek to build capacity of the providers and the Entity's staff. In Mulago, the request for quotations method was abused to enable staff at the Entity to award contracts to their preferred providers without following due process. The Authority recommended that appropriate disciplinary action be taken against the errant staff while the Accounting Officer should take responsibility to the irregularities noted by the Authority.

Figure 9: Trend of Investigations over the five year period



The increase in the FY 2022/23 was attributed to the number of complaints from the UGIFT sites

2.3 Deviations

During the period under review, the Authority received and granted 13 requests for deviations as indicated below:

- i. **MOWT (2)** for development of the modular motor vehicle registration components on the intelligent transport monitoring system – (system development, supply, installation, commissioning and support) of a Motor Vehicle Registration System (MVRs) and for engineering design, procurement, construction/turnkey plus finance model for the standard gauge railway Malaba-Kampala (Eastern route) project Ref. MOWT/WORKS/2022-2023/00095;
- ii. **Ministry of Defence and Veteran Affairs (2)** for procurement of phase II works for the solar plant at Kololo Ceremonial Grounds and use of placement sourcing modality for medical equipment;
- iii. **NSSF (2)** for the design and construction of the Yusuf Lule commercial development project and for the procurement of an inventory management solution;
- iv. **State House** for accreditation to use an alternative for procurement of requirements for donation of the items listed below to different stakeholders under the Poverty Alleviation Project: Motor vehicles, Motor cycles, Farm inputs to selected model villages, Security equipment, Buildings and water works, Printed stationary for the principal and Air tickets and charter.
- v. **Uganda National Oil Company (4)** for the provision of transaction advisory services (legal and tax) for implementation of the UNOC crude oil trading strategy and roadmap under framework arrangement; for the provision of tax consultancy services under framework arrangement; for the provision of consultancy services for technical and commercial advisory for the implementation of the UNOC crude oil trading strategy and roadmap under framework arrangement; for the preliminary design, detailed engineering design, bidding documentation, assistance during bidding and bid evaluation for the design of the water distribution network, wastewater treatment and sewerage system for the Kabaale Industrial Park including a feasibility study on supply water to KIP from River Nile or Kafu River;
- vi. **UETCL** for procurement of plant, design, installation and commissioning of Kabaale Industrial Park;
- vii. **Uganda Post Limited** for procurement of re-development of Postal Building; and
- viii. **Uganda Airlines** for procurements under the on-going accreditation.

2.4 Suspension of Providers

The Authority derives its mandate to suspend providers under Section 94 of the PPDA Act, 2003 and Regulation 12 of the PPDA Regulations, 2014.

The Authority received 71 recommendations to suspend a provider in the financial year. The Authority found merit in 12 recommendations and suspended the providers. Table 9 below gives the status of the 71 recommendations.

Table 4: Cases recommended for suspension

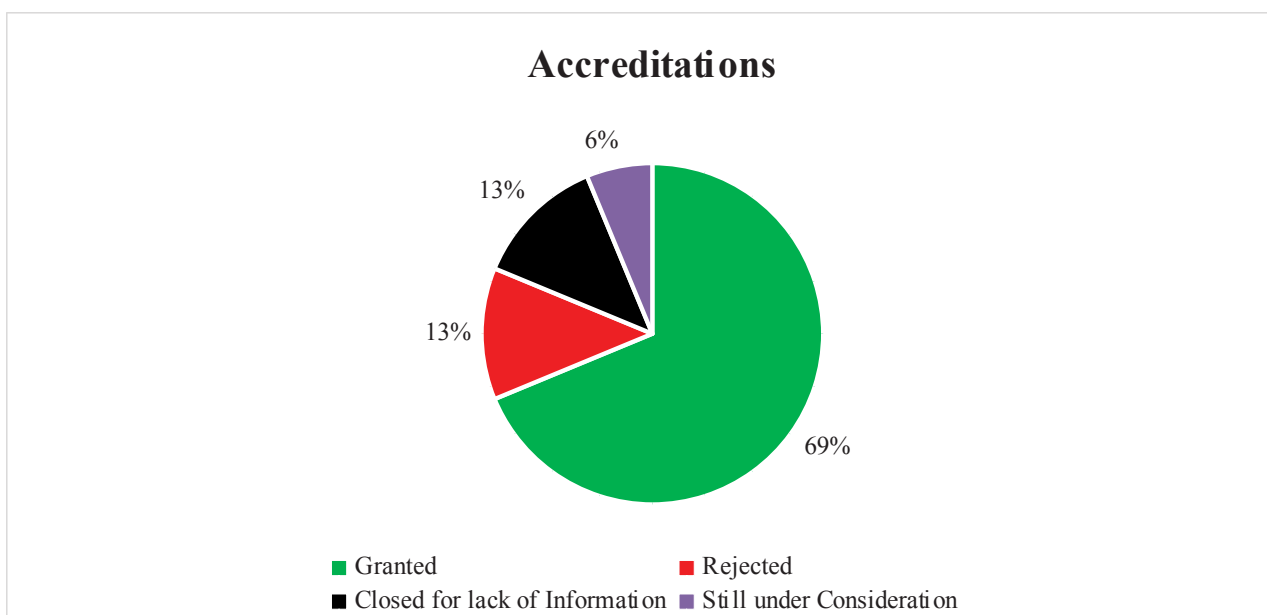
Action	Number of Cases	Reason
Suspended	12	Forgeries and fraudulent practices
Not suspended	5	No merit in the recommendation
Not handled	44	Were Still under investigation
Closed	10	Lack of information
TOTAL	71	

Figure 10: Proportion of providers suspended per year



2.5 Accrediting Alternative Procurement And Disposal Systems

The Authority handled 32 applications for accreditation of alternative procurement procedures. 22 applications for accreditation were granted, four applications were rejected. Four applications were closed for lack of information and two applications were still under consideration. The details of the accreditations handled are shown in Annex 1.



CHAPTER 3

ENHANCE STAKEHOLDER ENGAGEMENT AND MANAGEMENT

3

ENHANCE STAKEHOLDER ENGAGEMENT AND MANAGEMENT

3.0 BACKGROUND

The successful implementation of the public procurement system depends entirely on the role played by the different stakeholders. The chapter presents the status of implementation of activities geared at enhancing stakeholder engagement and management.

3.1 Capacity Building of Stakeholders

In total, 3960 participants against a planned 3000 were trained in various aspects of the procurement and disposal system. The over performance is attributed to additional funding from UGIFT. The breakdown of participants is as shown in Table 7 below:

Table 5: Participants Trained

No.	Category	Number of Participants	
		Planned	Actual
1	Contracts Committee (CC), Accounting Officers (AOs), Procurement and Disposal Units (PDUs) and User Departments (UD)	3929	3929
2	Providers and PDUs (eGP)	3929	3929
3	Civil Society Organisations (CSOs)	3929	3929
4	Students	3929	3929
	Total	3929	3929

The major capacity building activities include induction of contracts committee members, Accounting Officers, Procurement and Disposal Units (PDUs) and User Departments (UD) for both Central and Local Government Entities; CSOs and demand driven trainings. The capacity building interventions lead to improved implementation of PPDA recommendations and improved compliance to the PPDA law.

3.1.1 National Supplier Forum

The Authority with support from Private Sector Foundation Uganda (PSFU) organized a National Supplier Forum under the theme 'Enhancing Stakeholder Engagement for better Public Procurement Outcomes'. The overall objective of the Forum was to provide an avenue for PPDA to disseminate, discuss and receive feedback about the latest developments in public procurement including: Amendments to the PPDA Act 2003, Sustainable Public Procurement, Promotion of Local Content and Electronic Government Procurement (E-GP) System adoption and usage and also to enable suppliers to discuss the challenges they face in doing business with government.

3.1.2 Kampala Capital City Authority (KCCA) 3rd Suppliers' Conference 2023

The Authority facilitated at Suppliers' Conference organized by KCCA under the theme 'The Impact of the PPDA amendments to the Act 2021 on the Procurement of Works and Consultancy services'. It was organized for suppliers from the Works and Consultancy services category. The Suppliers' conference was aimed at informing the contractors of the new amendments and how Environmental Social Health and Safety safeguards have been incorporated within the public procurement process.

3.1.3 National Social Security Fund (NSSF) 7th Annual Supplier Forum

The Authority also facilitated at Annual supplier forum organized by the National Social Security Fund under the theme "Adapting to the Global trends" to engage its suppliers as a means of improving synergies to achieve her mandate. PPDA provided answers to the challenges raised by the suppliers such as those they face while using e-GP system; and the lack of opportunity to access the procurements subjected to reservation.

3.1.4 Bank of Uganda 8th Annual Supplier Forum

The Authority facilitated at the Annual Supplier Conference organized by Bank of Uganda under the theme "Digitalization of Procurement: Strategies and Best Practices". The objective of the conference was to strengthen the bank's relationship with its suppliers through sharing information, listening, and learning from one another.

3.1.5 Training of CSOs in Open Contracting and usage of the Contract Monitoring System (CMS)

PPDA with support from GIZ, embarked on the development of a digital solution - the Contract Monitoring System (CMS), to aid contract monitoring by CSOs partners and their community monitors. The Contract Monitoring System (CMS) development was successfully completed and roll-out activities were done. The Contract Monitoring System was launched on 14th September, 2022 at Hotel Triangle in Mbarara.



Launch of the contract monitoring system

Training workshops were also arranged in the different regions of the country to train the CSOs on Public Procurement and Asset Disposal processes, and monitoring of public projects to improve the capacity of the contract Monitors.

3.1.6 Technical Backstopping For The Poorly Performing Entities in the Implementation of Eshs in Ugift Sites

The Uganda Intergovernmental Fiscal Transfers (UgIFT) program is a multi-stakeholder government program which aims at improving the adequacy and equity of fiscal transfers and improves fiscal management of resources by Local Governments for health, education services, water, environment, micro-irrigation and refugee host communities. Under this program PPDA trained Ministry of Education and Sports (MoES), and Ministry of Health (MoH) UgIFT Contractors. The Authority also conducted training of selected Local Government Staff and Contractors in implementation of ESHS in public procurement as well as other Procurement Procedures.

3.2 The 14th East African Procurement Forum (EAPF)

The Authority organized the 14th EAPF under the theme “Open Contracting as a Vehicle for Social Accountability and Sustainable Development.” The Forum adopted a hybrid method of participation where some participants attended physically and other virtually on Zoom and YouTube platforms. 237 delegates from Kenya, Burundi, Tanzania, Zimbabwe, Rwanda and Uganda attended the

forum and Her Excellency the Vice President of the Republic of Uganda presented a statement on behalf of His Excellency the President of the Republic of Uganda.



A photo moment of the Vice President (5th right) with PPDA Board members and Heads of procurement Agencies of EAC

3.3 Advisory Services

One hundred nine (109) written requests for legal guidance/advice were handled during the financial year 2022/23. The Advisory Section also handled informal requests by physical walk-ins, phone calls and via email and WhatsApp. The Section recorded two hundred fifty-three (253) such informal requests. Out of the total of 109 written requests for guidance, 79 (73%) were from Central Government, 20 (18%) were from the Local Government and 10 (9%) were from providers. The guidance given improves compliance to the PPDA law.

3.4 Engagement with Anti-Corruption Agencies

Held 6 Heads of Institutions meetings for the OAG-IG-PPDA Collaboration, against a planned 4 engagements (150%). These meetings realigned the collaboration and considered work plans and budgets for the Technical Working Groups, as well as their Terms of Reference



IGG hosted PPDA OAG to discuss harmonisation of corruption cases

***Left - Right, Auditor General, Head - State House Health Monitoring Unit, IGG,
Head - State House Anti-corruption Unit, Deputy IGG, Ag. ED PPDA.***

CHAPTER 4

STRENGTHEN INSTITUTIONAL AND MANAGEMENT CAPACITY

4

STRENGTHEN INSTITUTIONAL AND MANAGEMENT CAPACITY

2.0 BACKGROUND

The Authority seeks to strengthen its internal systems and structures to ensure the smooth running of its operations, and enable efficient and effective provision of services to its stakeholders. The Authority will also develop and run services that demonstrate value to Government and development partners so as to bring in more technical and financial support. The focus will also be on optimizing resource use and allocation. Through a performance management system, personnel will be motivated through reward, sanctions and other mechanisms to ensure delivery of the strategic plan. The chapter presents the status of implementation of activities aimed at strengthening institutional and management capacity.

4.1 Financial Matters

4.1.1 Overview of Overall Financial Performance

Below are the highlights of financial performance of the Authority as impacted by the events and performance during the financial year.

- The Authority operated on an approved budget for FY 2022/23 of UGX 25.033 billion with GoU contributing 23.176 billion (93.4%) and Development Partners contributing UGX 1.758 billion (7.4%) as per Table 9 below.
- During the financial year, the Authority received cash releases of UGX 21.27 billion from Government of Uganda (GoU) representing 91.75% of the annual GoU budget and UGX 1.308 billion from Development Partners representing 74% of the External budget.
- Expenditure from the GoU budget was UGX 21.26 billion representing 99.98% of released funds. Similarly, UGX 1.365 billion representing 99% of the external funds released was spent by the end of the financial year as highlighted in Table 11 below. Funding under REAP and UGIFT was managed directly from the source Ministry (MoFPED). Figure 12 below highlights the financial performance.
- The Authority did not implement some of the activities because only UGX 21.26 billion was released for FY 2022/23 against the strategic plan estimate of UGX 34.085 billion. This represents 62% of the funds received against the planned figure in the strategic plan.

Figure 11: Summary of Budget Performance

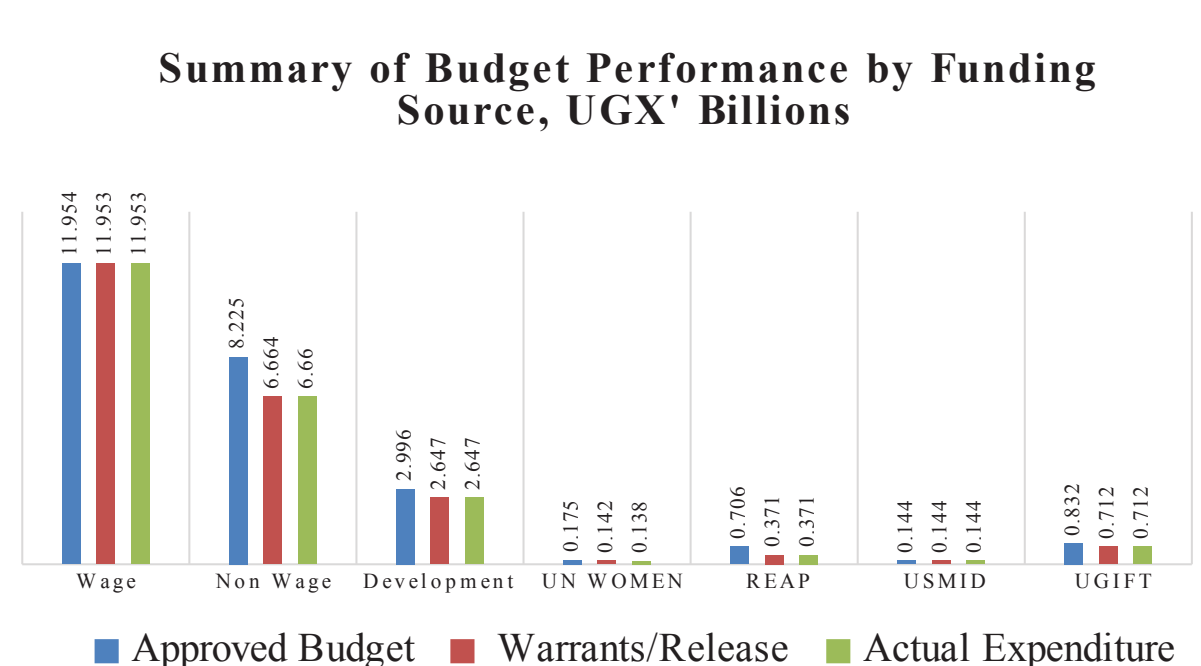


Table 6: Analysis of Budget performance per expenditure Category (GOU and Donor)

Analysis of Budget performance per expenditure Category (GOU and Donor)					
Funding Source	Approved Budget – UGX bns	Releases – UGX bns	Actual-Expenditure UGX bns	Variance–Release Vs Exp UGX bns	Exp Vs Release (%)
GoU					
Wage	11.954	11.953	11.953	0	100%
Non-Wage	8.225	6.664	6.659	0.005	99.8%
Development	2.996	2.647	2.642	0.005	99.8%
Total GoU	23.176	21.265	21.255	0.01	99.98%
External funding					
UN WOMEN	0.175	0.142	0.138	0.004	97.18%
REAP	0.607	0.273	0.273	0	100%
USMID	0.144	0.144	0.144	0	100%
UGIFT	0.832	0.749	0.749	0	100%
Total Donor	1.758	1.308	1.304	0	99.7%
Total Funding	24.934	22.573	22.559	0.014	99.7%

4.1.2 Brief on Budget Performance

1 UN WOMEN

UNWOMEN released UGX 142.67 million in the period to facilitate the capacity building arm of the Authority in empowering women entrepreneurs to participate in public procurement. UGX 138.65 million (representing 97.18% of released funds) was utilized in the period.

2 Resource Enhancement and Accountability Programme (REAP)

The Authority received UGX 273 million, against a planned UGX 607 million to enhance VFM in public procurement for large complex procurements through capacity building and establishment of standard prices for public procurement. 45% of the budget was released Ugx 219 million was utilized to conduct a Survey for prices on common user items. Ugx 54 million was spent on Pilot aspects of recommendations from the study on feasibility of independent parallel bidding.

3 Uganda Intergovernmental Fiscal Transfer Programme (UgIFT)

The Authority received funding support from UgIFT worth UGX 749 million, against a planned UGX 832 million (86%), to facilitate contract audits, compliance inspections in government entities implementing the ESHS, and sensitization of bidders applying the ESHS in their bidding process.

4 Uganda Support to Municipal Infrastructure Development (USMID)

Of the UGX 144.64 million released by USMID, by the end of the FY 2022-23, against a planned UGX 144.64 million (100%). The Authority utilized all the funds representing 100% absorption rate to conduct procurement audits and inspections in 10 Municipal Councils, Board monitoring activities in Gulu and Mbale cities, training on the procurement audit tool and to purchase stationery to aid in report writing and dissemination.

5 Support from GIZ

GIZ provides technical assistance by supporting the roll out of the contract monitoring system. GIZ also facilitated the preparation of East African Procurement Forum (EAPF)

4.2 Human Resources

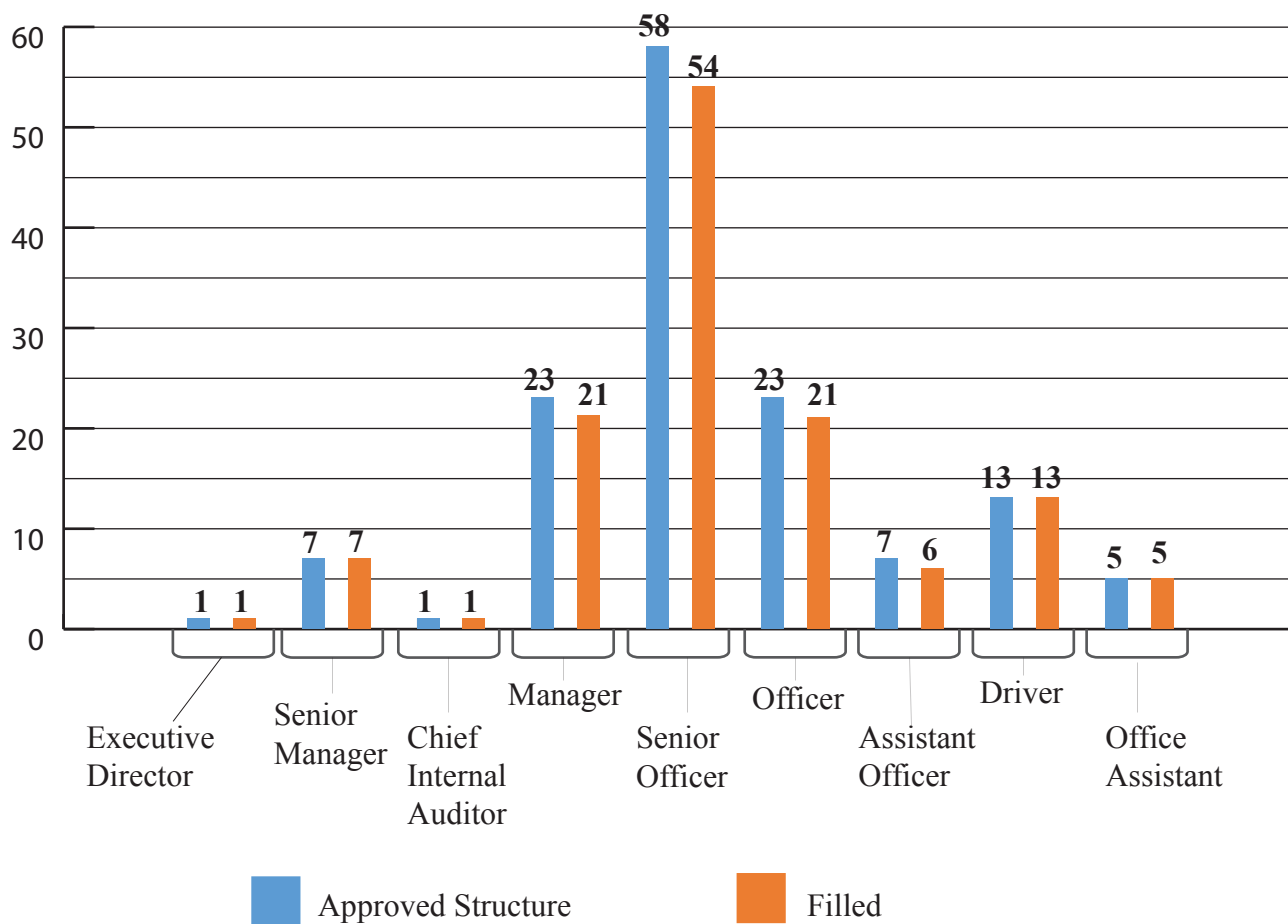
4.2.1 Staffing level of the Authority

4.2.1.1 Staffing

The Authority has a staff structure of 138 staff. The staffing level in the Authority as at 30th June 2023 was at 129 staff, which represents 93% of the total staff structure.

Figure 12: Approved Structure against filled positions

Approved Structure Against Filled Positions



CHAPTER 5

LEVERAGING TECHNOLOGY TO DELIVER EFFICIENCY PUBLIC PROCUREMENT

5

LEVERAGING TECHNOLOGY TO DELIVER EFFECIENCY PUBLIC PROCUREMENT

5.0 BACKGROUND

Technology is key to transforming the face of public procurement and public service organs in the country. At the heart of the technology transformation is the rollout of e-Procurement under the wider e-Government framework. The chapter presents the activities and outputs realized in the FY 2022/23 towards leveraging technology.

5.1 Conduct e-GP Change Management and Training

The Authority in partnership with PSFU under the SG+ Project conducted trainings on public procurement cycle and the use of the Electronic Government Procurement (EGP) system. Radio Talk shows were also organized in the districts of Jinja, Kampala, Mbarara, Hoima and Gulu on Baba FM, Radio One, UBC West, Radio Spice and Mega FM respectively. The major objective of the trainings was to sensitize and build capacities of companies and business enterprises on the public procurement process and use of e-GP with the purpose of increasing the private sector enrolment on the e-GP. The targeted companies were from the core sectors that the SG+ project is targeting including Manufacturing, Construction, ICT and Tourism.



eGP training session ongoing.

5.2 Digitize and Automate HR Processes

The Authority developed an Appraisal System as part of its Integrated Enterprise Architecture where all the PPDA applications have been integrated into one platform. As part of the Authority's new HR manual of 2022, the format of the appraisal tool was changed to match the objectives of the new PPDA strategy. As such the appraisal tool was upgraded to match the requirements of the new HR manual.

5.3 Develop Strategies to Improve Automation of Internal Processes:

The Authority has partnered with the African Union – European Union (AU-EU) Digital for Development (D4D) Hub to provide technical assistance and capacity building towards leveraging technology to better achieve the Authority's strategic objectives. It is expected that this collaborative support will culminate in the development of a comprehensive digital roadmap in support of the Authority's strategic objectives.

CHAPTER 6

CHALLENGES ENCOUNTERED IN FY 2022/23 AND PRIORITIES OF FY2023/24.

6

CHALLENGES ENCOUNTERED IN FY 2022/23 AND PRIORITIES OF FY2023/24.

6.1 Main Challenges Encountered

6.1.1 System Challenges

a) Weak Contract Management:

Though big strides have been made in the post contracting stage, many procurements are mismanaged at the contract management stage where contract managers do not diligently carryout their duties and leave government projects at the mercy of the profit motivated contractors who end up doing substandard work. The Authority recommends that the Accounting Officers should prevail over User Departments to appoint contract supervisors/managers that should report any deviations from the terms and conditions of the signed contracts.

b) Corruption and Unethical Practices:

Public procurement is prone to corruption, particularly due to the high value transactions, complexity and close interaction between the public and private sector through the bidding processes. Evaluation of Bids persists to be perceived as the stage most susceptible to corruption. Corruption in procurement erodes bidder confidence and results into higher bid prices that ultimately increases the cost of delivering services to citizens. While PPDA cannot alone totally remove corruption that is pervasive in the society, as the Regulator, it is incumbent upon PPDA to ensure that the system promotes transparency, efficiency, economy, fairness, and accountability where corrupt activities will be more difficult to conceal and will be easier to punish administratively or criminally. This requires strong partnerships with other oversight and enforcement agencies as well as the civil society.

c) Delays in Evaluation of bids especially for High Value Contracts:

There still exist challenges in the evaluation of procurements which stem from unethical conduct where evaluators disclose information unofficially which results into lengthy appeals that sometimes end up in courts of law. This unnecessarily lengthens the procurement process. The amendment of the PPDA Act should be able to solve some of these delays.

d) Poor Planning in Procurements:

Entities are continuously failing to plan and cost procurements especially the big and complex projects and as a result they end up over or undervaluing procurements. This is caused by failure of Entities to clearly scope the proposed projects.

e) Manual Procurement System:

As a regulator, the Authority is constrained by the inaccurate data and reports submitted by Entities due to the manual system. This has been worsened by failure to have easy access to the Integrated Financial Management System (IFMS) real time to verify accuracy of the data submitted by the Entities. The manual procurement process is further more prone to manipulation/bid tampering and inefficiencies in the process.

6.1.2 Institutional Challenge

a) Limited Funding for Audit Coverage:

Due to funding constraints, the Authority is not able to audit all the Entities under its jurisdiction and currently conducts audits on a sample and risk basis. The current audit coverage is only 49% and this position is continuously being worsened by the ever increasing number of both Central and Local Government Entities.

b) Standard Bidding Documents (SBDs):

The process of reviewing the SBDs has been delayed by the delay in the reviewing the Regulations. However the process of reviewing the regulations was completed and the review of SBDs will soon start.

c) Delay in Investigations:

This is caused by increasing number of complaints from anonymous complainants who cannot be contacted to substantiate the complaints and poor record keeping by the entities leading to delays in submission of procurement files and repeated requests to provide documents.

6.2 Key Activities Planned for FY 2023/24

Strengthening regulation of the Public Procurement and Asset Disposal System: This will be done through development and piloting of the e-procurement system as part of the National E- Government Framework of e-governance in various sectors of Government. The Authority will also monitor and report on the performance of the public procurement system by conducting risk based Procurement Audits, Investigations, and Follow-up on implementation of PPDA Recommendations, Handling Applications for Administrative Reviews and suspension of fraudulent Providers.

Enhancing Stakeholder Engagement and Management: This will be done through strengthening collaboration with Anti-Corruption Agencies; promoting engagement with Development Partners; Strategic Media Management as well as Maintenance and Management of a Register of Providers.

Strengthening Institutional and Management Capacity: This will be done through; strengthening the Corporate Governance Framework; reviewing and implementing the HR Manual; development and implementation of Standard Operating Procedures as well as Implementation of a Risk Management Framework

Leveraging Technology to deliver Efficiency in Public Procurement: This will be done through piloting of the e-procurement system to selected entities, conducting system wide training on the use of the system as well as Automation of HR Processes.

ANNEXES

Annex I: Accreditations Granted

No.	Entity	Subject Matter	Status
1	Uganda Railways Corporation	Application for an alternative system for the disposal of specified railway items.	Granted
2	Ministry of Works and Transport	Renewal of accreditation of an alternative system for procurement of contractors for Low Cost Sealing Technology using trial contracts for small contractors.	Granted
3	By New Vision Printing & Publishing Company Limited	Renewal of accreditation for use of alternative procurement systems.	Granted
4	Uganda National Oil Company	Renewal of accreditation of alternative procurement processes for bulk fuel trading business.	Granted
5	Uganda Prisons Service	accreditation of alternative procurement processes of manufactured building materials.	Granted
6	Uganda National Oil Company	Request for accreditation by Uganda National Oil Company to use the Petroleum (Exploration, Development and Production) Regulations 2016).	Granted
7	Presidential Initiative on Banana Industrial Development	Renewal of accreditation for an alternative procurement system for the Presidential Initiative on Banana Industrial Development (PIBID).	Granted
8	State House	Request for accreditation of an alternative system for procurement of requirements for donation to different stakeholders under the Poverty Alleviation Project.	Granted
9	Ministry of ICT and National Guidance	Request for renewal of the accreditation of the National ICT innovations support program (NIISP) selection processes as an alternative procurement method for locally developed ICT solutions.	Granted
10	Uganda National Airlines Company Ltd	Accreditation of procurement processes for Uganda Airlines.	Granted
11	Bank of Uganda	Request for renewal of accreditation on use of direct negotiations and use of the Procurement and Disposal Unit instead of the procurement agent to handle disposal by sale to staff.	Granted
12	Uganda Coffee Development Authority	Request for renewal of the accreditation of guidelines for procurement and distribution of coffee seed/seedlings.	Granted

No.	Entity	Subject Matter	Status
13	Uganda Coffee Development Authority	Request for renewal of the accreditation of guidelines for procurement and distribution of coffee seed/seedlings.	Granted
14	Uganda Railways Corporation	Application for accreditation of an alternative procurement system for procurement of various core operating items for freight and passenger train operations.	Granted
15	National Housing & Construction Company Ltd	Application for accreditation of alternative procurement and disposal systems for procurement of construction materials.	Granted
16	National Social Security Fund	Request for renewal of accreditation for the Fund's various investments.	Granted

Annex 2: Providers Suspended by the Authority

No.	Entity	Provider	Reason for the recommendation of suspension	Status
	Uganda Electricity Generation Company Ltd	SSKE Logistics (U) Ltd	Submission of a forged Tax Clearance Certificate No. FO01320245028.	Suspended for one year
	Uganda Electricity Transmission Company Ltd	Buildbase Contractors Ltd (BCL)	Submission of forged Advance payment and Performance guarantees in the tender for construction of resettlement houses for persons displaced by projects; Lot 1 Gulu-Agago (17 housing units).	Suspended for one year
	Uganda National Roads Authority (UNRA)	Kinoni Auto Trading	Breached the Code of Ethical Conduct of Providers by submitting an unauthentic bid security.	Suspended for one year
	Kitgum Municipal Council	Turukana Das Gen. Ent. Co. Limited	Breached the Code of Ethical Conduct of Providers by submitting unauthentic Transaction Tax Clearance Certificate.	Suspended for one year
	Kitagwenda District Local Government	Akidas Technical Services Ltd	Breached the Code of Ethical Conduct of Providers by submitting an unauthentic bid securities.	Suspended for two years
	PPDA's own initiative	Nampa General Supplies Ltd	Breached the Code of Ethical Conduct of Providers by submitting an unauthentic Reseller's Authorisation letter.	Suspended for one year
	PPDA's own initiative	Richiencoy Services Ltd	Breached the Code of Ethical Conduct of Providers by submitting an unauthentic Transaction Tax Clearance Certificate.	Suspended for one year
	PPDA's own initiative	Koltum Company Ltd	Breached the Code of Ethical Conduct of Providers by submitting unauthentic Transaction Tax Clearance Certificate.	Suspended for one year
	IG	Abba Technical Services Company Ltd	Breached the Code of Ethical Conduct of Providers by submitting an unauthentic Certificate of Incorporation.	Suspended for one year

No.	Entity	Provider	Reason for the recommendation of suspension	Status
	PPDA	Charomah Uganda Limited	Breached the Code of Ethical Conduct of Providers by submitting an unauthentic Reseller's Authorisation letter.	Suspended for two years
	UNRA	Suez Auto Enterprises Limited	Breached the Code of Ethical Conduct of Providers by submitting unauthentic bid securities.	Suspended for two years
	Parliament of Uganda	Visible Investments Limited	Breached the Code of Ethical Conduct of Providers by submitting an unauthentic NSSF Certificate.	Suspended for four years



THE REPUBLIC OF UGANDA

**REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF
PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2023**

**OFFICE OF THE AUDITOR GENERAL
UGANDA**

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LIST OF ACRONYMS

ACRONYMS	MEANING
Bn	Billion
ICT	Information Communication Technology
IESBA	International Ethics Standards Board for Accountants
IFMS	Integrated Financial Management System
INTOSAI	International Organization of Supreme Audit Institutions
ISSAIs	International Standards of Supreme Audit Institutions
LGs	Local Governments
MDAs	Ministries, Departments and Agencies
Mn	Million
MoFPED	Ministry of Finance, Planning and Economic Development
NTR	Non-Tax Revenue
PFMA	Public Financial Management Act
PPDA	Public Procurement and Disposal of Assets
PS/ST	Permanent Secretary/Secretary to Treasury
TI	Treasury Instructions
UGX	Uganda Shillings
UTB	Uganda Tourism Board

REPORT OF THE AUDITOR GENERAL ON THE AUDIT OF FINANCIAL STATEMENTS PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2023

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the financial statements of the Public Procurement and Disposal of Public Assets Authority (PPDA) for the financial year ended 30th June 2023, which comprise the Statement of Financial Position as at 30th June 2023, the Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows, together with other accompanying statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements of the Public Procurement and Disposal of Public Assets Authority (PPDA) for the financial year ended 30th June 2023 are prepared, in all material respects, in accordance with Section 51 of the Public Finance Management Act, 2015 and the Financial Reporting Guide, 2018 (as amended).

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Authority in accordance with the Constitution of the Republic of Uganda 1995 (as amended), the National Audit Act, 2008, the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics, the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code), and other independence requirements applicable to performing audits of Financial Statements in Uganda. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing audits in Uganda. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined the matters described below to be key audit matters communicated in my report.

1.0 IMPLEMENTATION OF THE APPROVED BUDGET

Paragraph 2 of Schedule 5 of the PFMA 2015 requires Accounting Officers to prepare an Appropriation Account showing the services for which the moneys expended were voted, the sums actually expended on each service, and the state of each vote compared with the amount appropriated for that vote by Parliament.

Entities prepare budgets every year which provide expected revenue and expenditure for the year. The budgets are supported by work plans that show what specific activities and out-puts the funds will be spent on in order to deliver services to citizens.

In arriving at my findings, I reviewed documents such as work plans, budgets and performance reports. I also conducted interviews and physical inspections to corroborate my findings from the review of documents.

The mandate of the Public Procurement and Disposal of Public Assets Authority is to regulate and facilitate public procurement in Uganda by setting standards, building capacity and monitoring compliance and ultimately contribute to socio-economic development. During the financial year 2022/2023, the Authority had a budget of UGX.23.18Bn for both Recurrent and Development expenditure as shown in the Table below;

Table 1 showing the entity's budgeted recurrent and development expenditure for the year

S/N	Details	Budget Amount (UGX Bn)	Percentage
1	Recurrent (Wage)	14.74	51.6
2	Recurrent (Non-wage)	5.43	35.5
3	Development	3.0	12.9
	Total	23.18	100

I audited UGX.18.46Bn (88.7%) of the total budget provision of UGX.23.18Bn as summarised in in the Table below;

Table 2 showing the total budget provision

S/n	Details	Budget Amount (UGX Bn)	Cumulative Percentage
1	Wage expenditure (Payroll audit)	14.74	69.3
2	Focus area- (Domestic arrears)	0.50	69.52
3	Focus area- (Insert of focus area audited)	0	0
4	PDM expenditure audited	0	0
5	Outputs/activities under budget performance review	4.06	88.7
	Total of the budget audited	18.86	
	Total budget	23.18	

Below are my findings from the performance of revenues/warrants, absorption of warrants and implementation of out-puts and activities under the budget performance review;

Table 3 showing performance, absorption of warrants and implementation of out-puts

No	Observation	Recommendation
1.1	<p>Revenue Performance</p> <p>a) Performance of NTR</p> <p>According to the approved NTR estimates for the FYR 2022/2023, the Authority budgeted to collect UGX.0.988Bn during the year. However, by the end of the year UGX.1.188Bn</p>	I advised the Accounting Officer to always raise

No	Observation	Recommendation																																				
	<p>had been collected representing a 120% performance.</p> <p>Although the performance level is commendable, over collection of NTR at vote level may be an indication that the NTR targets set were low compared to the Authority's revenue potential.</p> <p>b) Performance of GOU warrants</p> <p>The Authority had an approved budget of UGX.23.176Bn from the various programmes out of which UGX.21.265Bn was warranted resulting in a shortfall of UGX.1.911Bn representing a 91.7% performance.</p> <p>The performance of warrants from each of the programmes from which the Authority was allocated funds is shown in the table below;</p> <p>Table 4 showing performance of Gou warrants</p> <table><tr><th>Programme</th><th>Approved Budget (UGX)</th><th>Warrants (UGX)</th><th>Variance (UGX) Bn</th><th>%age performance</th></tr><tr><td>Governance and Security</td><td>21.85</td><td>20.03</td><td>1.813</td><td>91.7</td></tr><tr><td>Private Sector Development</td><td>1.32</td><td>1.22</td><td>0.097</td><td>92.6</td></tr><tr><td>Total</td><td>23.17</td><td>21.26</td><td>1.91</td><td></td></tr></table> <p>The UGX.1.911Bn that was not warranted was meant for the following activities which were either partially or not implemented at all;</p> <p>Table 5 showing partial and un implemented activities</p> <table><tr><th>S/N</th><th>Programme</th><th>Amount not warrant ed - UGX</th><th>Activities not implemented</th></tr><tr><td>1</td><td>Governance And Security</td><td>1.813</td><td>Procurement and disposal related investigations successfully completed Providers suspended Follow ups conducted on PPDA Audit recommendations Performance Audits done</td></tr><tr><td>2</td><td>Private Sector Development</td><td>0.097</td><td>Not stated in the performance report.</td></tr><tr><td></td><td>Total</td><td>1.91</td><td></td></tr></table> <p>The Accounting Officer explained that the shortfall was as a result of unreleased funds by the MoPPED.</p>	Programme	Approved Budget (UGX)	Warrants (UGX)	Variance (UGX) Bn	%age performance	Governance and Security	21.85	20.03	1.813	91.7	Private Sector Development	1.32	1.22	0.097	92.6	Total	23.17	21.26	1.91		S/N	Programme	Amount not warrant ed - UGX	Activities not implemented	1	Governance And Security	1.813	Procurement and disposal related investigations successfully completed Providers suspended Follow ups conducted on PPDA Audit recommendations Performance Audits done	2	Private Sector Development	0.097	Not stated in the performance report.		Total	1.91		<p>with the Treasury, in regard to availability of all the appropriated funds to the entity.</p>
Programme	Approved Budget (UGX)	Warrants (UGX)	Variance (UGX) Bn	%age performance																																		
Governance and Security	21.85	20.03	1.813	91.7																																		
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	Total	1.91																																				

No	Observation	Recommendation
1.2	<p>Implementation of outputs</p> <p>I assessed the implementation of six (6) outputs that had been fully quantified with a total of twelve (12) activities worth UGX.21.25 bn and noted that;</p> <ul style="list-style-type: none"> • Four (4) outputs with six (6) activities and expenditure worth UGX.12.388bn were fully implemented. • Two (2) outputs with seven (7) activities worth UGX.8.878bn were partially implemented. Out of the seven (7) activities, the entity fully implemented three (3) activities and four (4) activities were partially implemented. <p>Non-implementation of planned activities implies that the entity is not able to effectively deliver its mandate, hence affecting service delivery to the public.</p> <p>The Accounting Officer explained that the cause of unimplemented output was due to inadequate GOU cash limits and budget not released in its totality. He further explained that PPDA has continuously engaged MoFPED to ensure that adequate funds are released to the Authority to ensure that all the activities are implemented as planned.</p> <p>Details in Appendix I.</p>	<p>I advised the Accounting Officer to always ensure that all planned activities are fully implemented.</p>

2.0 **MANAGEMENT OF THE GOVERNMENT SALARY PAYROLL**

Over the years, payroll cost estimation and subsequent expenditure has been characterised by wage overruns and the persistent need for increases in funding to cater for shortfalls on salaries, yet this is an area where employee numbers are certain and specific. In his letter to the Auditor General dated 29th November 2022 referenced HRM 155/222/02, the Minister for Finance Planning and Economic Development (MoFPED) highlighted that, despite the reforms introduced by Government to mitigate against persistent supplementary requests for additional funds to cater for wage shortfalls, there have not been significant results and yet expenditure on wage is a substantial percentage of all Government entity budgets. Other anomalies highlighted included: payments for non-existent employees, underpayments to staff and irregular overpayments to staff, among others.

Accordingly, during the annual audits of all Government entities for the year ended 30th June 2023, I carried out the audit of all salary payrolls across Government, as a key audit matter, to establish the root causes of the identified challenges and propose remedial measures accordingly. The audit covered the last four financial years 2019/2020 to 2022/2023.

During the audit, I undertook a physical headcount/validation of all employees at PPDA, who existed on the February 2023 payroll, and further examined their records supporting their appointments into service. I further undertook other procedures to review the accuracy of the payroll including: reviewing the planning, budgeting and payments during the four-year period.

I established that, during the last four financial years, the PPDA had a payroll budget of UGX 32.86Bn, out of which UGX. 32.75Bn giving rise to an under-expenditure of UGX.0.106Bn as shown in the Table below.

Table 6 showing payroll budget over a four-year period

PERIOD	WARRANTED – UGX Bn	ACTUAL EXPENDITURE – UGX Bn	VARIANCE – UGX Bn
2019/2020	6.97	6.97	0
2020/2021	6.97	6.86	0.106
2021/2022	6.97	6.97	0
2022/2023	11.95	11.95	0
Total	32.86	32.75	0.106

I issued a separate detailed audit report upon completion of the audit procedures and below is a summary of the key findings from the Audit;

Table 7 summarising findings from the payroll special audit

No	Observation	Recommendation																													
2.1	<p>Validation of Employees on the Entity Main payroll</p> <p>Out of 123 employees on PPDA February 2023 salary payroll, a total of 73 (59.3%) were fully verified, 49 (39.8 %) partially verified, while 1 (0.8%) did not show up as summarised in the table below;</p> <p>Table 8 showing a summary of the validation results of staff</p> <table> <tr> <th>Details</th><th>Number of Individuals</th><th>Amount (UGX)</th></tr> <tr> <td>Total Number of staff as per February 2023 payroll</td><td>123</td><td>928,923,183</td></tr> <tr> <td>Total number of employees fully verified (A)</td><td>73</td><td>582,410,200</td></tr> <tr> <td>Total number of employees partially verified (B)</td><td>49</td><td>340,602,283</td></tr> <tr> <td>Total number of employees who appeared but were not verified (C)</td><td>0</td><td></td></tr> <tr> <td rowspan="2">The total number of employees who did not appear for headcount (no-shows)</td><td>Accounted for (on payroll) [D]</td><td>1 4,000,000</td></tr> <tr> <td>Not Accounted for (Off-payroll) [E]</td><td>0</td></tr> <tr> <td>Subtotal (A+B+C+D+E)=F</td><td>123</td><td>928,923,183</td></tr> <tr> <td>Employees who appeared for headcount but were not on the payroll - New records (G)</td><td>3</td><td>22,175,000</td></tr> <tr> <td>Overall Total covered (G+F)</td><td>126</td><td>951,098,183</td></tr> </table> <p>Below are details of the validation results;</p> <p>a) Out of 123 employees, a total of 73 (53.9%) who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified.</p>	Details	Number of Individuals	Amount (UGX)	Total Number of staff as per February 2023 payroll	123	928,923,183	Total number of employees fully verified (A)	73	582,410,200	Total number of employees partially verified (B)	49	340,602,283	Total number of employees who appeared but were not verified (C)	0		The total number of employees who did not appear for headcount (no-shows)	Accounted for (on payroll) [D]	1 4,000,000	Not Accounted for (Off-payroll) [E]	0	Subtotal (A+B+C+D+E)=F	123	928,923,183	Employees who appeared for headcount but were not on the payroll - New records (G)	3	22,175,000	Overall Total covered (G+F)	126	951,098,183	<p>I advised the Accounting Officer to periodically update employee lists, reconcile the payroll and liaise</p>
Details	Number of Individuals	Amount (UGX)																													
Total Number of staff as per February 2023 payroll	123	928,923,183																													
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Overall Total covered (G+F)	126	951,098,183																													

No	Observation	Recommendation																													
	<p>b) A total of 49 (39.8%) employees appeared for validation and were partially validated due to lack of some requisite information such: as National ID, Appointment letters, Confirmation Letters and Minutes of Appointment.</p> <p>c) 1 (0.8%) employee on the payroll did not appear for the validation because of being away for genuine reasons, and was left on the payroll, pending validation upon return.</p> <p>d) A total of 3 individuals whose names were not on the payroll appeared for the validation exercise with all pre-requisite documents. These individuals were included on the validated payroll, upon confirmation by the Accounting Officer regarding their status.</p> <p>The Accounting Officer explained that the staff identified were new and had not accessed the payroll by the time of validation.</p> <p>Accordingly, the said individuals have been included on the list of validated staff presented to the Minister of Finance Planning and Economic Development and that of Public Service for further management.</p>	<p>with other relevant stakeholders to ensure timely payroll access of new employees and deletion of those who have exited.</p>																													
2.2	<p><u>Validation of Short-term/temporary staff</u></p> <p>I noted that Public Service Standing Orders, 2021 do not provide guidance on the management of short-term /temporary employees. However, I verified employees in this category in line with Regulation 39 (2) of the Employment Regulations, 2011 and case law.</p> <p>Out of 9 employees on PPDA February 2023 salary payroll, a total of 9, (100%) were fully verified.</p> <p><u>Table 9 showing a summary of the validation results of Short-term/temporary staff</u></p> <table> <tr> <th>Details</th><th>Number of Individuals</th><th>Amount (UGX Bn)</th></tr> <tr> <td>Total Number of staff as per February 2023 short-term payroll</td><td>9</td><td>0.011</td></tr> <tr> <td>Total number of employees fully verified (A)</td><td>9</td><td>0.011</td></tr> <tr> <td>Total number of employees partially verified (B)</td><td>0</td><td></td></tr> <tr> <td>Total number of employees who appeared but were not verified (C)</td><td>0</td><td></td></tr> <tr> <td rowspan="2">The total number of employees who did not appear for headcount (D) (no-shows)</td><td>Accounted for (on payroll) [D]</td><td>0</td></tr> <tr> <td>Not Accounted for (Off-payroll) [E]</td><td></td></tr> <tr> <td>Subtotal (A+B+C+D)</td><td>9</td><td>0.011</td></tr> <tr> <td>Employees who appeared for headcount but were not on the payroll - New records (G)</td><td>1</td><td></td></tr> <tr> <td>Overall Total covered (G+F)</td><td>10</td><td>0.012</td></tr> </table>	Details	Number of Individuals	Amount (UGX Bn)	Total Number of staff as per February 2023 short-term payroll	9	0.011	Total number of employees fully verified (A)	9	0.011	Total number of employees partially verified (B)	0		Total number of employees who appeared but were not verified (C)	0		The total number of employees who did not appear for headcount (D) (no-shows)	Accounted for (on payroll) [D]	0	Not Accounted for (Off-payroll) [E]		Subtotal (A+B+C+D)	9	0.011	Employees who appeared for headcount but were not on the payroll - New records (G)	1		Overall Total covered (G+F)	10	0.012	<p>I advised the Accounting Officer to periodically update employee</p>
Details	Number of Individuals	Amount (UGX Bn)																													
Total Number of staff as per February 2023 short-term payroll	9	0.011																													
Total number of employees fully verified (A)	9	0.011																													
Total number of employees partially verified (B)	0																														
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Overall Total covered (G+F)	10	0.012																													

No	Observation	Recommendation																								
	<p>Below are details of the validation results;</p> <p>a) Out of 9 short term employees, a total of 9 (100%) who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. 1 employee who was not only the payroll appeared for the head count and was added as new.</p> <p>The Accounting Officer concurred with the validated Short-term/temporary staff payroll and committed to periodically update the employee information and payroll.</p>	<p>lists, reconcile the payroll and liaise with other relevant stakeholders to ensure timely access and to the payroll.</p>																								
2.3	<p><u>Inconsistencies in Employee Details</u></p> <p>A total of 19 employees on the Main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main and data captured by NIRA on the National Identity cards.</p> <p>Inconsistent information undermines the integrity of the entity's records and may complicate the employee service history and retirement procedures.</p> <p>This was attributed to among others: errors at the time of data capture by NIRA, errors at the time of data capture for payroll preparation and changes initiated by employees but without corresponding adjustments on the payroll.</p> <p>The Accounting Officer acknowledged the findings on the inconsistencies in recorded dates of birth and the errors in some of the names.</p>	<p>I advised the Accounting Officer to engage the affected staff and ensure that employee records are duly updated and brought to the attention of the appropriate authorities within a specified timeline for action.</p>																								
2.4	<p><u>Utilization of the Wage Budget</u></p> <p>I reviewed the Budgets and Actual Expenditure for the period 2019/20 to 2022/23 and noted that out of the UGX.32.868n budgeted and approved wage funds for the four financial years, only UGX.32.758n was spent giving rise to unspent balances amounting to UGX.0.1068n as shown in the table below;</p> <p><u>Table 10 showing analysis of spending on budgeted wage funds</u></p> <table><tr><th>Years</th><th>Budget - UGX</th><th>Actual - UGX</th><th>Un-utilized funds - UGX</th></tr><tr><td>2019/20</td><td>6.97</td><td>6.9700</td><td>0</td></tr><tr><td>2020/21</td><td>6.97</td><td>6.86</td><td>0.106</td></tr><tr><td>2021/22</td><td>6.97</td><td>6.97</td><td>0</td></tr><tr><td>2022/23</td><td>11.95</td><td>11.95</td><td>0</td></tr><tr><td>TOTAL</td><td>32.86</td><td>32.75</td><td>0.106</td></tr></table> <p>Failure to utilize the budgeted wage funds implies unrealistic budgeting in respect of the wage bill and locks resources which could have been used to deliver other public services. Besides, this could also expose the unutilized funds to the risk of misuse.</p>	Years	Budget - UGX	Actual - UGX	Un-utilized funds - UGX	2019/20	6.97	6.9700	0	2020/21	6.97	6.86	0.106	2021/22	6.97	6.97	0	2022/23	11.95	11.95	0	TOTAL	32.86	32.75	0.106	<p>I advised the Accounting Officer to always adopt prudent budgeting principles by using the positions in post and approved recruitment plan as a basis for budgeting, as guided by the Ministry of Public Service.</p>
Years	Budget - UGX	Actual - UGX	Un-utilized funds - UGX																							
2019/20	6.97	6.9700	0																							
2020/21	6.97	6.86	0.106																							
2021/22	6.97	6.97	0																							
2022/23	11.95	11.95	0																							
TOTAL	32.86	32.75	0.106																							

No	Observation	Recommendation								
	The Accounting Officer attributed the under-absorption to unfilled gaps/variances resulting delayed recruitment.									
2.5	<p><u>Review of the Entity Staff Establishment</u></p> <p>During the audit, I undertook procedures to review the completeness and relevancy of the Authority establishment and noted that, out of 160 approved positions, a total of 126 positions were filled leaving a gap of 34 vacant positions.</p> <p>Understaffing hinders the Authority's ability to effectively deliver its objectives.</p> <p>The Accounting Officer acknowledged the observation and explained that recruitment is ongoing to fill the available positions.</p>	<p>I advised the Accounting Officer to re-assess Authority's establishment and liaise with the responsible stakeholders to expedite the process of filling the vacant positions, if indeed they are all critical.</p>								
2.6	<p><u>Estimated Wage Budget for validated staff for FY 2023/2024</u></p> <p>Paragraph 2.2.2 of the Establishment Notice No. 2 of 2018 requires that while budgeting for salary and pension and gratuity, responsible Officers should consider the following parameters: Indicative Planning Figures, Staff in-post, Annual salary Increments, Cleared recruitments if any, and Full salary of employees on interdiction</p> <p>I developed procedures to determine the number of staff in post and approved recruitments as highlighted in the table below;</p> <p><u>Table 11: Showing observations and validation results for main and short-term payrolls</u></p> <table><tr><th>S N</th><th>Category</th><th>Observations</th><th>Combined Validation Results</th></tr><tr><td>1</td><td>Staff in post</td><td>In line with the validation exercise conducted, I established three categories of employees on the payroll i.e., fully validated staff, partially validated staff and staff in the Authority but not appearing on the payroll. Their wage for the FY 2023/24 has been estimated accordingly.</td><td><ul style="list-style-type: none">Complete/fully validated (A) 73Partially validated (B) 49Staff in the Authority but not on the payroll (New records) (E) - 3No shows accounted for - 1Temporary staff or graduate trainees validated - 9New record for a graduate trainee -1<p>The total validated and costed employees are 136</p></td></tr></table>	S N	Category	Observations	Combined Validation Results	1	Staff in post	In line with the validation exercise conducted, I established three categories of employees on the payroll i.e., fully validated staff, partially validated staff and staff in the Authority but not appearing on the payroll. Their wage for the FY 2023/24 has been estimated accordingly.	<ul style="list-style-type: none">Complete/fully validated (A) 73Partially validated (B) 49Staff in the Authority but not on the payroll (New records) (E) - 3No shows accounted for - 1Temporary staff or graduate trainees validated - 9New record for a graduate trainee -1 <p>The total validated and costed employees are 136</p>	
S N	Category	Observations	Combined Validation Results							
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No	Observation			Recommendation																
2	Approved recruitments	<p>I established that the Authority has a recruitment plan for the FY 2023/24 approved by the Board of Directors</p> <p>I was further availed clearance from the above Authority regarding planned recruitments and as a result, I estimated the wage cost of the recruits.</p> <p>Therefore, the total estimated payroll costs for the FY 2023/24 include all the validated, new staff and planned recruitments.</p>	<ul style="list-style-type: none">Planned recruitment Employees. 15																	
Total employees in the FY 2023/24			151																	
<p>Therefore, the Authority's recomputed wage budget for FY 2023/24 was UGX.15.22Bn to cater for 151 employees as shown in the tables below. However, for the purpose of estimation of the payroll cost, only permanent and regular contract staff have been considered. Temporary staff employee costs have not been estimated.</p> <p>Table 12: Showing the estimated wage budget for the main payroll for FY 2023/24</p> <table><tr><th>SN</th><th>Category</th><th>Number of employees</th><th>Re-computed Budget (UGX Bn)</th></tr><tr><td>1</td><td>Staff in post-refer to headcount</td><td>136</td><td>14.325</td></tr><tr><td>2</td><td>Planned recruitments - Refer to the approved recruitment plan from Accounting Officer</td><td>15</td><td>0.894</td></tr><tr><td colspan="2">Total Wage budget for the main payroll</td><td>151</td><td>15.22</td></tr></table> <p>A comparison of the Authority approved estimates of UGX.16.59Bn with the recomputed payroll costs of UGX.15.22Bn, revealed that the Accounting Officer overestimated the wage cost by UGX.1.367Bn. I also observed that PPDA pays long-service awards to its employees and this is considered part of the wage bill totalling to UGX.0.127Bn. However, this amount could not cover for the overestimated amount.</p> <p>The excess budget on wages locks the resources which could have been used to finance other Government priorities.</p>					SN	Category	Number of employees	Re-computed Budget (UGX Bn)	1	Staff in post-refer to headcount	136	14.325	2	Planned recruitments - Refer to the approved recruitment plan from Accounting Officer	15	0.894	Total Wage budget for the main payroll		151	15.22
SN	Category	Number of employees	Re-computed Budget (UGX Bn)																	
1	Staff in post-refer to headcount	136	14.325																	
2	Planned recruitments - Refer to the approved recruitment plan from Accounting Officer	15	0.894																	
Total Wage budget for the main payroll		151	15.22																	
			I advised the Accounting Officer to review the estimates taking into account the estimated employee costs																	

No	Observation	Recommendation
	The Accounting Officer explained that during FY 2022/2023, the Authority highlighted to Parliament and Ministry of Finance Planning and Economic Development, their problem of inadequate capacity to undertake their mandate due to limited staff and funding. Parliament appropriated UGX.7,848n for both wage and non-wage; adding that in the FY 2023/24, an additional appropriation of UGX.1.0 Bn was made to the wage budget, but without non-wage to cater for gratuity, NSSF and other employee costs so they could not include this in the wage plan for 2023/24, until additional non-wage is allocated. He added that discussions with MoFPED for additional resources to enable recruitment of additional staff were on-going.	for persons in post and planned recruitments and seek appropriate approval in accordance with relevant policies and legislation.
2.7	<u>Failure to enrol the Authority on IPPS/ HCM</u> Paragraph 4.5 of Establishment Notice No. 2 of 2019 requires the Responsible Officer to pay for only salaries processed through IPPS/HCM. I however noted that the Authority is not enrolled on the IPPS/HCM. Failure to enroll the Authority on IPPS/HCM undermines the rationalisation of the HCM investment, accountability, transparency and improved service delivery achieved through the automation of human resource processes. The Accounting Officer stated that PPDA had been scheduled for on boarding on IPPS/HCM, and they were yet to be scheduled by the Ministry of Public Service for training.	I advised the Accounting Officer to liaise with the Ministry of Public Service to pursue enrolment on the IPPS/HCM.

Other Information

The Accounting Officer is responsible for the other information. The other information comprises the statement of responsibilities of the Accounting Officer and the commentaries by the Head of Accounts and the Accounting Officer and other supplementary information. The other information does not include the financial statements and my auditors' report thereon. My opinion on the financial statements does not cover the other information, and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Management Responsibilities for the Financial Statements

Under Article 164 of the Constitution of the Republic of Uganda, 1995 (as amended) and Section 45 of the Public Finance Management Act, 2015, the Accounting Officer is accountable to Parliament for the funds and resources of Public Procurement and Disposal of Public Assets Authority.

The Accounting Officer is also responsible for the preparation of financial statements in accordance with the requirements of the Public Finance Management Act, 2015 and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the Ministry's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Accounting Officer has a realistic alternative to the contrary.

The Accounting Officer is responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users, taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accounting Officer.
- Conclude on the appropriateness of Accounting Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that is in compliance with the Government of Uganda Public Financial Management laws and regulations.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Accounting Officer with a statement that I have complied with relevant ethical requirements regarding independence and, to communicate with the Accounting Officer all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Accounting Officer, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Responsibilities

In accordance with Section 19 (1) of the National Audit Act (NAA), 2008, I report to you, based on my work described on the audit of Financial Statements, that; except for the matters raised in compliance with legislation section below, and whose effect have been considered in forming my opinion on financial statements, the activities, financial transactions and information reflected in the financial statements that have come to my notice during the audit, are in all material respects, in compliance with the authorities which govern them.

Report on the Audit of Compliance with Legislation

In accordance with Section 19 of the National Audit Act, 2008 (as amended), I have a responsibility to report material findings on the compliance of the Authority with specific matters in key legislations. I performed procedures primarily to identify findings but not to gather evidence to express assurance.

The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

3.0 IMPLEMENTATION OF THE AUTHORITY STRATEGIC OBJECTIVES

Paragraph 3.10.1 (a) of the Treasury Instructions, 2017 states that every Accounting Officer shall, in consultation with the relevant stakeholders, prepare a strategic plan in order to ensure achievement of the vision, mission and goals of the vote and provide an objective basis for their budget estimates and a basis for the budget program structure.

I reviewed the year three deliverables of the PPDA strategic plan for financial year 2020/2021 to 2024/2025 to evaluate its performance and noted that out of the 161 planned activities for year three (3) of the strategic plan;

- 99 activities representing 61.5% were fully implemented,
- 13 activities representing 8.1% were partially implemented, and
- 49 activities representing 30.4% were not implemented at all.

Non-implementation of planned activities implies the Authority may not be able to fully deliver its objectives during the strategic planning period.

The Accounting Officer explained that the key strategic activities that were not implemented were;

- i) Scheduling a meeting with the Attorney General. The meeting had been scheduled and confirmed by the AG on 17th January 2023. However, the AG cancelled the meeting after the members had assembled.
- ii) Development of Standard Operating Procedures for Board Stakeholder engagement. A draft was in place.
- iii) Undertaking an energy audit at the PPDA -URF Towers.
- iv) Consulting engineer's input in the development of the user guide for the works SBD. The SBDs were under revision and consultation was to be undertaken after the development of the revised SBDs following the amendment of the Regulations, 2023.
- v) Issue Guideline on special interest groups by 15th June 2023. The Activity was pending Top Management of MoFPED's guidance.
- vi) Preparation of guidelines on distinction between procurement and investment and procurement of strategic requirements.

The Accounting Officer further explained that the failure to implement all the activities as planned is attributed to;

- Non-release of 100% of the approved Annual budget. For example, FY 2022/23, the approved budget was UGX.23.1768n but only UGX.21.2658n representing 92% of the released funds.
- Inadequate funding - the estimated strategic plan budget for FY 2022/23 was UGX.34.0858n, when compared to the released amount of UGX.21.2658n, only 62% of the estimated strategic plan budget was released.

I advised the Accounting Officer to consider undertaking a wholistic review of the status of implementation of the strategic plan and determine any adjustments that may have to be undertaken given the remaining timespan, in order to implement all the agreed activities. Besides, engagement with relevant stakeholders is also encouraged.

4.0 NON-COMPLIANCE WITH STATUTORY OBLIGATIONS

Section 10.23.10 of the Treasury Instructions states that taxes and other deductions shall be remitted to relevant authorities by the due date or within ten days.

During the financial year, the Authority did not pay Social Security contribution of UGX.1.0898n which comprises 10% of the employer's contribution. Non-payment of Statutory obligations negatively affects the welfare of workers as they miss out on their benefits after providing service to the government.

The Accounting officer attributed the matter to short releases from the Treasury and explained that, the 10% NSSF falls within the unprotected non-wage expenditure category and is subject to budget cuts. Due to these budget cuts, the Authority is left with prioritisation issues in regards to mandate activities and other contractual expenses.

I advised the Accounting Officer to liaise with the relevant stakeholders especially Treasury, with a view of making the necessary budget allocation, to enable the settlement of all outstanding statutory obligations.



John F. S. Muwanga
AUDITOR GENERAL

14th December, 2023

APPENDICES

Appendix 1: Implementation of Planned Outputs

a) Fully implemented out-puts

No.	Program	Sub-program	PIAP-out	Budget Out-put	Total Out-put expenditure UGX '000'	Total No activities	Number of fully implemented activities
1	Private Sector Development	01 Enabling Environment	07010201 An overarching local content policy framework developed 16080510 Timely payments made for PPDA staff and suppliers	(0002)3 Inspection and Monitoring	1,227,007	1	1
2	Governance And Security	01 Institutional Coordination	PIAP Output: 16080506 Internal audits undertaken	(0001)4 Administrative and Support Services	2,904,846	2	2
3	Governance And Security	05 Anti-Corruption and Accountability	16080401 Performance of the public procurement and disposal systems monitored	(0001)4 Administrative and Support Services	3,127,894	1	1
4	Governance And Security	05 Anti-Corruption and Accountability	16080401 Performance of the public procurement and disposal systems monitored	(0002)4 Compliance and Enforcement Services	475,600	1	1
				(0000)3 Facilities and Equipment Management	2,642,848	1	1

b) Partially Implemented out-puts

No.	Program	Sub-program	PIAP- Outputs	Budget Out-put	Total Out- put expenditure UGX '000'	Total No activities	Number of fully implemented activities	No of partially implemented activities	No of activities that were not implemented
1	Governance And Security	05 Anti-Corruption and Accountability	16280401 Performance of the public procurement and disposal systems monitored	000012 Legal and Advisory Services	2,166,102	2	0	2	0
2	Governance And Security	05 Anti-Corruption and Accountability	16280401 Performance of the public procurement and disposal systems monitored	000007 Procurement and Disposal Services	6,709,308	5	3	2	0

FINANCIAL STATEMENTS



GOVERNMENT OF THE REPUBLIC OF UGANDA



*PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC
ASSETS AUTHORITY*

Reports and Financial Statements
For the Year Ended 30 June 2023

Government of the Republic of Uganda Public Procurement And Disposal of Public Assets Authority

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**Government of the Republic of Uganda
Public Procurement And Disposal of Public Assets Authority**

Statement of Responsibilities of the Accounting Officer

The financial statements set out on pages 10 to 43 have been prepared in compliance with the provisions of the Public Finance Management Act, 2015 as amended (the Act) and the generally accepted accounting principles for the public sector. They have been prepared on the modified accrual basis of accounting where revenue is recognised when earned with the exception of taxes and grants which are recognised when received. Expenditure on the other hand is recognised when incurred, as further detailed in the accounting policies attached to these financial statements.

In accordance with the provisions of Section 45 and Schedule 5 of the Act, as amended, I am responsible for and personally accountable to Parliament for the activities of the vote to which I am the accounting officer. Further, I am responsible for the regularity and proper use of the money appropriated to the vote to which I am the Accounting Officer. I am also responsible for authorizing any commitments made by the vote and for controlling resources received, held or disposed of by or on account of the vote. Finally, I am responsible for putting in place effective systems of risk management and internal control in respect to all resources and transactions of the vote.

Section 45 (3) of the Act requires the Accounting Officer to enter into an annual budget performance contract with the Secretary to the Treasury which shall bind the Accounting Officer to deliver on the activities in the work plan of the vote for a financial year.

Sections 50 and 51 of the Act require me to prepare and submit financial statements of my vote to the Accountant General for consolidation and to the Auditor General for audit within the timelines specified in the Act using the prescribed formats.

Accordingly, I am pleased to report that I have complied with these provisions in all material respects, and I am also 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 that may be required in relation to these financial statements.

To the best of my knowledge and belief, these financial statements are consistent with the books of account, which have been accurately maintained.

I accept responsibility for the integrity and objectivity of these financial statements, the financial information they contain, and their compliance with the Act, as amended.

Benson Tumwine
Accounting Officer

Date 26th Oct, 2023

Government of the Republic of Uganda Public Procurement And Disposal of Public Assets Authority

Commentary on the Financial Statements by the Accounting Officer

General Information about the Reporting Entity

Full Address:

PPDA-URF Towers, Plot 39
Nakasero Road
P.O.Box 3925, Kampala Uganda

Principal Activity of the Public Procurement and Disposal of Public Assets Authority

The Public Procurement and Disposal of Public Assets Authority is mandated to regulate the procurement and disposal system in Uganda. The legal mandate of PPDA is derived from the objectives as stipulated under Section 6 of the PPDA Act; namely to:

- Ensure the application of fair, competitive, transparent, non-discriminatory and value for money public procurement and disposal standards and practices;
- Harmonise the procurement and disposal policies, systems and practices of the Central Government, Local Governments and statutory bodies;
- Set standards for the public procurement and disposal systems in Uganda;
- Monitor compliance of procuring and disposing entities; and
- Build procurement and disposal capacity in Uganda.

PPDA's main responsibilities

- Monitor and report on the performance of the public procurement and disposal systems in Uganda and advice on the desirable changes
- Set training standards, competences levels, certification requirements and professional development paths in consultation with competent authorities
- Conduct periodic inspections of the record and proceedings of the procuring and disposing entities to ensure full and correct application of the PPDA Act

Key Performance highlights

As of 30th June 2023, the PPDA/URF Project was complete save for one outstanding defect of rectification of the retaining wall water slippage in Basement three. It is expected to be rectified in Quarter 1 after the works on the KCCA Storm water drainage.

The final account for the works completed was at UGX 54,106,892,962. The outstanding payment due to the contractor is 1,367,278,390 (Incl. VAT) and to be settled by Uganda Road Fund. The consultancy supervision firm, Symbion (U) Ltd was fully paid the contract sum of UGX 3,365,375,047.

Government of the Republic of Uganda
Public Procurement And Disposal of Public Assets Authority



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Government of the Republic of Uganda Public Procurement And Disposal of Public Assets Authority

Additional Key Physical Performance Highlights during the Financial Year 2022-23 are:

- i. 156 Procurement Audits and Compliance Checks (98%) were done against Annual target of 160 Audits.
- ii. 40 Contract Audits were done (133%) against an annual target of 30 Audits. The performance is attributed to additional funding from UGIFT
- iii. 21 bid preparatory audit (105%) were done against annual target of 20.
- iv. 70 investigations (78%) were completed against annual target of 90.
- v. 3,960 participants against a planned 3,000 were trained in various aspects of the procurement and disposal system.
- vi. 23 disposal assessments were done
- vii. Handled 109 written requests and 253 informal requests for guidance. The informal requests included walk-ins, emails, social media communications as well as phone calls.
- viii. Other activities carried out during the year include 15 accreditations and 14 deviations which were granted.
- ix. The Authority with support from Private Sector Foundation Uganda (PSFU) organized a National Supplier Forum under the theme 'Enhancing Stakeholder Engagement for better Public Procurement Outcomes,
- x. Further the Authority facilitated:
 - o Kampala Capital City Authority (KCCA) 3rd Suppliers' Conference 2023,
 - o Bank of Uganda 8th Annual Supplier Forum,
 - o Trained of CSOs in Open Contracting and usage of the Contract Monitoring System (CMS),
 - o Technical backstopping for the poorly performing entities in the implementation of ESHS in UGIFT sites,
 - o The 14th East African Procurement Forum (EAPF), and
 - o Engagement with Anti-Corruption Agencies among other stake holder engagements.
- xi. Under the Governance section, 14 Board meetings were held handling matters such Appointments, Renewal of contracts, confirmations, approval of midterm review report, reviewing and approval of various performance reports, reviewing and approval of the revised strategic plan, approval of the Annual Workplan and Budget among others
- xii. It further held meeting through its various committees such as 9 regulatory committee meetings, 5 Audit Risk Committee meetings, 6 advisory committee meetings, and 13 Human Resource committee meetings.
- xiii. The Authority has a staff structure of 139 staff. The staffing level in the Authority as at 30th June 2023 was at 129 staff, which represents 93.5% of the total staff structure

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Risk Management Practice and Internal Control

The Authority has an Audit and Risk Committee which is responsible for overseeing the efficiency of internal controls and effectiveness of risk management process. Management has ultimate responsibility of establishing, managing and monitoring risks and control process of the Authority.

To ensure effective risk management and control process. Risk management has been embedded in all departmental processes and procedures. The Authority establishment a risk management function system further as per the approved structure and is in the process of recruiting a Manager Risk. The risk management system enables risk identification and ensures measures are put in place to enhance achievement of the strategic objectives.

The Authority maintains focus on internal controls. The following risk and control framework is in place.

1. There is an established Internal Audit function to undertake independent review of effectiveness of governance, risk, and management and internal controls process.
2. Finance Department is in the meantime coordinating risk management process of the Authority.
3. Management Reviews, verifications, and approval of transactions are done.
4. Segregation of duties thus minimizing the risk of errors and abuse.
5. Safeguard of assets and stores consumables and periodic physical verifications.
6. Bi-Weekly management reviews of budget performance.
7. General controls and safeguards over information systems; backups and recovery procedures.
8. Specific internal policies and procedure embedded in approved manuals

Achievements of the Audit and Risk Committee and Internal Audit function for F/Y 2022/23

1. Audit and Risk Committee provides oversight function on behalf of the Board to handle financial Reports, Risk Management Reports and Audit Reports
2. The Board pre-designated the review of Financial Performance Reports from Advisory Committee to the Audit and Risk Committee.
3. The Audit Committee discharged its oversight responsibilities during the F/Y 2022/23 through review of reports from the Internal Audit Function, Risk Function and Finance function.
4. The Committee convened on 16th May, 2023 and discussed the following:
 - Risk Report as at 31st March 2023
 - Internal Audit Report for Q3 for F/Y 2022/23
 - Financial Performance Report Q3 for F/Y 2022/23

Government of the Republic of Uganda Public Procurement And Disposal of Public Assets Authority

Payroll and Pensions Management

The Authority's staff establishment is 139 staff and by the end financial year 2022-2023 the staff establishment was at 129 staff. During the financial year, 7 staff members left the authority and 33 new staff were recruited. The authority paid all staff benefits and there was no liability relating to salary and gratuity by the end of the financial year.

Asset Management

The total net book value of fixed assets as at 30 June 2023 was UGX 32,777,607,612 compared to a net book value of UGX 35,420,455,827 as at 30th June 2022. The increase in net book value is due to acquisition of assets during the period as shown in the statement of stores and other assets.

Following the conclusion of the BoS of FY21/22, the assets recommended for disposal within the report were compiled and consolidated into the disposal plan for FY22/23 and the verified assets have since been disposed.

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Action on Parliamentary Recommendations.

S/N	KEY AUDIT MATTER/ EMPHASIS OF MATTER/ OTHER MATTERS	OAG'S RECOMMENDATION	MANAGEMENT ACTION TO DATE
1.0	REVENUE PERFORMANCE:		
1.1	Performance of GoU Receipts. The approved budget of the entity was UGX 23,280Bn out of which UGX 19,521Bn was warranted. The deficit in the budget negatively impacted service delivery.	The Accounting officer is advised to liaise with MoFPED to ensure that GoU funds are released as planned to mitigate the impact of non-release of requisite funds for service delivery.	PPDA has continuously engaged MoFPED to ensure that adequate funds are released to the Authority in FY22/23.
1.2	Performance of Non-Tax Revenue (NTR). The entity budgeted to collect NTR of UGX 0.8Bn, but collected UGX 1.08Bn (i.e. 135% of the budget) representing a positive variance above the target.	The Accounting Officer is advised to engage MoFPED at the time of budgeting to develop more realistic NTR estimates utilizing the efficiencies created by the eGP system.	PPDA is in the process of engaging MoFPED to review the NTR Budget. Since e-GP system was enrolled.
1.3	Un-Supported output budgets Regulation 11(2d) of the PFM Regulations 2016 states that the work plans of a vote shall indicate the funding to be allocated to each activity. Budgets of ten (10) out of thirteen (13) outputs assessed could not be traced to individual activity costings/budgets.	The Accounting Officer was advised to ensure that activities within a given output have appropriate costs based on the cost of outputs for the entire work plan and budget, and that the funds released are absorbed based on the planned activities.	The Authority ensured that all activities have detailed costings and are aligned to the overall budget of the Authority. And funds were released based on planned activities.
2.0	STAFF ESTABLISHMENT:		
2.1	Staffing Gaps According to the staff establishment, the approved number of positions for PPDA is 139. Out of this establishment, only 112 positions were filled, leaving 27 positions vacant.	The Accounting Officer was advised to ensure that the staffing gaps of the Authority are filled.	The Authority has since filled the establishment to the tune of 136 staff during the FY22/23. The remaining position will be filled in FY 2023-24.


Benson Turantye
Accounting Officer

Date: 26th Oct. 2023

Government of the Republic of Uganda Public Procurement And Disposal of Public Assets Authority

Commentary on the Financial Statements by the Head of Accounts

Budget Performance

The budget performance for PPDA for the 12 months ended Jun, 30th 2023 was as follows:

The approved budget of the Authority for the Financial Year 2022/2023 under Government of Uganda funding was UGX 23,176,565,523. At the end of the fourth quarter, the Authority had received warrants totaling to UGX 21,263,253,779 representing 90.83% of the approved budget. Out of the approved cash warrants, UGX 21,255,539,764 was the actual funds utilized by the Authority representing 99.95% of the cash warrants.

On the other hand, Non-Tax Revenues (NTR) of UGX 1,184,221,981 Representing 165% of the annual target of 800M was collected by the end of Financial Year. The entire amount is attributed to the Register of Providers (ROP) portal fees charged.

Fixed Assets Management.

During the period of 12 months, the Authority acquired fixed assets worth 2,643,490,215 through GOU funding of which 71.48 % was capital work in process on the construction project of the office block. As a result of the change of accounting policy to Modified Accrual, we do recognize the net book value of assets bought in the year worth, Ugx 2,363,957,700. This after the depreciation expense of Ugx, 279,532,515 as compared to Ugx, 6,761,499,095 for F/Y 2021/22, were all assets bought in a year were depreciated at 100%.

As at 30th June, 2023, the value of land held by the Authority was UGX 3,020,000,000.

Increase in the Authority's Wage Bill.

Following the approval of the new organizational structure, the Board recruited 38 additional staff and implemented the revised salary structure during the FY 2022-23. Consequently, wage and salaries bill has increased to Ugx 15,278,383,394 as compared to Ugx 7,322,739,132 in the F/Y 2021/22.

Payables and Liability Management.

During the period of Twelve (12) months, on top of settling the opening payables worth UGX 203,276,665, Authority prepaid WHT worth Ugx 248,640.

As the end of quarter 4, the Authority had no outstanding multi-year commitments.

Funding Source other than Government of Uganda

- A budget of UGX. 1.76 billion Was approved by Development Partners for implementation of Development Partners funded activities in performance monitoring and capacity building.

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- i) USMID released UGX 144.64 million during the Financial Year. As at 30th June 2023, the Authority had utilized all the funds representing 100% absorption rate to conduct procurement audits and inspections in 10 Municipal Councils, Board monitoring activities in Gulu and Mbale cities, training on the procurement audit tool and to purchase stationery to aid in report writing and dissemination.
- ii) UNWOMEN released UGX 140.04 million in the financial year to facilitate the capacity building arm of the Authority in empowering women entrepreneurs to participate in public procurement. UGX 138.65 million (representing 97% of released funds) was utilized in the period.
- iii) UGIFT released UGX 749.21 million representing 90% of the budget approved to facilitate contract audits and compliance inspections at UGIFT sites
- iv) By the end of financial year FY 2022/23, Under REAP, the authority had spent 273.3 million representing 45 % of the approved budget to facilitate common user survey

Note: It is important to note that all the money under UgIFT and REAP is held by MoFPED and therefore that procurements are done by finance. Details of work plans for the financial year under each DP component are summarized in Appendices 1 to 4.

There hasn't been any material departure from the accounting principles or practices as provided for within the Public Finance Management Act 2015 and its attendant regulations.

I take full responsibility for the completeness and integrity of these Financial Statements, the financial information they contain and their compliance with the Public Finance Management Act 2015. The Trial Balance, Bank Reconciliation and the Bank Statements to 30th June, 2023 attached.

Patrick Kyakulaga.....
Head of Accounts

.....
Date

Patrick Kyakulaga
26 Oct 2023

Government of the Republic of Uganda
Public Procurement And Disposal of Public Assets Authority

Statement of Financial Performance for the Financial Year Ended 30 June 2023

[Based on classification of expenditures by nature]

	Notes	Actual 30-Jun-23 (Shs)	Actual 30-Jun-22 (Shs)
REVENUE			
Revenue from Non-Exchange transactions			
Taxes	2		
External Assistance	3		
Transfers received from Treasury- UCF	4	21,255,539,764	19,521,264,367
Transfers received from the Contingencies Fund	5		
Transfers received from other Government Units	6		
Non-Tax revenue - Non-Exchange	7	1,184,221,981	1,077,060,381
Revenue from Exchange Transactions		22,439,761,745	20,598,324,748
Non-Tax Revenue - Exchange	8		
Total Revenue		22,439,761,745	20,598,324,748
EXPENSES			
Compensation of employees	9	15,793,472,109	10,012,480,132
Goods and services consumed	10	2,703,821,643	1,679,004,191
Depreciation expense	11	279,532,515	6,761,499,095
Impairment of property, plant, and equipment	12		
Subsidies	13		
Grants and other transfers	14		
Social benefits	15	10,000,000	
Finance costs	16		
Bad debts expense	17		
Other expenses	18	46,596,020	243,928,796
Total Expenses		18,833,422,287	18,696,912,214
Foreign Exchange gains/loss	19	165,887	
Transfers to Treasury	20	1,184,221,981	1,077,060,381
Gain/ loss on asset revaluation	31		
Surplus/ Deficit for the year		2,422,283,364	824,352,153

Benson Tumanyi
Accounting Officer

Government of the Republic of Uganda
Public Procurement And Disposal of Public Assets Authority

Statement of Financial Position as at 30 June 2023.

	Notes	30-Jun-23 (Shs)	30-Jun-22 (Shs)
Current Assets			
Cash and Cash equivalents	21		
Receivables	22(c)		
Inventories	23		
Non-current Assets			
Receivables	22(d)		
Investments	24		
Property, Plant and Equipment	25	2,363,957,700	0
Non-Produced Assets	26		
Investment property	25		
Intangible assets	25		
Total Assets		2,363,957,700	-
LIABILITIES			
Current Liabilities			
Payables	27(a)	144,951,001	203,276,665
Deposits	28		
Short-term borrowings	29(a)		
Pensions	30(a)		
Non-current liabilities			
Payables	27(b)		
Long-term borrowings	29(b)		
Pensions	30(b)		
Total liabilities		144,951,001	203,276,665
Net Assets		2,219,006,699	(203,276,665)

Government of the Republic of Uganda
Public Procurement And Disposal of Public Assets Authority

Statement of Changes in Net Assets/Equity for the Financial Year ended 30 June 2023.

	Notes	30-Jun-23 (Shs)	30-Jun-22 (Shs)
At 1 July - net assets last financial year (B/F)		(203,276,665)	(1,027,628,818)
Less: Transfers to the UCP account	31		
+/- Balance sheet adjustments	31		
Revaluation reserves	31		
Add: Surplus/(deficit) for the year		2,422,283,364	824,352,153
Closing net assets/ Net worth		2,219,006,699	(203,276,665)



Benson Turamye
Accounting Officer

Government of the Republic of Uganda
Public Procurement And Disposal of Public Assets Authority

Cash flow Statement for the Financial Year ended 30 June 2023 [Direct Method]

	Notes	30-Jun-23 (Shs)	30-Jun-22 (Shs)
CASH FLOWS FROM OPERATING ACTIVITIES		21,255,539,764	19,521,264,367
<i>Revenue from operating activities (see below)</i>			
<i>Payments</i>			
Compensation of employees		13,793,472,109	10,012,480,132
Goods and services consumed		2,558,870,642	1,475,727,526
Grants and Other Transfers			
Social benefits		10,000,000	
Other expenses		46,596,020	243,928,796
Foreign Exchange gains/loss		(165,887)	
Advances paid			
Domestic arrears paid out during the year		203,276,665	1,027,628,818
Deposits paid out during the year			
Pension arrears paid during the year			
Losses of cash			
Letters of credit receivable			
Net cash inflows/(outflows) from operating activities		2,643,490,215	6,761,499,095
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		2,643,490,215	6,761,499,095
Purchase of Non-Produced Assets			
Purchase of investments			
Proceeds from sale of property, plant and equipment			
Proceeds from the sale of Non-Produced Assets			
Proceeds from sale of investments			
Net cash inflows/(outflows) from investing activities		2,643,490,215	6,761,499,095
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance Costs			
Proceeds from external borrowings			
Repayments of external borrowings			
Proceeds from other domestic borrowings			
Repayments of other domestic borrowings			
Net cash flows from financing activities			
Net increase (decrease) in cash and cash equivalents		0	0



Benson Tumutye
Accounting Officer

Government of the Republic of Uganda
Public Procurement And Disposal of Public Assets Authority

Cash flow Statement for the year ended (continued)

For cash flow purposes receipts from revenue comprise

	Notes	30-Jun-23 Shs.	30-Jun-22 Shs.
Total Revenue as per Statement of Financial Performance		21,255,539,764	19,521,264,367
Add : Advances recovered during the year			
: Revenue receivable collected during the period		1,184,221,981	1,077,060,381
: Deposits received			
Total Revenue		22,439,761,745	20,598,324,748
Less: Grants received in Kind			
Revenue in Kind (Tax waivers)			
Transfers to Treasury	30	1,184,221,981	1,077,060,381
Revenue Receivable for the reporting period			
Total revenue received for Cash flow statement purposes		21,255,539,764	19,521,264,367

Reconciliation of movement of cash during the year

	Notes	30-Jun-23 (Shs)	30-Jun-22 (Shs)
Cash and cash equivalents at the beginning of the year			
Less: Transfers to the UCP account (Previous Year Balances)	30		
Add/ (Less) : Adjustments in cash and cash equivalents	30	-	
Net increase (decrease) of cash from the <u>Cash flow Statement</u>		0	0
Cash and cash equivalents at the end of the year		0	0

For purposes of the cash flow statement, cash and cash equivalents comprise

	Notes	30-Jun-23 (Shs)	30-Jun-22 (Shs)
Cash and cash equivalents	20	0	0
Cash and bank balances		0	0



Benson Turantye
Accounting Officer

Government of the Republic of Uganda
Public Procurement And Disposal of Public Assets Authority

Statement of Appropriation for the Financial Year ended 30 June 2023
[Based on the Classification of Expenses by Nature]

	Initial Budget (Shs) (a)	Adjustments (Shs) (b)	Revised Budget (Shs) a+(b)	Actual Performance (Shs) (c)	Variance: (c)-(b)-(d)	Variance Percentage (c)/(c)
Revenue						
Taxes						
External Assistance						
Transfers received from Treasury- URP	23,176,563,593		23,176,563,593	20,283,359,764	1,921,825,829	7%
Transfers received from the Contingencies Fund						
Transfers received from other Government Units						
NTB from non-exchange transactions	719,000,000		719,000,000	1,184,321,988	(465,321,988)	65%
NTB from exchange transactions						
Total Revenue	23,895,563,593		23,895,563,593	21,467,681,752	1,458,881,841	92%
Expenditure by Nature						
Compensation of employees	16,880,604,723		16,880,604,723	15,790,833,374	1,089,771,349	6%
Goods and services consumed	3,135,331,579		3,135,331,579	2,715,150,173	420,181,407	13%
Grants and other transfers						
Social benefits	10,000,000		10,000,000	10,000,000	-	-
Finance costs						
Other expenses	104,000,000		104,000,000	46,586,030	57,413,970	55%
Purchase of Property Plant and Equipment	2,996,400,000		2,996,400,000	2,642,846,215	353,553,785	12%
Purchase of Non-Produced Assets						
Domestic assets paid	50,229,500		50,229,500	50,229,229	271	0.00%
Foreign Exchange Gain				(165,687)		
Total expenditure	23,176,365,803	-	23,176,365,803	20,283,291,334	1,921,188,582	8%
Transfer to Treasury				1,184,321,988		
Net Expenditure	719,000,000			248,640		

Government of the Republic of Uganda
Public Procurement And Disposal of Public Assets Authority

Statement of Appropriation for the Financial Year ended 30 June 2023

[Based on the Classification of Expenses by Programmes]

	Initial Budget (Shs) (a)	Adjustments (Shs) b	Revised Budget (Shs) (c)	Actual Performance (Shs) (d)	Variance: (c)-(d)-(e)	Variance Percentage (e/c)
REVENUE						
Taxes						
Technical Assistance						
Transfers received from Treasury- A/Cs	23,176,965,523		23,176,965,523	21,253,319,764	1,921,625,759	7%
Transfers received from the Contingencies Fund						
Transfers received from other Government Units						
N/E from non- exchange transactions	719,000,000		719,000,000	1,184,221,981	(465,221,981)	62%
N/E from exchange transactions						
Total Revenue	23,895,965,523	-	23,895,965,523	22,437,541,745	1,458,423,778	72%
Expenditure by Services Voted						1
Agencies Budget Allocation						
Private Sector Development	1,324,537,000		1,324,537,000	1,227,687,000	97,450,000	7%
Governance & Society	21,852,628,523		21,852,628,523	20,628,176,911	1,823,658,512	8%
Domestic interest paid						
Foreign Exchange				(165,887)		
Total expenditure	23,176,965,523	-	23,176,965,523	21,353,390,124	1,921,608,512	8%
Transfers to Treasury				1,184,221,981		
Net Expenditure	719,000,000			368,640		

Government of the Republic of Uganda
Public Procurement And Disposal of Public Assets Authority

Statement of Appropriation for the Financial Year ended 30 June 2023
[Based on the Services Voted]

	Initial Budget (a) (Shs)	Adjustments (b) (Shs)	Revised Budget (Shs) (c)	Actual Performance (Shs) (d)	Variance: (a)-(c)-(d)	Variance Percentage (a/c)
Revenue						
Taxes						
Financial Assistance						
Transfers received from Treasury- UCP	23,176,563,523	-	23,176,563,523	21,251,338,764	1,921,025,759	7%
Transfers received from the Contingencies Fund						
Transfers received from other Government Units						
NTR from non- exchange transactions	719,000,000		719,000,000	1,184,223,981	(465,223,981)	65%
NTR from exchange transactions						
Total Revenue	23,895,563,523	-	23,895,563,523	22,435,562,745	1,459,999,778	6.72
Expenditure by Programme						
Capacity Building & Advisory Services	1,324,537,000		1,324,537,000	1,227,087,000	97,450,000	7%
Legal & Investigation	2,402,606,583		2,402,606,583	2,166,182,004	236,424,579	10%
Performance Monitoring	7,684,771,402		7,684,771,402	7,184,908,411	499,862,991	7%
Corporate Affairs	5,639,792,583		5,639,792,583	5,137,864,813	501,927,770	9%
Operations	6,124,857,955		6,124,857,955	5,549,494,763	575,363,192	9%
Economic amounts paid				(165,887)		
Total expenditure	23,176,563,523	-	23,176,563,523	21,283,291,328	1,921,368,812	8%
Transfers to Treasury			719,000,000	1,184,223,981		
Net Expenditure				348,640		

Government of the Republic of Uganda
Public Procurement And Disposal of Public Assets Authority

Table (i) explaining material variances in the Statement of Appropriation

Note	Expenditure Item/ Service/ Programme	Variance Percentage	Explanation
a)	Goods and Services	13%	Failure by MoFPED to release all the approved budget affected the execution of the programmed activities
	Property, Plant and Equipment.	12%	Failure by MoFPED to release all the approved budget affected the execution of the programmed activities
	Other Expenses	33%	Failure by MoFPED to release all the approved budget affected the execution of the programmed activities

Reconciliation between total expenditure per Appropriation Accounts and per Statement of Financial Performance

	Actual 30 June 2023 (Shs)	Actual 30 June 2022 (Shs)
Total expenditure per Appropriation Account	21,255,291,124	19,521,264,367
Add:		
Letters of credit receivable prior year but delivered during the year		
Accrued expenditure	145,199,641	203,276,665
Prepayments performed		
Depreciation and impairment expenses	279,332,315	
Less:		
Letters of credit receivable at year-end		
Domestic Arrears paid	203,276,665	1,027,628,818
Non-produced assets for the period		
Purchase of PPE	2,643,490,215	
Prepayments for the period		
Foreign Losses	(143,887)	
Total Expenditure per Statement of Financial Performance	18,833,422,587	18,696,912,214

Benson Tumuye
Accounting Officer

Annex 4: Summary Performance against the Planned Target.

Indicators		Actual FY 2021/22	Planned Target FY 2022/23	Actual		Result Rating
					%	
Strengthen Regulation of Public Procurement System						
Procurement Audits and Compliance Checks	In-house and outsourced	118	160	156	98%	
Contract Audits	In-house and outsourced	55	30	40	133%	
Bid Preparatory Audits	In house	2	20	21	105%	
Disposal Audits	In house	N/A	23	23	100%	
Investigations	Completed	32	90	70	78%	
Average number of bids received	# of bids	2	5	2	N/A	N/A
Proportion of Contracts rated satisfactory from Audits	By value	62%	65%	N/A	31%	
% of contracts by value subjected to open competition	By value	58%	80%	N/A	49%	
Proportion of contracts by value awarded to local providers	By value	61%	55%	N/A	48%	
Average procurement lead time (ODB)	# of Days	194	100	100	N/A	N/A
Average procurement lead time (OIB)	# of Days	292	110	237	N/A	N/A
Procurement Plan Implementation rate	All Entities	20%	50%	N/A	26%	
Proportion of contracts completed within cost	Value	79%	70%	N/A	97%	
Contracts completed within contractual time	Value	52%	60%	N/A	63%	
Proportion of procurements implemented according to market price	value	82%	60%	N/A	78%	
Proportion of contracts where payment was made on time	Value	48%	70%	N/A	37%	

Indicators		Actual FY 2021/22	Planned Target FY 2022/23	Actual		Result Rating
					%	
Accreditations	Rejected	4	N/A	3(n=22)	13%	N/A
	Granted	22	N/A	15(n=22)	69%	N/A
	Pending consideration	2	N/A	4(n=22)	43%	N/A
Suspensions of Providers	Number of providers suspended	19(n=97)	N/A	12(n=71)	20%	N/A
	Not suspended (no merit)	24(n=97)	N/A	5(n=71)	25%	N/A
	Pending Court decision	16(n=97)	N/A	44(n=71)	16%	N/A
	Closed due to lack of information	N/A	N/A	10(n=71)	39%	N/A
Proportion of entities compliant with submission of reports	CG(monthly)	76%	2064	1827	88%	
	LG(quarterly)	58%	692	565	82%	
Proportion of entities compliant with submission of plans	CG& LG	86%	379	340	89.7%	
Proportion of PPDA recommendation implemented		69%	849	399	66%	
Enhance stakeholder engagement and management						
Training Conducted	#Stakeholders trained	2172	3000	3960	132%	
Legal Advice	Number of written guidance	170	200	109	55%	
Deviation from use of SBDs	#	N/A	15	14	93%	
Proportion of bidders who assess the procurement process as transparent	N/A	24%	50%	N/A	N/A	
External Stakeholder satisfaction levels with regard to PPDA's responsiveness and timeliness	N/A	N/A	50%	N/A	N/A	
Percentage increase in Develop- ment Partner funds mobilization	N/A	0.02%	15%	N/A	0.01%	

Indicators		Actual FY 2021/22	Planned Target FY 2022/23	Actual		Result Rating
					%	
Strengthen Institutional and Management Capacity						
Budget Performance	Wage	6.969bn	11.953bn	11.953bn	100%	
	Non Wage	4.976bn	8.225bn	6.664bn	81%	
	Development Budget	7.586bn	2.996bn	2.647bn	88%	
%age of strategic organizational targets achieved	%	61%	60%	N/A	65%	
Average staff appraisal rating	%	78%	65%	N/A	78%	
Employee satisfaction levels	%	N/A	65%	N/A	81%	
Annual budget absorption rate	%	99%	60%	N/A	99%	
Annual Auditor General rating	%	unqualified	unqualified	unqualified	unqualified	
To leverage Technology to deliver Efficiency in Public Procurement						
Procurement lead time in days for entities using EGP	#	N/A	100	N/A	N/A	N/A
Average number of bids received under EGP for every procurement advertised	#	N/A	3	N/A	N/A	N/A



≥ 70% = Satisfactory



≥ 50% < 70% = Average



< 50% = Poor

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