



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

ANNUAL PERFORMANCE REPORT

FY 2021/2022



KEY PERFORMANCE INDICATORS

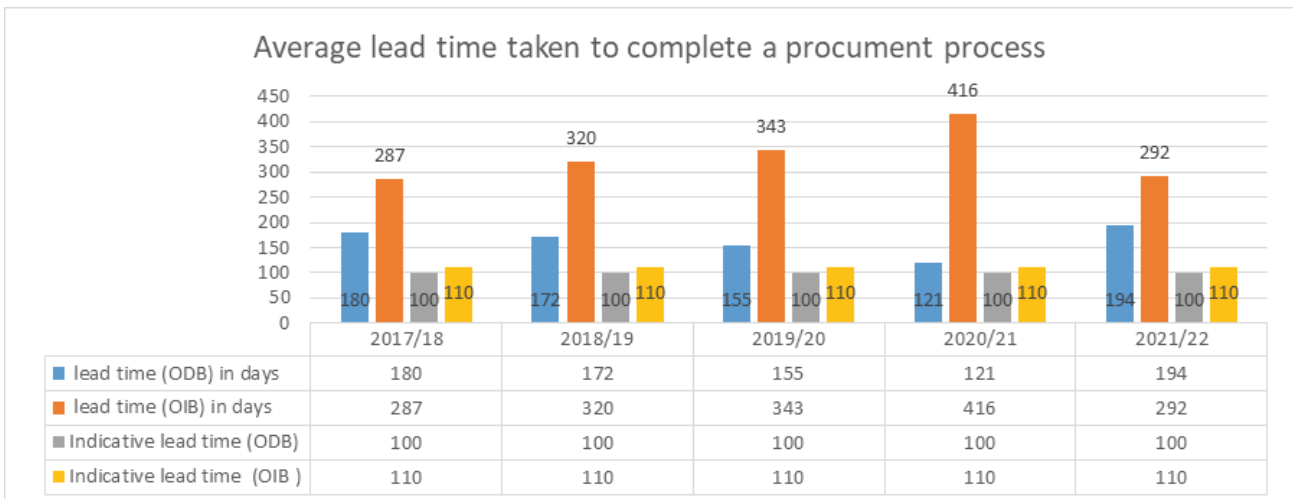
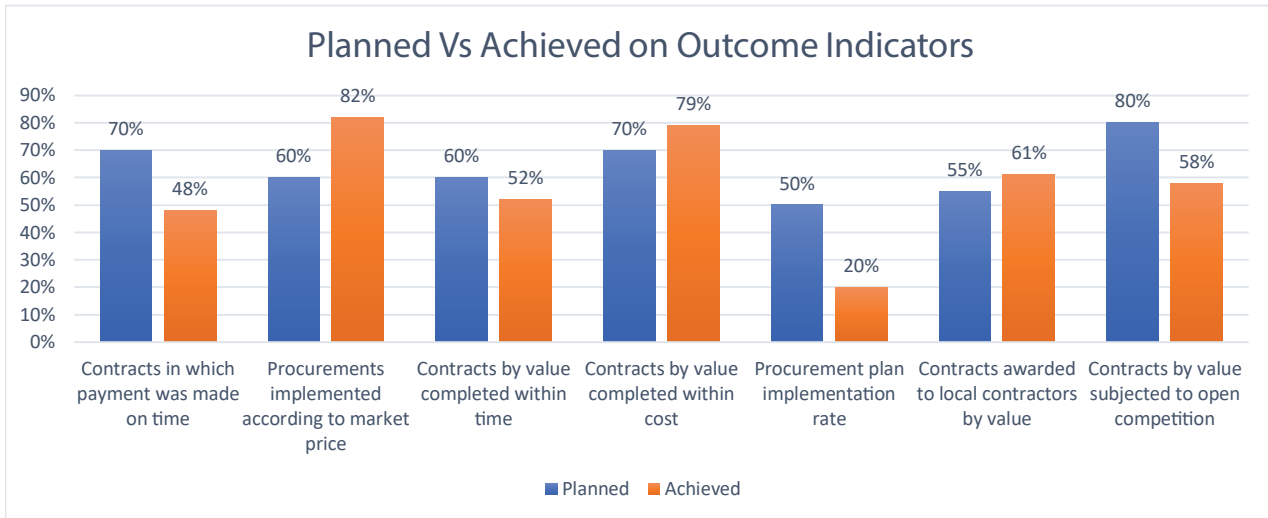


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ACRONYMS

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
UGX	Uganda Shillings
UNRA	Uganda National Roads Authority
URF	Uganda Road Fund
USD	United States Dollars



Message From The **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 2021/22. The annual Report lays down the achievements attained during the implementation of the second year of the PPDA strategic plan. The overall Performance for FY 2021/22 indicated was at 43% 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 82% against a target of 60%, proportion of contracts by value completed within cost at 79% against a target of 70% and contracts awarded to local contractors at 61% against a target of 55% for the year.

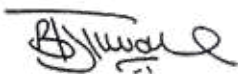
There are still non performing procurement indicators that have undermined the performance of the procurement system and these include the proportion of contracts in which payment was made on time to the providers at 48% against a target of 70%, proportion of contracts by value completed within time at 52% against a target of 60%, and proportion of contracts by value subjected to open competition at 58% 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 194 days against the indicative period of 100 days. The average lead time taken to complete a procurement under open International bidding is 292 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 40% 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



Message From The **BOARD CHAIRMAN**

On behalf of the Board of Directors of the Public Procurement and Disposal of Public Assets Authority (PPDA), I am honored to present to you the 19th Annual Report of the Authority for the Financial Year (FY) 2021/22. This is the second year of implementation of the fifth Strategic Plan FY 2020/21-2024/25 with the vision of PPDA as “A Dynamic Facilitator of the Public Procurement and Asset Disposal System for Sustainable National Development”; Mission: “To promote Service Delivery through effective regulation of the Public Procurement and Disposal System” and overall goal of achieving value for money in public procurement.

The Board continued to play its supervisory role and provided direction to the Authority in line with the four strategic objectives namely; Strengthening regulation of the public procurement system; Enhancement of stakeholder engagement and management; Strengthening Institutional and Management Capacity and Leveraging Technology to deliver efficiency in Public procurement.

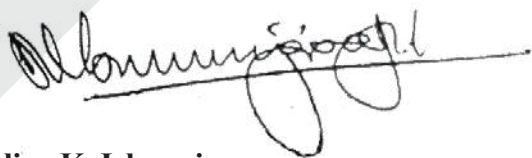
The Authority registered success in fostering accountability through collaboration with other Anti-corruption agencies and Civil Society Organizations. A Contract Monitoring System was introduced to strength contract monitoring. Electronic Government Procurement (e-GP) continues to provide a platform for increased transparency in the procurement process.

The performance of the Authority was greatly affected by inadequate funding. Furthermore, despite the interventions by the Authority to improve the procurement system, there are still inefficiencies caused by poor contract management and administrative delays among others. However, the Board is committed to put in place systems to support the achievement of the outcomes of the Strategic Plan.

In the FY 2022/23, the Authority will focus on:

1. Strengthening contract management and performance through enforcing contract monitoring in Entities aimed at addressing the capacity gaps in contract management;
2. Fast track implementation of e-GP to improve transparency and efficiency which will ultimately lower transactions costs; and
3. Promotion of the implementation of Local Content through the use of Reservation and Preference schemes. Emphasis will be put on reservation schemes to promote registered associations owned by women, youths and persons with disabilities.

I would like to express my appreciation to the Ministry of Finance, Planning and Economic Development for entrusting the Board to oversee the operations of the procurement sector. I appreciate the Management and Staff of PPDA, Development Partners and other stakeholders for their continued support and contribution to Public Procurement.



Julius K. Ishungisa
CHAIRMAN - BOARD OF DIRECTORS

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 Strategic Objectives which guides the operations of the Authority over a five-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:

- Ensure the application of fair, competitive, transparent, non-discriminatory and value for money public procurement and disposal standards and practices.
- 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.
- 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.

The Annual Report for Financial Year 2021/22 highlights the key achievements of the Authority, the challenges faced during the implementation of activities and the main activities planned for the Financial Year 2022/23 based on the priorities of the strategic plan (2020/21-2024/25).

KEY HIGHLIGHTS IN FY 2021/22

Overall, 43% 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 in figure 1 and 2 below.

Figure 1: Planned Vs Achieved on Outcome Indicators.

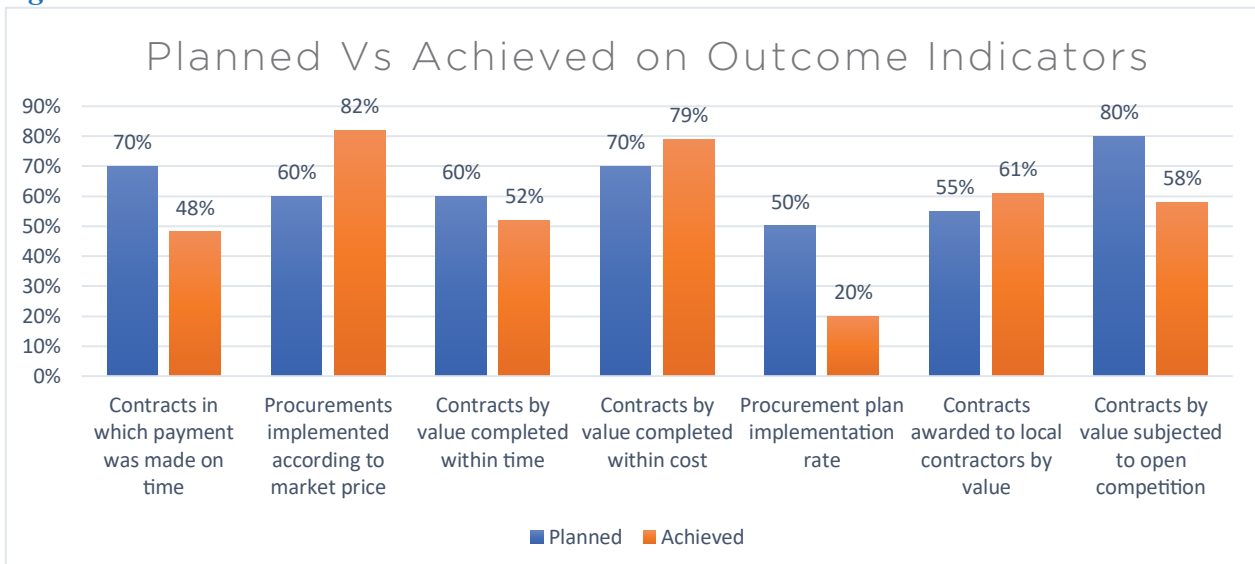
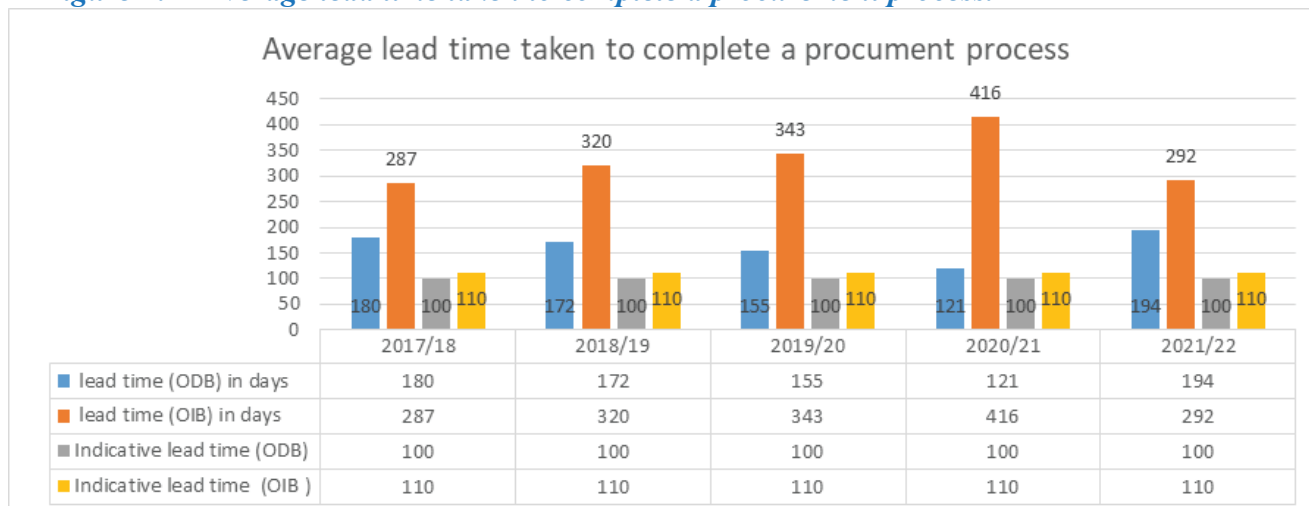


Figure 2: Average lead time taken to complete a procurement process.



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 42 Performance Audits, 55 Contract Audits, 76 Compliance Inspections and two Bid Preparatory Audits. The audit findings also revealed that only 52% of contracts by value were completed within the contractual timelines implying that 48% of the contracts by value were not completed within the contractual period. Only 58% of the procurements were subjected to open competition and payment was made on time in 48% of the contracts.

INVESTIGATIONS

During the period, the Authority investigated and issued reports on 32 complaints worth UGX 523,988,441,220. Of the 32 reports issued, 14(42%) reports were in respect to complaints from Local Governments while 18(58%) were from Central Government. The Authority found merit in 12 cases worth UGX 73,901,105,924 representing (14.1%) by value and no merit in 20 investigation cases worth UGX 450,087,335,296 representing (85.9%) by value. The complaints took an average of 117 days to be concluded. The average time taken was influenced by a complaint which took 266 days to be concluded. However a total of eight complaints were concluded within 30 days during the period.

Applications for Administrative Reviews

The Authority received and handled five applications for Administrative Review by bidders dissatisfied with the evaluation process and the decisions of Accounting Officers. The estimated cost of the procurements that were subjected to Administrative Reviews was UGX. 66,735,000,000. Three applications representing 60% were in respect to procurements by Central Government Entities and two applications representing 40% related to procurements by Local Government Entities. Two applications representing 40% were upheld and three applications representing 60% were rejected. Out of the five decisions made, one was appealed against at the PPDA Appeals Tribunal and the Authority's decision was upheld.

Accreditations

During the period under review, the Authority handled 32 applications for accreditation of alternative procurement procedures from various entities. Of these, 22 were granted, four were rejected, four were closed for lack of information and two were under consideration.

Deviations

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

- i. **Embassy of the Republic of Uganda-China:** Deviation from the use of the Standard Bidding Document in the procurement of a motor vehicle.
- ii. **Ministry of Foreign Affairs:** Bidding document for construction works for the chancery building and the official residence for the Uganda consulate general in Guangzhou – China.
- iii. **National Social Security Fund:** Approval of the bidding document for the procurement of an Enterprise Resource Planning (ERP).
- iv. **Pride Microfinance Limited (MDI):** Request to deviate from the use of a standard contract as provided for in the bidding documents when contracting with Technology Associates for the design, implementation, training and support of an enterprise service bus solution based on Service Oriented Architecture (SOA) integration model.
- v. **MAAIF:** Deviation from the Standard Bidding Document for design, supply and installation of irrigation equipment under the UgIFT (Uganda Intergovernmental Fiscal Transfer) Micro-scale irrigation program.
- vi. **UMRA-IT:** RFP for consultancy services to provide capacity building to strengthen supervisory skills for UMRA staff.
- vii. **MOFPED:** Solicitation document for procurement of TELA (Teacher Effective and Learner Achievement) system and for all similar procurement for IT under REAP (Resource Enhancement and Accountability Program)
- viii. **OPM:** Simplified bidding document for procurement of vehicles for political leaders.

Suspension of Providers

The Authority received twenty-two recommendations to suspend providers in the financial year. This was in addition to the fifty-seven complaints that were carried forward from the previous financial year resulting into seventy-nine recommendations. The Authority found merit in four recommendations and suspended the providers.

B)

ENHANCE STAKEHOLDER ENGAGEMENT AND MANAGEMENT

Civil Society Engagements

A collaborative framework was signed in 2019 by PPDA and supported by GIZ for enhancing the participation of CSOs in monitoring government projects. The Authority partnered with CSOs to improve monitoring and reporting of government procurements, disposals, and contract management processes; and have trained a number of CSOs at national and sub-national levels in contract monitoring. Based on the above, PPDA in partnership with GIZ organized a three-day workshop for PPDA staff and the leadership of the mapped CSOs to build relations, share experiences and introduce the Contracts Monitoring System (CMS).

Uganda National Association of Building and Civil Engineering Contractors (UNABCEC)

A meeting was organized between PPDA and Uganda National Association of Building and Civil Engineering Contractors to discuss the issues that included;

- i. Factors affecting the contractors' cash flow such as price fluctuations, limited use of bid bonds, performance bonds, reduction of advance payment to **15%** coupled with delayed payments of the same; and high retention amounts.
- ii. Need to operationalize the implementation of local content policy.
- iii. Proposals for improvement of procurement cycle performance.
- iv. More engagement for unbundling of contracts instead of clustering them under development partner-funded projects.

Engagement of Accounting Officers of secondary schools

Following the amendment of the PPDA ACT 2003, the PPDA together with other stakeholders is in the process of reviewing the Public Procurement and disposal regulations, guidelines and other related instruments to support PDEs in compliance and performance in regard with conducting public procurement and disposal of public assets and contracting.

It is against this background that PPDA held a stakeholder consultative meeting with government aided secondary schools across the country. The purpose of this meeting was to discuss the challenges faced in the application of the PPDA law with a view of coming up with an accreditation for schools in accordance with section 40A (3). A number of issues were raised to guide the Authority in coming up with a general accreditation for schools.

Advocating for University students' internship within the Entities

Based on the need to enhance stakeholder engagement and management and to promote standards in Procuring and Disposing Entities, the PPDA engaged PDEs to support in delivering of her mandate by equipping undergraduate university students with relevant procurement practical skills to enhance service delivery in public procurement in Uganda.

The Authority under the department of Capacity Building and Advisory Services held an engagement with 11 entities, requesting and encouraging them to partner with it and absorb undergraduate university students in their Procurement and Disposal Units (PDUs) for internship and prepare them with practical skills in handling procurement tasks. This is aimed at ensuring that institutions deliver professionals with skills required to achieve efficiency and effectiveness in the procurements conducted while in employment and it is believed will help in achieving procurement that delivers.

Enhancing Women Participation in Public Procurement

PPDA with support from UN WOMEN partnered with Uganda Women Entrepreneurs Association Limited (UWEAL) to enhance women’s participation in public procurement. Over time, PPDA and UWEAL have focused on training the women entrepreneurs to increase their capacity and ability to do business with government entities given the fact that over 60% of Government Budget is spent through Public Procurement. This followed the UN Women office facilitated study on the existing opportunities and barriers to participation of women enterprises in public procurement in September 2017, which established that over 92% of women in business lacked training about public procurement.

In the FY 2021/22, the Authority trained 154 women against a planned target of 200 in public procurement. The trainings were conducted in the districts of Kampala, Lira, Bushenyi and Tororo.

The training focused on preparation of responsive Bids, key bidding stages, criteria for registering on PPDA’s Register of Providers, formal business registration, tax registration & compliance, and an introduction to electronic Government Procurement among others. The Authority conducted an assessment to ascertain new areas for reservation in a revised Guideline or Regulations on Preference and Reservation schemes. Uganda Manufacturer’s Association (UMA) submitted data on the available capacities of the proposed new areas for reservation.

Upon evaluation of the trainings using a questionnaire issued to participants to seek their feedback on the relevance of the trainings conducted, it was observed that on average 64% of the respondents agreed that the trainings increased their knowledge in public procurement. The details are as indicated in the table 1 below.

Table 1: Sector capacities submitted by Uganda Manufacturer’s Association (UMA)

SN	Statement	Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree	Total
1	Increased knowledge in Public procurement	48%	16%	9%	15%	12%	100%
2	Enabled to formalize my business	28%	7%	45%	18%	2%	100%
3	Enabled participation in public procurement	25%	11%	40%	12%	12%	100%
4	Enabled to win contracts	20%	26%	36%	12%	6%	100%
5	Enabled to network with other entrepreneurs	43%	30%	5%	12%	10%	100%

The collaborative efforts of all the stakeholders in training women entrepreneurs yielded increased knowledge and participation in public procurement. The Authority will continuously monitor and evaluate the impact of these engagements.

Capacity Building of stakeholders

Trained 2,172 participants against a planned 3000 where trained in various aspects of the procurement and disposal system. The over performance is attributed to eGP change management training and CSOs. The break down of participants is as shown in Table 2 below

Table 2: Participants trained per various procurement category

No	Category	Number of participants	
		Planned	Actual
1.	Contracts Committee (CC), Accounting Officers(AO), Procurement Department Units (PDUs) and User Departments(UD)	1472	943
2.	Women Entrepreneurs	200	154
3.	Providers and PDUs (eGP)	500	399
4.	PDUs, Public and Political leaders (ESHS)	543	437
5.	Civil Society Organizations (CSOs)	285	239
	Total	3000	2172

The major capacity building activities included 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.

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 170 written requests for legal guidance/advice were handled during the financial year 2021/22. Out of these, 95 (56%) were from Central Government, 37 (22%) were from the Local Government and 38 (22%) were from Providers.

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.

- a) The Authority operated on an approved budget for FY 2021/22 of UGX 26.04 billion with GoU contributing 23.28 billion (89.4%) and Development Partners contributing UGX 2.76 billion (10.6%) as per Table 3 below.
- b) During the financial year, the Authority received cash releases of UGX 19.52 billion from Government of Uganda (GoU) representing 83.8% of the annual GoU budget and UGX 2.76 billion from Development Partners representing 100% of the Donor budget.
- c) Expenditure for the Period from the GoU budget was UGX 19.52 billion representing 100% of releases. Similarly, UGX 2.74 billion representing 99.2% of the Donor funds released was spent by the end of the financial year as highlighted in figure 3 below. Funding under REAP and UGIFT was managed directly from the source ministry (MOFPED)

Figure 3: Summary of Budget Performance by funding sources

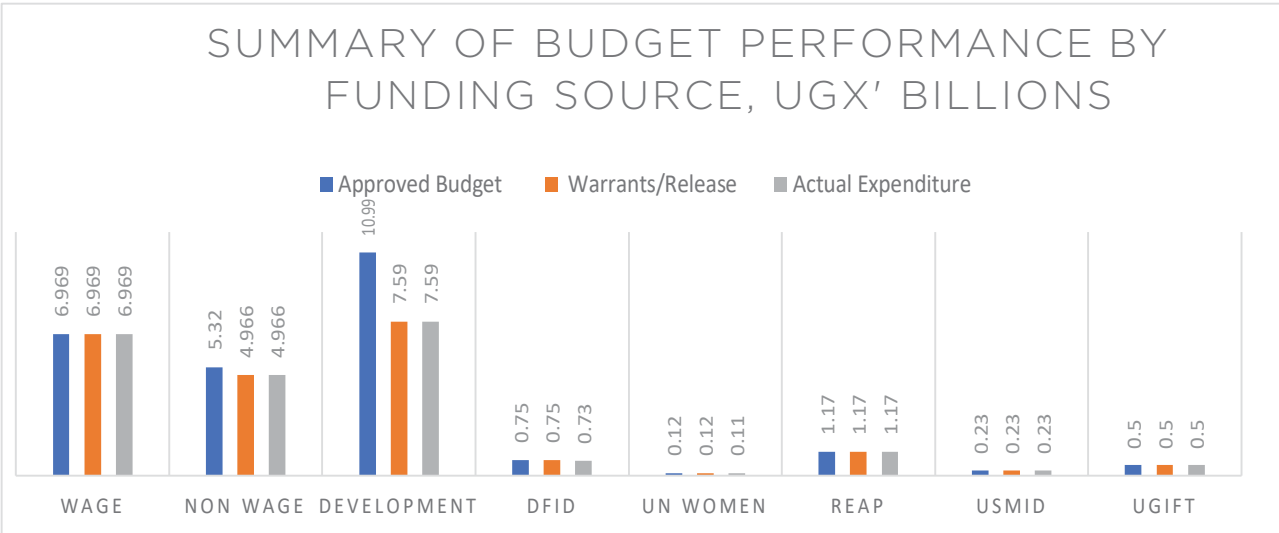


Table 3: Analysis of Budget performance per expenditure Category (GOU and Donor)

Funding Source	Approved Budget	Releases	Actual Spend	Release Vs Budget	Actual Vs Release	Remarks
	UGX' M	UGX' M	UGX' M	%	%	
Wage	6,969	6,969	6,969	100%	100%	100% budget was released and spent
Gratuity	1,667	1,667	1,667	100%	100%	100% budget was released and spent
Non-Wage Recurrent	3,653	3,299	3,299	90%	100%	90% of the approved budget was released, leading to accrual of domestic arrears in the year on rent, utilities, licenses and vehicle maintenance.
Development	10,994	7,586	7,586	69%	100%	69% of the approved budget was released in the year. Purchase of office furniture and office equipment for the new office block could not be completed as planned.
Total GOU	23,283	19,521	9,521	84%	100%	
DONOR						
Performance Monitoring	859	859	840	100%	94%	Off Budget support received from DFID, USMID, REAP and UGIFT and 94% was utilized to conduct contract audits, compliance inspections and contract audits across the nation. A Contractor Reference Portal was developed and implemented. 11 billboards on transparency and accountability were installed along the four major regional highways.
Capacity Building	1,600	1,600	1,598	100%	100%	100% of funding received from UN Women, UGIFT and REAP to facilitate training of women entrepreneurs and on monitoring and implementation of ESHS requirements in procurement.
Capital Development (DFID)	298	298	298	100%	100%	100% of funding received from DFID to purchase office furniture and video conferencing equipment.
Total Donor	2,757	2,757	2,736	100%	99%	
Total Budget	26,040	22,279	22,257	86%	100%	

DONOR FUNDING

UN WOMEN

The Authority received funding of UGX 115 Million to facilitate the enhancement of women's participation in public procurement in the period. During the period, UGX 112,430,005 (representing 98%) was utilised in collaboration with Uganda Women Entrepreneurs Association Limited (UWEAL) to conduct sensitisation workshops in the North, East, West and Central regions, radio talk shows, round table dialogues and press conferences on Women entrepreneurship in Uganda.

Resource Enhancement and Accountability Programme

The Authority received UGX 1.165 Billion to enhance VFM in public procurement for large complex procurements through capacity building and establishment of a monitoring and evaluation framework for public procurement. 100% of the budget was released and utilised during the financial year to develop IEC materials that promote local content, conduct training for PPDA staff and conduct research for the Monitoring and evaluation framework for the public procurement system. 100% of the budget was absorbed by the end of the financial year

The Department for International Development

The Authority received a Trust Fund of USD 837,800 for Implementing Change Management Strategy for e-GP and for building capacity for PPDA and its Stakeholders. With the change in scope of the e-GP project, USD 344,433 of the funding was cancelled. USD 493,367 was approved to finance open contracting activities, procurement of video conferencing facilities, tooling of the PPDA training room, establishment of the Contractor Reference Portal and installation of 11 billboards along four major highways in the Northern, Eastern and Western regions.

During the financial year 2021/2022, the Authority received USD 212,043 (UGX 747,529,786) and utilized USD 206,706 (UGX 728,716,323) to install 11 billboards in all the four regions of the country, conduct open contracting trainings across the nation and procure furniture and video conferencing facilities for PPDA training room and establish a Contractor Reference Portal. The DFID project was closed on the 31st March 2022 having absorbed 97% of funds released.

Uganda Intergovernmental Fiscal Transfer Programme

The Authority received funding support from UgIFT to facilitate compliance inspections in government entities implementing the ESHS, the dissemination trainings for the implementers and for the sensitization of bidders applying the ESHS in their bidding process. UGX 500 Million was allocated and by 30th June 2022, 100% of the budget had been absorbed.

D)

LEVERAGING TECHNOLOGY TO DELIVER EFFICIENCY IN PUBLIC PROCUREMENT

E-GP Change Management and Training

The Authority in conjunction with other stakeholders such as MOFPED, MoICT, NITA –U conducted meetings on change management during the period under review. Several successes were realized as a result of these meetings including Bidder registration on the system, development of training materials and refresher training for pilot entities.

Automation of PPDA’s Stakeholder Management System to Improve Effectiveness

As away of strengthening Stakeholder Management System, a Supplier Portal was developed with support from DFID to provide information on Supplier contracts. A provider contract tracking tool was developed to automate the capture of monthly and quarterly reports so that data on all the current contractual obligations of each provider is extracted and readily available. This data can then be reconciled and published for easy reference by all PDEs as they navigate the bid evaluation process. This will ensure that contracts are not awarded to providers who are already stretched and therefore lack the capacity to successfully execute new contractual obligations. This solution will improve procurement outcomes by streamlining the efficiency and effectiveness with which contracts are awarded and will also improve the Authority’s ability to analyze procurement data.

Develop Strategies to Improve Automation of Internal Processes

The Authority purchased four full sets of Video Conferencing Equipment with support from DFID/World Bank for headquarters and for all the three regional offices. The equipment was set up in the boardrooms of each of the four offices and staff are able to join online zoom conferences as one team in a room instead of having separate individual zoom connections for the same meeting.

Table 4: Summary of key outputs and results for FY 2021/22

Indicators		Actual FY 2020/21	Planned Target FY 2021/22	Actual		Result Rating
				#	%	
Strengthen Regulation of Public Procurement System						
Procurement Audits and Compliance Checks	In-house and outsourced	157	160	118	74%	
Contract Audits	In-house and outsourced	80	30	55	183%	
Bid Preparatory Audits	In house	6	5	2	40%	
Investigations	Completed	54	90	32	36%	
Administrative Reviews	Rejected	33	N/A	2	40%	N/A
	Upheld	16	N/A	3	60%	N/A
	Withdrawn	0	N/A	0	0	N/A
PPDA Appeals Tribunal	% Cases upheld by Tribunal n=15	47%	100%	0	0	
Average number of bids received	# of bids	2	5	2	N/A	N/A
Proportion of Contracts rated satisfactory from Audits	By value	64%	65%	N/A	62%	
% of contracts by value subjected to open competition	By value	72.1%	75%	N/A	58%	
Proportion of contracts by value awarded to local providers	By value	74.3%	50%	N/A	61%	
Average procurement lead time (ODB)	# of Days	121	100	194	N/A	N/A
Average procurement lead time (OIB)	# of Days	416	110	292	N/A	N/A
Procurement Plan Implementation rate	All Entities	26%	50%	N/A	20%	N/A
Proportion of contracts completed within cost	Value	61.7%	70%	N/A	79%	
Contracts completed within contractual time	Value	60%	60%	N/A	52%	
Proportion of procurements implemented according to market price	value	43%	60%	N/A	82%	
Proportion of contracts where payment was made on time	Value	47.3%	70%	N/A	48%	
Accreditations	Rejected	4	N/A	4 (n=32)	13%	N/A
	Granted	5	N/A	22 (n=32)	69%	N/A
	Pending consideration	6	N/A	2 (n=32)	43%	N/A
	Closed for lack of information	N/A	N/A	4 (n=32)	13%	N/A

Indicators		Actual FY 2020/21	Planned Target FY 2021/22	Actual		Result Rating
				#	%	
Suspensions of Providers	Number of providers suspended	19 n=97	N/A	19 (n=97)	20%	N/A
	Not suspended(n o merit)	24 (n=97)	N/A	24 (n=97)	25%	N/A
	Pending Court decision	16 (n=97)	N/A	16 n=97	16%	N/A
	Still under consideration	N/A	N/A	38 (n=97)	39%	N/A
Proportion of entities compliant with submission of reports	CG(monthly)	75.6%	2238	1693	76%	
	LG(quarterly)	58%	696	404	58%	
Proportion of entities compliant with submission of plans	CG& LG	90.2%	397	358	86%	
Proportion of PPDA recommendation implemented					69%	
Enhance stakeholder engagement and management						
Training Conducted	# Stakeholders trained	2902	3000	2172	72%	
Legal Advice	Number of written guidance	132	160	170	106%	
Deviation from use of SBDs	#	N/A	9			
Proportion of bidders who assess the procurement process as transparent	N/A	24%	50%	N/A	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	N/A
Percentage increase in Development Partner funds mobilization	N/A		15%	N/A	N/A	N/A

Indicators		Actual FY 2020/21	Planned Target FY 2021/22	Actual		Result Rating
				#	%	
Strengthen Institutional and Management Capacity						
Budget Performance	Wage	6.968bn	6.969bn	6.969bn	100%	
	Non Wage	5.048bn	5.330bn	4.976bn	93%	
	Development Budget	6.681bn	10.994bn	7.586bn	69%	
%age of strategic organizational targets achieved	%	50%	60%	N/A	50%	
Average staff appraisal rating	%	78%	65%	N/A	78%	
Employee satisfaction levels	%	N/A	65%	N/A	N/A	
Annual budget absorption rate	%	99%	60%	N/A	99%	
Annual Auditor General rating	%	unqualified	unqualified	N/A	N/A	
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	
Average number of bids received under EGP for every procurement advertised	#	N/A	3	N/A	N/A	

Key to Performance

	≥70% = Satisfactory
	≥50≤70 = Average
	<50%=Poor

CHAPTER 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 5: Objectives and Functions of the Authority

No	Objective	Functions
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 2020/21- 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.

VISION

“A Dynamic Facilitator of the Public Procurement and Asset Disposal System for Sustainable National Development”

MISSION:

“To promote Service Delivery through Effective Regulation of the Public Procurement and Disposal System”

OVERALL GOAL:

To ensure that the public procurement and disposal system in Uganda achieves value for money”

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 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.

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

05 **Mr. David Kiyingi Nyimbwa:**
Member

02 **Ms Rita Namakiika Nangono:**
Member

06 **Mr. David Sserebe Bbunya:**
Member

03 **Eng. George William Bwanga:**
Member

07 **Dr. Levi Kabagambe (PhD):**
Member

04 **Arch. Dorothy Abola:**
Member

08 **Mr. Benson Turamye:**
Member



Dr. Levi Kabagambe (PhD)
Member

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, coordination of other departments and coordination with other government agencies, Public relations, research activities among others. The Executive Director oversees the following Departments of the Authority:

- i. Legal and investigations: The Department adopts, adapts and upgrades the common specification standards as well as issuing guidelines for public procurement and disposal sector.
- ii. Performance Monitoring: This Department is mandated to carry out procurement and disposal contract and performance audits.

- iii. Capacity Building and Advisory Services: This Department sets training standards, implements capacity building interventions in collaboration with PDEs, providers, training and research institutions and also sets competence level certification systems. It is also in charge of advisory services and monitoring compliance to the set standards.
- iv. Operations: This Department is responsible for the smooth management of financial, human resource and administrative affairs of the Authority.
- v. Corporate Affairs: This Department is responsible for strategic planning, monitoring and evaluation, public relations and managing both the internal and external relations of the Authority.

As at the end of June 2022, the Authority had a staff complement of 103(74%) out of the 140 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 4: Approved Structure against filled positions

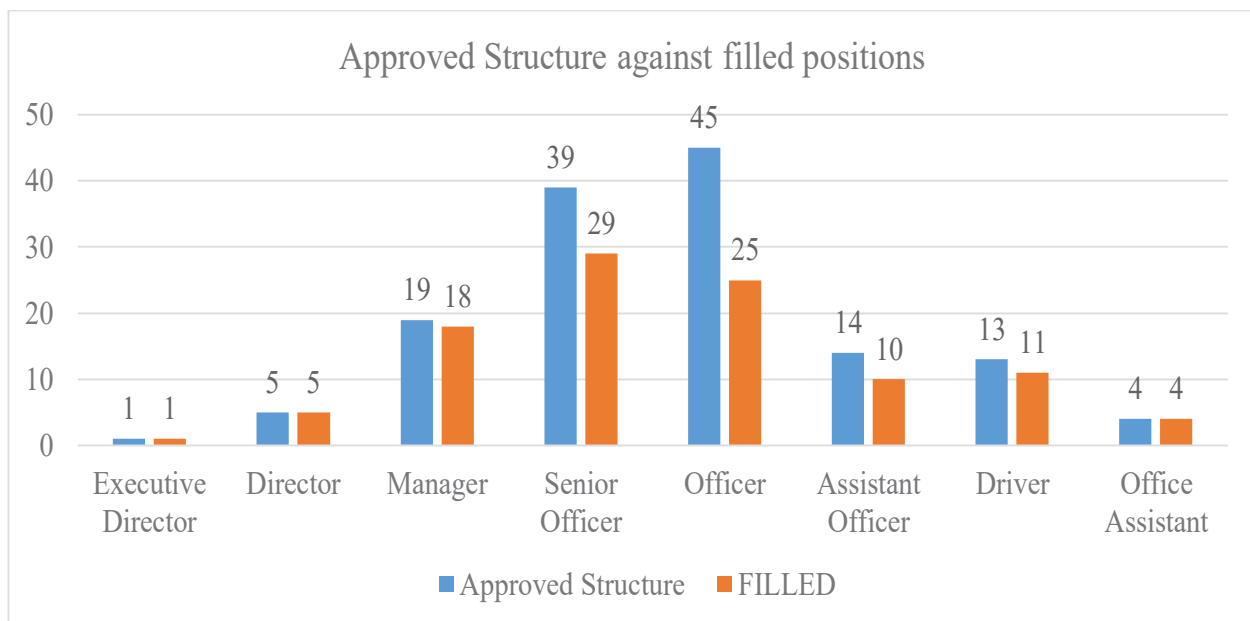
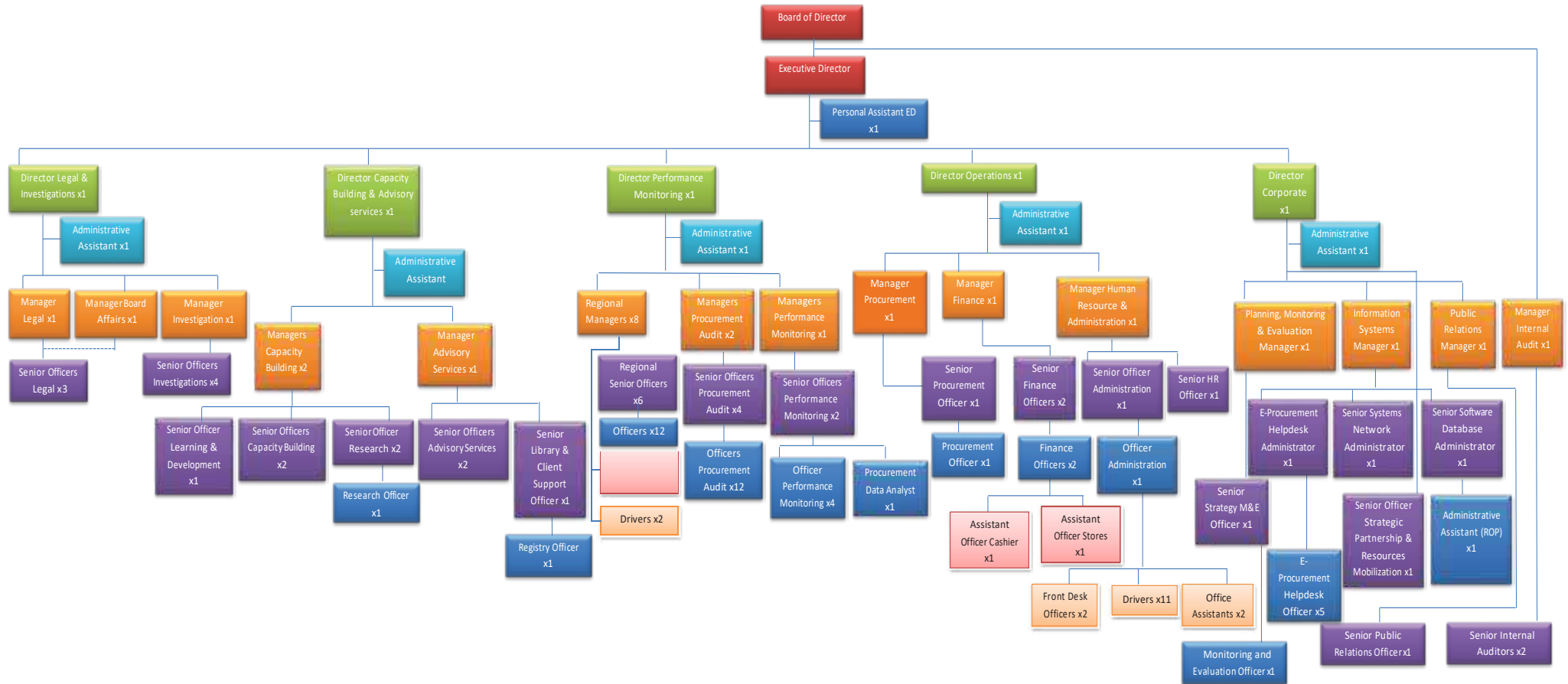


Figure 5

ORGANISATIONAL STRUCTURE OF THE AUTHORITY



CHAPTER 2

STRENGTHEN REGULATION OF PUBLIC PROCUREMENT SYSTEM

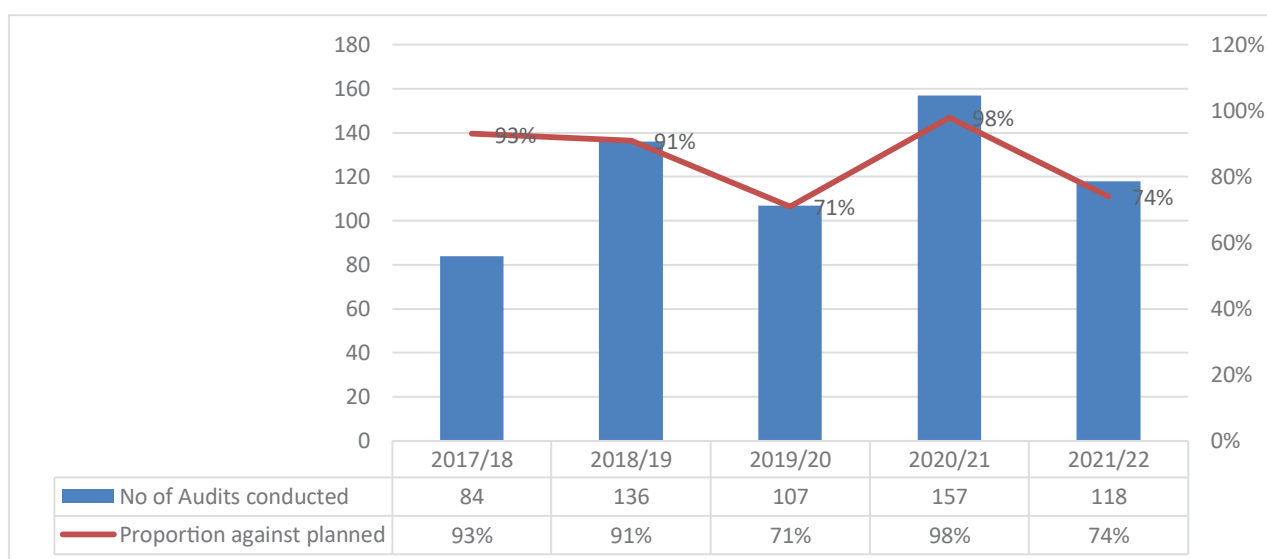
2.0 BACKGROUND

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) of the PPDA Act, the Authority is mandated to conduct Procurement and Disposal Audits in Procuring and Disposing Entities. The Authority completed 42 performance audits (60%) in the FY 2021/22 out of the planned 70 audits as per the strategic plan. The 42 Entities covered a representative sample of 995 contracts worth UGX 1,357,564,959,671. The variance was a result of COVID-19 related restrictions in Entities that experienced an upsurge in infections which limited filed activities. The Authority undertook a total of 76 (84%) compliance inspections out of 90 that were planned as illustrated in figure 6 below. The inspections covered a sample of 643 contracts worth UGX 168,214,249,107.

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.

A total of 55 (183.33%) contract audits worth UGX 2,823,671,982,327 were undertaken by the Authority out of the planned 30 contract audits.

The Authority also undertook 2 bid preparatory audits (40%) out of the planned 5 audits worth an estimated amount of UGX 48,362,415,634 wherein the procurement planning, and completeness, appropriateness and adequacy of bidding documents issued by Entities were reviewed.

The Authority further undertook reviews of the performance of three NDP III projects covering six contracts worth UGX 229,460,176,615, USD 43,638,836.52 and JPY 2,289,324,131. out of the four planned performance reviews.

The performance audit findings indicated that two Entities (6.33%) were highly satisfactory, 30 (71.43%) were satisfactory, nine (21.43%) were unsatisfactory and one (2.38%) was highly unsatisfactory. The audit findings also revealed that only 52.7% of contracts by value were completed within the contractual timelines implying that 41.3% of the contracts by value were not completed within the contractual period. Delays in contract implementation were noted to have been as a result of distortions in the global supply chains as a result of COVID-19 disruptions that affected providers' abilities to provide good and services. Table 6 below illustrates the overall performance rating of entities under performance audits.

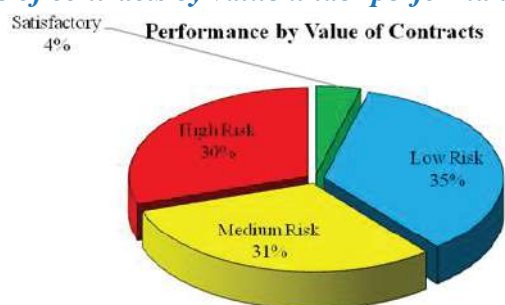
Table 6: Overall Performance Rating of Entities under performance audits

Category of Performance	Number of Entities	Percentage (%)
Highly Satisfactory	2	6.33
Satisfactory	30	71.43
Unsatisfactory	9	21.43
Highly Unsatisfactory	1	2.38
Total	42	100

The compliance inspection findings indicated that most Entities did not have in place mechanisms for implementation of previous audit recommendations with 76.67% of Entities failing to fully implement previous audit recommendations. Additionally, Entities did not submit monthly and quarterly reports within 15 days of the month preceding the reporting period in contravention of the Circular issued by the PS/ST on use of the GPP and reporting.

Of the 1,752 sampled procurements, UGX 836,879,152,459 (30.04%) were categorized as high risk by value and UGX 858,861,915,494 (30.83%) were medium risk by value, UGX 979,178,515,863 (35.14%) were low risk by value and 417 (26.88%) while UGX 111,200,185,533 (3.99%) were satisfactory by value .

Figure 7: Performance of contracts by value under performance audits.



Monitoring Entities to ensure efficiency in their procurement processes

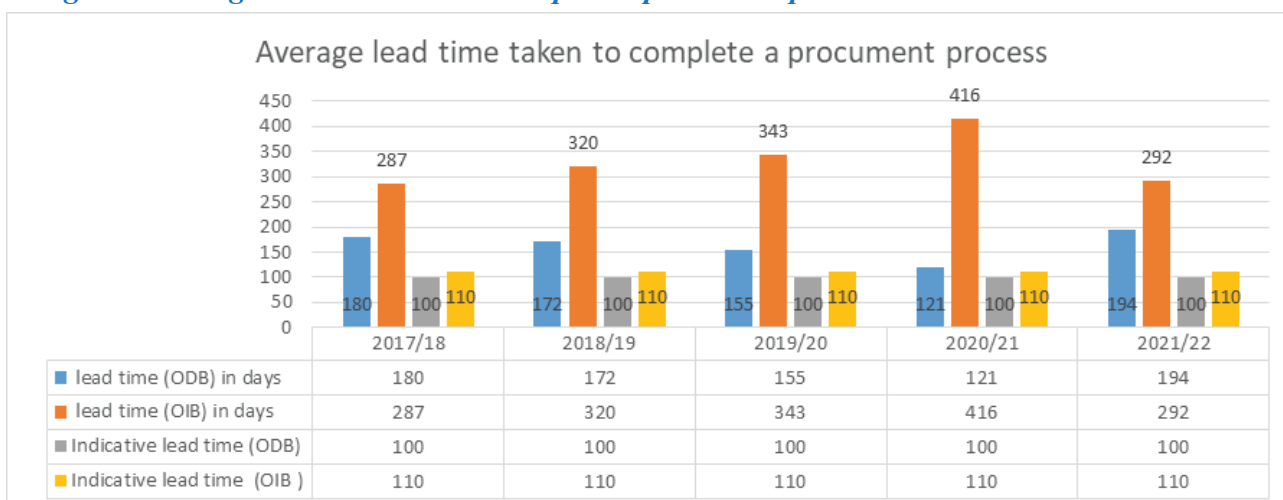
Through use of the Government Procurement Portal as well as review of monthly/quarterly reports, procurement plans and performance audits, the Authority was able to monitor the efficiency of procurement processes within Entities. Performance under this indicator deteriorated for open domestic and international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

The Authority has 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 have indicated major delays are at the evaluation stage with evaluation delays in some Entities such as UNRA lasting 220 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. Time taken at these stages remains 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 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.

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



Promoting the implementation of Local Content in public procurement. This indicator is intended to gauge the participation of local firms in the public procurement market. Since the public procurement market accounts for a significant proportion of the economy, it is important that for local economic development local firms get a significant share of this market.

The total number of contracts awarded to local providers declined from 97.7% in the FY 2020/21 to 86.6% in FY2021/22. In terms of value, there was a decrease of 13.3% between the proportion of contracts awarded to local providers in FY2020/21 of 74.3% and the proportion of contracts awarded to local providers in FY2021/22 of 61% . This means that whereas the number of contracts done by foreign providers are very few in number, in terms of value, they are high. Many of the large contracts continue to be executed by foreign providers.

2.2 Investigations

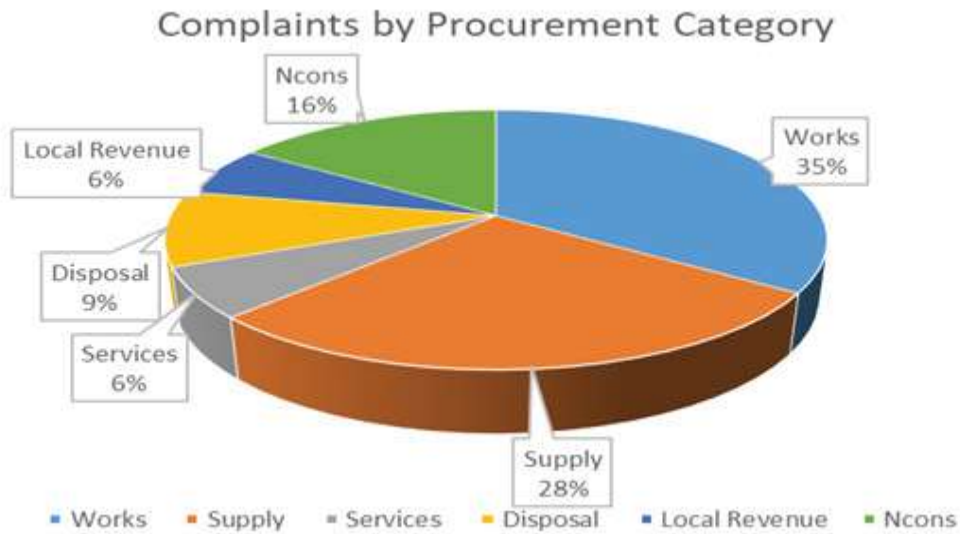
During the period, the Authority investigated and issued reports on 32 complaints worth UGX 523,988,441,220. Of the 32 reports issued, 14 reports (42%) were in respect to complaints from Local Governments while 18 (58%) were from Central Government. The complaints took an average of 117 days to conclude. The average time taken was influenced by a complaint which took 266 days to conclude. However a total of eight complaints were concluded within 30 days during the period. Table 7 below show the number of complaints that were merit.

Table 7: Complaints that had Merit Vs No merit by Number and Value

No	Merit/No merit	Number	Percentage (%)	Value (UGX)	Percentage (%)
1.	Merit	12	37.5	73,901,105,924	14.1
2.	No Merit	20	62.5	450,087,355,296	85.9
Total		32	100	523,988,441,220	100

Out of the 32 complaints concluded and issued, 11 were related to works, nine were related to supplies, two were related to services, two were related to local revenue, three were related to disposal and six related to Non-Consultancy services. Figure 9 below shows the complaints by procurement category.

Figure 9: Complaints by Procurement Category

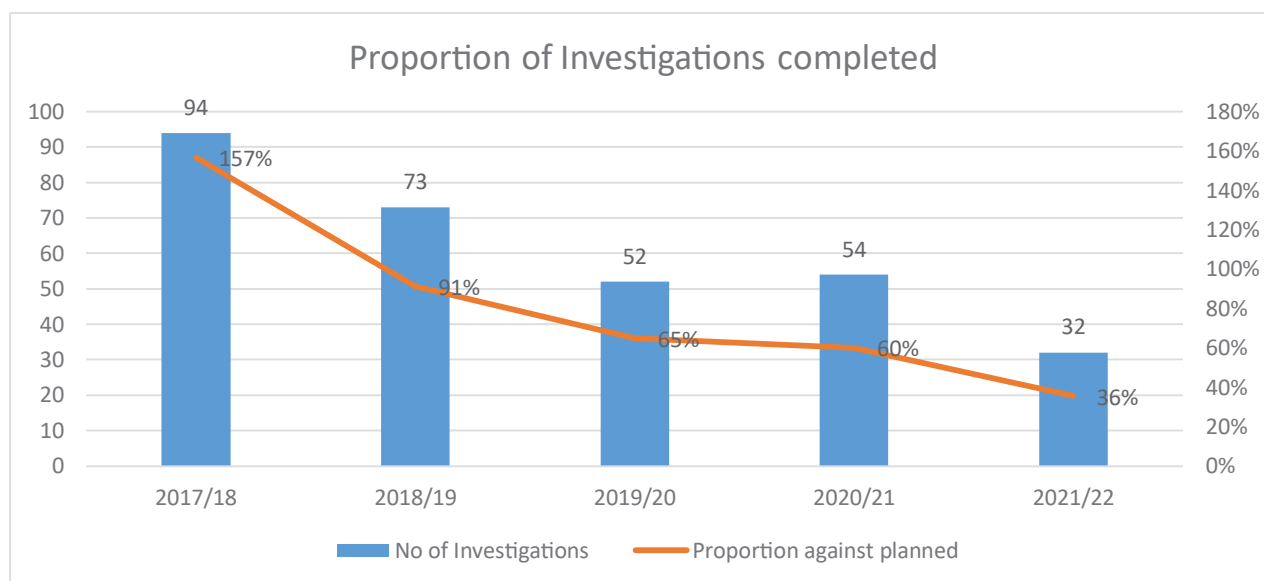


The investigations found non-adherence to the evaluation criteria in the bidding document by the Evaluation Committee and the Authority recommended re-evaluation of the bids. The investigations also revealed cases where there was total non-adherence to principles of fairness and transparency and the entity was directed to seek Solicitor General’s guidance since the contracts were already executed.

The investigations conducted revealed the following:

- i. Non adherence to the requirements in the bidding document;
- ii. Failure by the Procurement and Disposal Unit to maintain and archive records procurement and disposal process;
- iii. Failure to sign and stamp all the key pages of the bid containing financial information at bid opening in accordance with Regulation 65 (6) of the PPDA (Rules and Methods for procurement of supplies, works and non-consultancy services) Regulations SI No. 8 of 2014;
- iv. Lack of transparency in the procurement process;
- v. Undertaking of negotiations contrary to Section 74 of the PPDA (Amendment) Act, 2021;
- vi. Failure to communicate the cancellation of the procurement process;
- vii. Use of brand names when describing supplies or works as this limits competition;
- viii. Accounting Officer usurping the powers of Contracts Committee;
- ix. Failure by the Head Procurement and Disposal Unit to give guidance to the Evaluation Committee during evaluation;
- x. Failure by the Evaluation Committee to adhere to the evaluation criteria in the solicitation document at bid evaluation;
- xi. Entities issuing bidding documents without detailed specifications;
- xii. Wrongly rejecting bids by the Entities for late submission;
- xiii. Failure to conduct procurements in accordance with the value for money principle

Figure 10: Trend of Investigations over the five year period



The declining trend is attributed to the fall in the number of complaints in relation to the targeted investigations per year.

2.3 Applications for Administrative Reviews

The Authority received and handled five applications for Administrative Review by bidders dissatisfied with the evaluation process and the decisions of Accounting Officers. The estimated cost of the procurements that were subjected to Administrative Reviews was UGX. 66,735,000,000. Three applications representing 60% were in respect to procurements by Central Government Entities and two applications representing 40% related to procurements by Local Government Entities. Two applications representing 40% were upheld and three applications representing 60% were rejected. Out of the five decisions made, one was appealed against at the PPDA Appeals Tribunal and the Authority’s decisions was upheld. The summary of the applications for Administrative Review handled during the year are as reflected in table 8 below.

Table 8: Administrative Reviews handled

Decisions made	Number	percentage
Upheld	2	40%
Rejected	3	60%
Total	5	100%
Source of complaints		
Central Government	3	60%
Local Government	2	40%

In the two applications where the Authority found merit, the Authority directed the Entities to re-evaluate the bids.

2.4 Deviations

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

- i. Embassy of the Republic of Uganda-China: Deviation from the use of the Standard Bidding Document in the procurement of a motor vehicle.
- ii. Ministry of Foreign Affairs: Bidding document for construction works for the chancery building and the official residence for the Uganda consulate general in Guangzhou – China.
- iii. National Social Security Fund: Approval of the bidding document for the procurement of an Enterprise Resource Planning (ERP).
- iv. Pride Microfinance Limited (MDI): Request to deviate from the use of a standard contract as provided for in the bidding documents when contracting with technology associates for the design, implementation, training and support of an enterprise service bus solution based on Service Oriented Architecture (SOA) integration model.
- v. MAAIF: Approved deviation from the Standard Bidding Document for design, supply and installation of irrigation equipment under the UgIFT (Uganda Intergovernmental Fiscal Transfer) Micro-scale irrigation program.
- vi. UMRA-IT: RFP for consultancy services to provide capacity building so as to strengthen supervisory skills for UMRA staff
- vii. OPM: Simplified bidding document for procurement of vehicles for political leaders.

2.5 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.

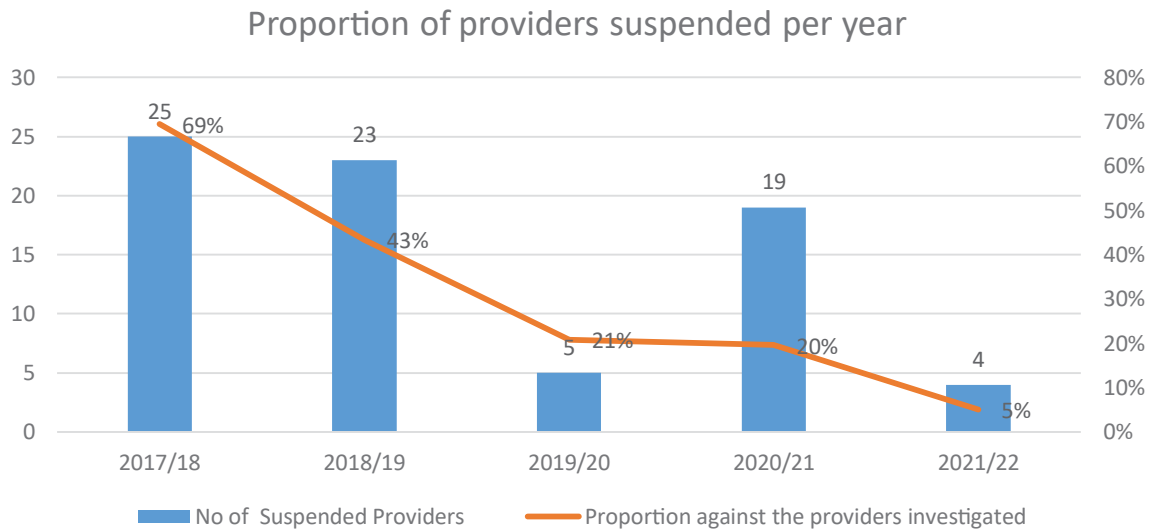
The Authority received 32 recommendations to suspend a provider in the financial year. This was in addition to the 57 complaints that were carried forward from the previous financial year resulting into 79 recommendations. The Authority found merit in four recommendations and suspended the providers. Table 9 below gives the status of the 79 recommendations.

Table 9: Status of suspension

Action	Number of cases	Reason
Suspended	4	Forgeries and fraudulent practices
Not Suspended	11	No merit in the recommendation
Halted	16	Pending court decision
Not handled	28	Still under investigation
Closed	18	Lack of information¹
Withdrawn	3	N/A
Total	79	

¹. One was referred to CID for further investigations

Figure 11: Proportion of providers suspended per year



2.6 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 are still under consideration. The details of the accreditations handled are shown in Annex 1.

CHAPTER 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 Strengthening Collaboration with Anti-Corruption Agencies

The Authority received a total of 32 requests for contract audits into allegations of fraudulent and corrupt practices in procurement and disposal activities in Entities worth UGX 144,196,411,650.85. The requests were from Anti-Corruption partners namely; Inspectorate of Government, Criminal Investigations Department and State House Anti-Corruption Unit. The Authority was able during the Financial Year 2021/22 to dispose of 28 of the requests and issued reports to that effect.

Further, the Authority on various occasions heeded to invitations by other Anti-Corruption Agencies to provide guidance on investigations that were being carried out. The guidance ranged from review of documents with the aim of finding anomalies and participating in interviews.

IGG hosted other Anti- corruption Agencies to harmonize corruption cases



Left to right Auditor General John Muwanga, Head of State house Health Monitoring Unit DR Warren Namara, IGG Betty Kanya, State House anti-corruption unit Brig Gen Henry Isoke, Deputy IGG Dr Patricia Achan and Director Performance Monitoring (PPDA) Dr Aloysius Byaruhanga

The Authority also prepares abridged audit reports that are shared with the Office of the Auditor General on the salient issues noted in Entities during procurement and disposal audits. These reports are incorporated by the Office of the Auditor General into the annual report to Parliament.

3.2 Enhancing Women Participation in Public Procurement

PPDA with support from UN WOMEN partnered with Uganda Women Entrepreneurs Association Limited (UWEAL) to enhance women's participation in public procurement. Over time, PPDA and UWEAL have focused on training the women entrepreneurs to increase their capacity and ability to do business with government entities given the fact that over 60% of Government Budget is spent through Public Procurement. This followed the UN Women office facilitated study on the existing opportunities and barriers to participation of women enterprises in public procurement in September 2017, which established that over 92% of women in business lacked training about public procurement.

In the FY 2021/22, the Authority trained to 154 women against a planned target of 200 in public procurement. The trainings were conducted in the districts of Kampala, Lira, Bushenyi and Tororo.



Women undergoing training

The training focused on preparation of responsive Bids, key bidding stages, criteria for registering on PPDA's Register of Providers, formal business registration, tax registration & compliance, and an introduction to electronic Government Procurement among others.

The collaborative efforts of all the stakeholders in training women entrepreneurs yielded increased knowledge and participation in public procurement. The Authority will continuously monitor and evaluate the impact of these engagements.

3.3 Civil Society Engagements

A collaborative framework was signed in 2019 by PPDA and supported by GIZ for enhancing the participation of CSOs in monitoring government projects. The Authority partnered with CSOs to improve monitoring and reporting of government procurements, disposals, and contract management processes; and has trained a number of CSOs at national and sub-national levels in contract monitoring. Based on the above, PPDA in partnership with GIZ organized a three-day workshop for PPDA staff and the leadership of the mapped CSOs to build relations, share experiences and introduce the Contracts Monitoring System (CMS).

3.4 Engagement of Accounting Officers of secondary schools

Following the amendment of the PPDA ACT 2003, PPDA together with other stakeholders is in the process of reviewing the Public Procurement and disposal regulations, guidelines and other related instruments. This is to support PDEs in compliance and performance in regard with conducting public procurement and disposal of public assets and contracting.

It is against this background that PPDA held a stakeholder consultative meeting with government aided secondary schools across the country. The purpose of the meeting was to discuss the challenges faced in the application of the PPDA law with a view of coming up with an accreditation for schools in accordance with section 40A (3). A number of issues were raised to guide the Authority in coming up with a general accreditation for schools.

3.5 Capacity Building of stakeholders

Trained 2172 participants against a planned 3000 where trained in various aspects of the procurement and disposal system. 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.

CHAPTER 4

STRENGTHEN INSTITUTIONAL AND MANAGEMENT CAPACITY

4.0 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 2021/22 of UGX 26.04 billion with GoU contributing 23.28 billion (89.4%) and Development Partners contributing UGX 2.76 billion (10.6%) as per Table 10 below.
- During the financial year, the Authority received cash releases of UGX 19.52 billion from Government of Uganda (GoU) representing 83.8% of the annual GoU budget and UGX 2.76 billion from Development Partners representing 100% of the Donor budget.
- Expenditure for the Period from the GoU budget was UGX 19.52 billion representing 100% of releases. Similarly, UGX 2.74 billion representing 99.2% of the Donor funds released was spent by the end of the financial year as highlighted in Table 10 below. Funding under REAP and UGIFT was managed directly from the source ministry (MoFPED). Figure 12 below highlights the financial performance.

Figure 12: Summary of Budget Performance

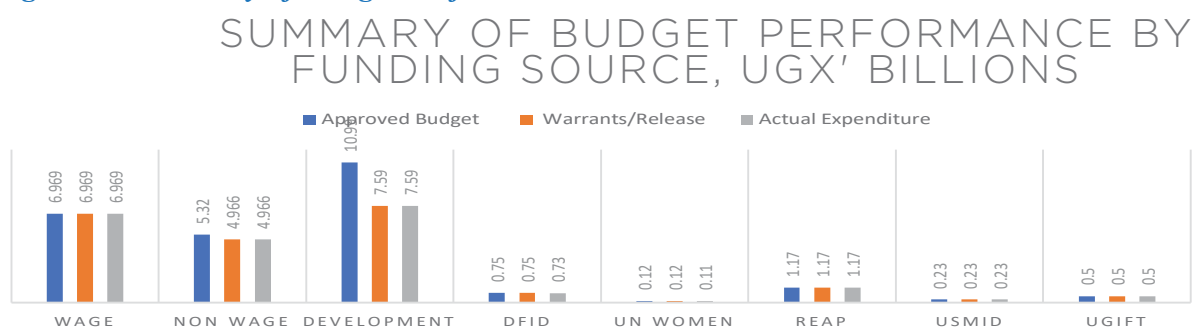


Table 10: Analysis of Budget performance per expenditure Category (GOU and Donor)

Funding Source	Approved Budget	Releases	Actual Spend	Release Vs Budget	Actual Vs Release	Remarks
	UGX' M	UGX' M	UGX' M	%	%	
Wage	6,969	6,969	6,969	100%	100%	100% budget was released and spent
Gratuity	1,667	1,667	1,667	100%	100%	100% budget was released and spent
Non-Wage Recurrent	3,653	3,299	3,299	90%	100%	90% of the approved budget was released, leading to accrual of domestic arrears in the year on rent, utilities, licenses and vehicle maintenance.
Development	10,994	7,586	7,586	69%	100%	69% of the approved budget was released in the year. Purchase of office furniture and office equipment for the new office block could not be completed as planned.
Total GOU	23,283	19,521	9,521	84%	100%	
DONOR						
Performance Monitoring	859	859	840	100%	94%	Off Budget support received from DFID, USMID, REAP and UGIFT and 94% was utilized to conduct contract audits, compliance inspections and contract audits across the nation. A Contractor Reference Portal was developed and implemented. 11 billboards on transparency and accountability were installed along the four major regional highways.
Capacity Building	1,600	1,600	1,598	100%	100%	100% of funding received from UNWomen, UGIFT and REAP to facilitate training of women entrepreneurs and on monitoring and implementation of ESHS requirements in procurement.
Capital Development (DFID)	298	298	298	100%	100%	100% of funding received from DFID to purchase office furniture and video conferencing equipment.
Total Donor	2,757	2,757	2,736	100%	99%	
Total Budget	26,040	22,279	22,257	86%	100%	

4.1.2 Brief on budget performance

a) GoU Budget Performance

The Authority experienced a budget shortfall of UGX 3,761,768,458 during the year, of which UGX 354,000,000 was on the recurrent budget and UGX 3,407,768,458 was on the development budget. As a result, the Authority was not able to meet all of its financial obligations during the financial year and hence incurred domestic arrears amounting to UGX 1,004,000,000.

b) Performance on Donor funding

i. UN WOMEN

The Authority received funding of UGX 115 Million to facilitate the enhancement of women's participation in public procurement in the period. During the period, UGX 112,430,005 (representing 98%) was utilized in collaboration with Uganda Women Entrepreneurs Association Limited (UWEAL) to conduct sensitization workshops in the North, East, West and Central regions, radio talk shows, round table dialogues and press conferences on Women entrepreneurship in Uganda.

ii. Resource Enhancement and Accountability Programme (REAP)

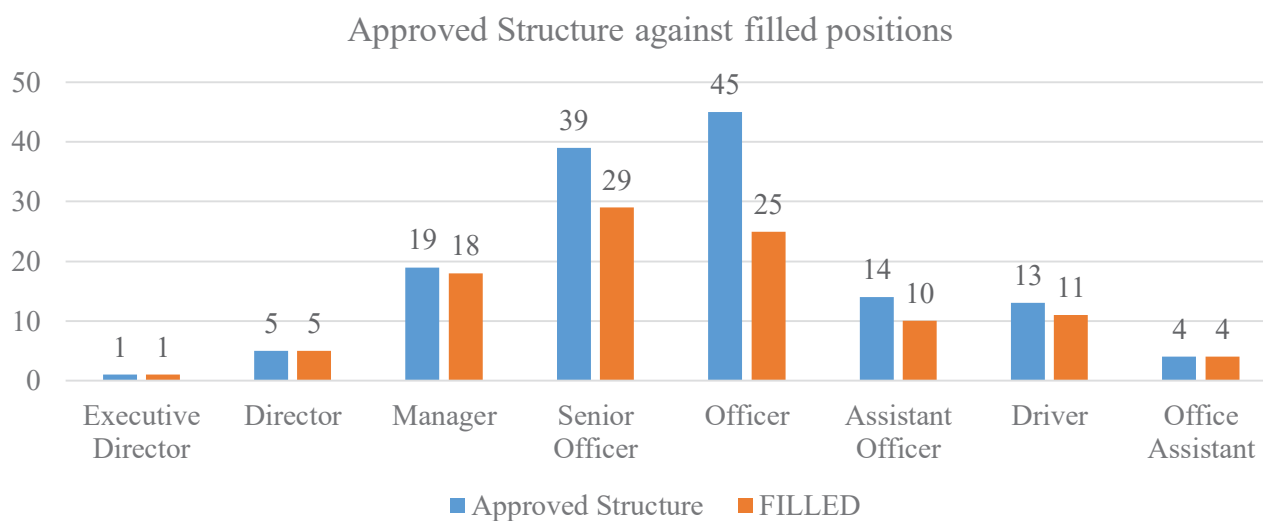
The Authority received UGX 1.165 Billion to enhance VFM in public procurement for large complex procurements through capacity building and establishment of a monitoring and evaluation framework for public procurement. 100% of the budget was released and utilised during the financial year to develop IEC materials that promote local content, conduct training for PPDA staff and conduct research for the Monitoring and evaluation framework for the public procurement system. 100% of the budget was absorbed by the end of the financial year

iii. The Department for International Development (DFID)

The Authority received a Trust Fund of USD 837,800 for Implementing Change Management Strategy for e-GP and for Building Capacity for PPDA and Its Stakeholders. With the change in scope of the e-GP project, USD 344,433 of the funding was cancelled. USD 493,367 was approved to finance open contracting activities, procurement of video conferencing facilities, tooling of the PPDA training room, establishment of the Contractor Reference Portal and installation of 11 billboards along 4 major highways in the Northern, Eastern and Western regions.

During the financial year 2021/2022, the Authority received USD 212,043 (UGX 747,529,786) and utilised USD 206,706 (UGX 728,716,323) to install 11 billboards in all the four regions of the country, conduct open contracting trainings across the nation and procure furniture and video conferencing facilities for PPDA training room and establish a Contractor Reference Portal. The DFID project is closed on the 31 March 2022 having absorbed 97% of funds released.

Figure 13: Approved Structure against filled positions



4.2 Human Resources

4.2.1 Staffing level of the Authority

4.2.1.1 Staffing

The Authority has a staff structure of 140 staff. The staffing level in the Authority as at 30th June 2022 was at 103 staff, which represents 73.7% of the total staff structure.

4.2.1.2 Recruitment and selection of staff

The Authority assessed the staffing needs and completed the recruitment and selection process to fill 12 vacant positions. The majority (75%) of the positions were filled through external advertisement and (25%) through internal advertisement. External advertisements attracted external talent to the Authority.

4.2.1.3 Implement a well-structured Annual Training plan.

The Authority conducted a training needs analysis for leaders, technical, and support staff under the funding of GIZ. The key training needs identified were as follows:

- i. Leadership training needs: The leadership training needs included People management, Coaching and mentoring, Employee counselling, Discipline and grievance handling, Delegation, Diversity management, Interpersonal skills, Team-building, Analytical skills, Emotional intelligence, Time management, Conflict management, Planning and Performance management, strategic Management and Change Management among others
- ii. Training Needs for Technical Staff: The training needs for Technical and Administrative staff included Evidence gathering, System analysis, Data analysis, Financial analysis, Report writing, Training facilitation, Procurement audit, Performance audit, Engineering

audit, Forensic audit/investigation, Stakeholder engagement, Financial management and reporting, Project management, Management of meetings, Risk management, Monitoring and evaluation and Proposal writing among others.

- iv. Training needs for support staff: Training needs for support staff included Defensive driving, Elementary mechanics, Safety regulations and traffic rules, Record-keeping, Fleet management, Customer care, Report writing, Basic security, and First aid training among others.

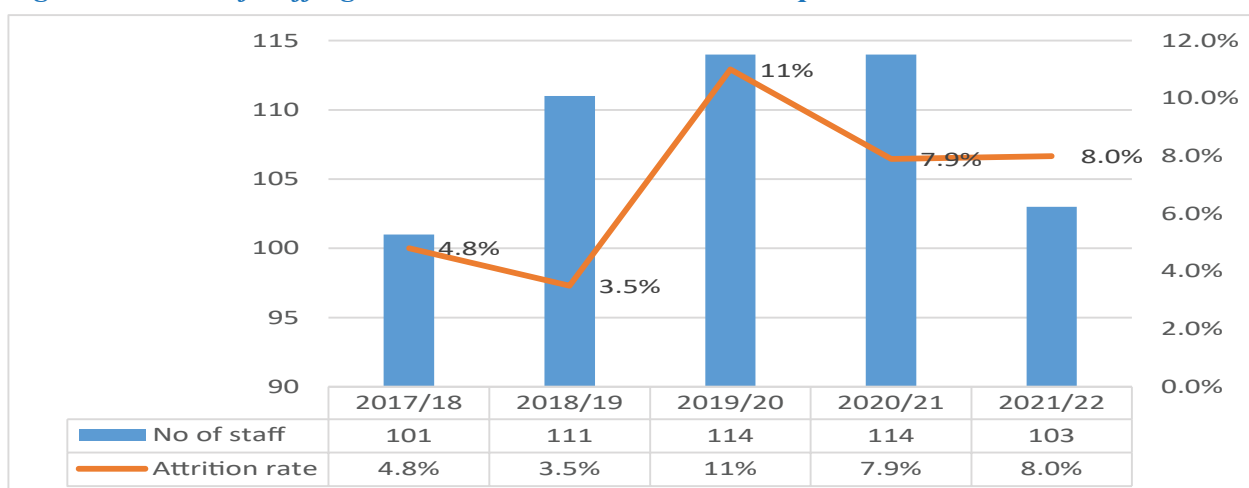
4.2.1.4 Develop and Implement an Employee Engagement and Retention Program

The Authority implemented an employee engagement and retention programme to attract motivate and retain staff during the period.

The Authority organized staff retreats for the five Directorates Capacity Building and Advisory Services, Performance Monitoring, Legal and Investigations, Corporate Services and Operations. The main objective of the retreats was to disseminate to staff the new Strategic Plan 2020/2021-2024/2025, the revised Human Resources Manual 2020 and to promote team building among staff in the respective directorates. Management organized a breakfast meeting to celebrate the International Women’s day with the female staff and also organized on-line staff meetings to promote staff engagements.

During the period nine staff voluntarily left the Authority. The main reason for exits was better opportunity in terms of a higher salary and benefits and opportunity for career growth in other organizations. The rate of employee turnover was at 7.9%. Figure 14 shows the staffing levels and Attrition Rates over the past 5 Years

Figure 14: Trend of staffing levels and Attrition Rates over the past 5 Years



The staff turnover reduced from 11% in 2019/20 to 7.9% in 2020/21 financial year. The Authority lost skilled and experienced staff and this costed the authority in terms of recruitment processes to fill the positions as well as reduction in achievement of work plan targets due to inadequate staffing in the affected departments.

CHAPTER 5

LEVERAGING TECHNOLOGY TO DELIVER EFFICIENCY 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 period July-Sept 2019 towards leveraging technology.

5.1 Conduct e-GP Change Management and Training

The Authority in conjunction with other stakeholders such as MOFPED, MoICT, NITA –U, UCAA, UICT conducted meetings on change management during the period under review. Several successes were realized as a result of these meetings including Bidder registration on the system, development of training materials and refresher training for pilot entities. The image below shows a session on change management training.



Session on Change Management Training.

5.2 Automation of PPDA’s Stakeholder Management System to Improve Effectiveness: As a way of strengthening Stakeholder Management System, a Supplier Portal was developed with support from DFID to provide information on Supplier contracts. A provider contract tracking tool

was developed to automate the capture of monthly and quarterly reports so that data on all the current contractual obligations of each provider is extracted and readily available. This data can then be reconciled and published for easy reference by all PDEs as they navigate the bid evaluation process. This will ensure that contracts are not awarded to providers who are already stretched and therefore lack the capacity to successfully execute new contractual obligations. This solution will improve procurement outcomes by streamlining the efficiency and effectiveness with which contracts are awarded and will also improve the Authority's ability to analyse procurement data.

5.3 Develop Strategies to Improve Automation of Internal Processes: The Authority purchased four full sets of Video Conferencing Equipment with support from DFID/World Bank for headquarters and for all the three regional offices. This equipment was set up in the boardrooms of each of the four offices and it allows staff to join online zoom conferences as one team in a room instead of having separate individual zoom connections for the same meeting.

CHAPTER 6

CHALLENGES ENCOUNTERED IN FY 2021/22 AND PRIORITIES OF FY2022/23

Main Challenges Encountered

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 Institutional Challenge

6.1.1.1 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.

6.1.1.2 Delays in amendments to the Local Government PPDA Regulations:

The amendment process of the Local Governments (PPDA) Regulations was halted; pending the finalization of the review of the PDPA Act. It is now planned that the review of the PPDA Central Government Regulations and Local Government (PPDA) Regulations, 2006 shall be done at the same time for a harmonized position. This delay in the amendments of the Local Government (PPDA) Regulations, 2006 may continue to hamper efficiency in the Local Government procurements.

6.1.1.3 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 2022/23

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 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	Current status
1.	PIBID	Renewal of accreditation for an alternative procurement system for the Presidential Initiative on Banana Industrial Development (PIBID)	Granted for two years
2.	State House	Request for accreditation for procurement of agricultural inputs	Granted for two years
3.	NEC	Submission of progress report in respect to the accreditation to procure construction materials and request for renewal of accreditation for an additional two years.	Granted for two years
4.	URA	Application for accreditation of alternative system of disposal of mobile phones to Users	Granted for two years
5.	NEC Uzima Ltd	Application for accreditation of an alternative System for procurement of raw materials for the production of Uzima water	Granted for two years
6.	Uganda Air Cargo Corporation	Application for accreditation of an alternative system for procurement of aircraft parts, equipment, works and services.	closed for lack of information
7.	Kiira Motors Corporation	<ul style="list-style-type: none"> i. Request for renewal of accreditation for an alternative system ii. Submission of progress report for November 2018 to September 2021 	closed for lack of information
8.	Uganda Prisons Service	Application for renewal of accreditation with amendments of local companies to supply duty free shop materials	Granted
9.	NDA	Application for accreditation of alternative system for procurement and disposal system for laboratory requirements	Granted
10.	Post Bank	<ul style="list-style-type: none"> i. Application for renewal of accreditation ii. Submission of progress reports for the period January –July 2021 and August – December 2021 	Granted
11.	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
12.	Kinoni Girls Secondary School	Request for exemption and guidance on procurement of specific food and other school items	closed for lack of information
13.	Busitema University	Request for accreditation of an alternative procurement system	closed for lack of information
14.	Uganda Airlines	Accreditation of procurement processes for Uganda Airlines. (Submission of progress report, bidding documents for approval and request for modification)	Granted
15.	BOU	Request for renewal of accreditation	Granted
16.	Pride Micro finance	Request for accreditation of areas not considered by the Authority in the accreditation of financial institutions	Granted

No	Entity	Subject matter	Current status
17.	UCDA	Request for renewal of the accreditation of guidelines for procurement and distribution of coffee seed/seedlings	Granted
18.	URC	Application for accreditation of an alternative procurement system for URC in accordance with section 40A of the PPDA act, 2003 as amended to procure various core operating items for freight and passenger train operations	Granted
19.	NHCC	Application for accreditation of alternative procurement and disposal systems for procurement of construction materials	Granted
20.	NSSF	Request for renewal of accreditation for the Fund's various investments	Granted
21.	Uganda Law Reform Commission	Request for accreditation for payment of 100% against a bank guarantee for printing of the 7 th Revised edition of the Laws of Uganda (Principal Laws) under framework contract	Rejected.
22.	Uganda Prisons Service	Accreditation of alternative system in the procurement of prisoners' food stuff and firewood.	Handled under classified
23.	Bank of Uganda	Request for accreditation to dispose motor vehicles to staff	Rejected
24.	National Council of Sports	Accreditation of alternative disposal system for the Entities facilities.	Granted
25.	Uganda Airlines	Renewal of accreditation of alternative procurement system to acquire, purchase and secure operational management and financial systems.	Granted
26.	National Enterprise Corporation	Accreditation of an alternative system for procurement of livestock for the project of production of High grade slaughter cattle for domestic and export market.	Granted
27.	East African Civil Aviation Academy	Renewal of accreditation for aircraft parts/services and engine factory exchange or overhaul.	Granted
28.	UDC (Soroti Fruits Limited)	Renewal of accreditation for Soroti Fruits Factory with modifications.	Granted
29.	Uganda Development Corporation	Accreditation for Equity acquisition	Granted

Annex 2: Providers Suspended by the Authority

No	Entity	Provider	Reason for recommendation of suspension	Status
Concluded and closed investigations				
	IG	Abba Technical Services Company Ltd	Breached the Code of Ethical Conduct of Providers by submitting an unauthentic Certificate of Incorporation	Three years effective 6 th July 2022 to 5 th July 2025
	PPDA	Charomah Uganda Limited	Breached the Code of Ethical Conduct of Providers by submitting an unauthentic Reseller's Authorisation letter	Three years effective 6 th July 2022 to 5 th July 2025
	UNRA	Suez Auto Enterprises Limited	Breached the Code of Ethical Conduct of Providers by submitting unauthentic bid securities	Two years effective 6 th July 2022 to 5 th July 2024
	Parliament of Uganda	Visible Investments Limited	Breached the Code of Ethical Conduct of Providers by submitting an unauthentic NSSF Certificate	Four years effective 6 th July 2022 to 5 th July 2026

Annex 2: Auditor General's Report



AUDITOR GENERAL'S REPORT

OFFICE OF THE AUDITOR GENERAL



THE REPUBLIC OF UGANDA

**REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF
THE PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY
FOR THE YEAR ENDED 30TH JUNE 2022**

**OFFICE OF THE AUDITOR GENERAL
UGANDA**

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LIST OF ACRONYMS

ACRONYM	MEANING
Bn	Billion
eGP	Electronic Government Procurement
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	Authority of Finance, Planning and Economic Development
NAA	National Audit Act
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

**REPORT OF THE AUDITOR GENERAL ON THE AUDIT OF FINANCIAL STATEMENTS
OF PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY
FOR THE YEAR ENDED 30TH JUNE, 2022**

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the accompanying financial statements of the Public Procurement and Disposal of Public Assets Authority (PPDA) for the financial year ended 30th June 2022, which comprise the statement of Financial Position as at 30th June 2022, the Statement of financial Performance, Statement of Changes in Equity and Statement of Cash Flows together with other accompanying statements for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements of the Public Procurement and Disposal of Public Assets Authority for the financial year ended 30th June 2022 are prepared, in all material respects, in accordance with Section 51 of the Public Finance Management Act (PFMA), 2015 and the Financial Reporting Guide, 2018.

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 (NAA), 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 requires Accounting Officers to prepare an appropriation account showing the services for which the money 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.

Over the years, I have observed improvements in the performance regarding implementation of the budget but entities still face a number of challenges including Covid, which continue to affect implementation of activities, service delivery and credibility of the budget. It is against this background that budget performance was considered a key audit area during the office-wide planning. I reviewed documents such as work plans, performance reports, conducted interviews and physical inspection in arriving at my findings.

The Public Procurement and Disposal Authority is mandated to regulate and facilitate public procurement in Uganda by setting standards, building capacity and monitoring compliance and ultimately contributing to socio-economic development.

To achieve this mandate, PPDA planned to implement a number of both recurrent and development deliverables under various programmes. A review of the entity's Ministerial policy statement and budgets revealed that the approved budget of UGX.23.283Bn out of which UGX.19.521Bn (84%) was received.

Table 1: Showing key deliverables for PPDA for the year

No	Outputs	Details	Budget (UGX) "000"	% share of the total approved budget
1	145672	Government Buildings and Administrative Infrastructure	9,046	38.9
2	141219	Government Buildings and Administrative Infrastructure	3,364	14.4
3	145606	Legal Services and Investigations	2,568	11.0
4	141210	Procurement and Disposal Audit	2,433	10.4
5	145607	Capacity Building and Research	1,325	5.7
6	145678	Purchase of Office and ICT Equipment, including Software	0,920	4.0
7	145608	Planning, Monitoring and Evaluation	0,713	3.1
8	145676	Internal Audit	0,708	3.0
9	145610	Compliance Monitoring	0,576	2.5
10	145609	Procurement Complaints	0,571	2.5
11	145616	Human Resource Management Services	0,494	2.1
12	145675	Purchase of Motor Vehicles and Other Transport Equipment	0,320	1.4
13	141204	E-Government procurement system management unit	0,245	1.1

I reviewed the implementation of the approved 2021/2022 budget by the entity and noted the following;

No	Observation	Recommendation
1.1	<p>Revenue Performance</p> <p>a) Performance of Non-Tax Revenue (NTR)</p> <p>I reviewed the NTR estimates, revenue sources and rates charged at vote level for the financial year 2021/2022 and</p>	<p>I advised the Accounting Officer to</p>

<p>noted that 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.</p> <p>Although this level of performance is commendable, the increase may be attributable to unrealistic NTR estimates.</p> <p>The Accounting Officer explained that the improvement in NTR collections can be attributed to a requirement for providers to register on the eGP system. The system was rolled out on 1st July 2021.</p> <p>b) Performance of GoU receipts</p> <p>According to the approved budget, the entity was supposed to receive UGX.23.28Bn out of which UGX.19.52Bn was released, resulting into a shortfall of UGX3.76Bn. The shortfall represents 16.15% of the approved budget.</p> <p>I further noted that the entity did not seek a revision of its budget, and the work plan as provided for by Section 17 (3) of the PFMA 2015.</p> <p>The funds that were not released were meant for the implementation of the following activities which were never implemented;</p> <p>Table 2: Unwarranted outputs</p> <table border="1"> <thead> <tr> <th>No</th> <th>Out-put</th> <th>Activity</th> <th>Budget Amount (UGX) Bn</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>204972:Government buildings and administrative infrastructure.</td> <td>Construction of waiting area for clients.</td> <td>2.567</td> </tr> <tr> <td>2</td> <td>204919-Human resource management services.</td> <td>Recruitment of field monitoring staff.</td> <td>1.075</td> </tr> <tr> <td></td> <td>Total</td> <td></td> <td>3.642</td> </tr> </tbody> </table> <p>Failure to avail all the budgeted funding constrains management in the implementation of all planned activities during the financial year.</p> <p>The Accounting Officer explained that the Authority's Annual Report for the FY 2021/22 highlights the key achievements of the Authority and the challenges faced during the implementation of activities.</p>	No	Out-put	Activity	Budget Amount (UGX) Bn	1	204972:Government buildings and administrative infrastructure.	Construction of waiting area for clients.	2.567	2	204919-Human resource management services.	Recruitment of field monitoring staff.	1.075		Total		3.642	<p>engage MoFPED at the time of budgeting to develop more realistic NTR estimates utilizing the efficiencies created by the eGP system.</p> <p>I advised the Accounting Officer to liaise with MOFPED to ensure that GOU funds are released as planned to mitigate the impact of non-release of the requisite funds to service delivery.</p>
No	Out-put	Activity	Budget Amount (UGX) Bn														
1	204972:Government buildings and administrative infrastructure.	Construction of waiting area for clients.	2.567														
2	204919-Human resource management services.	Recruitment of field monitoring staff.	1.075														
	Total		3.642														
<p>1.2 Un-supported-justified out-put budgets</p> <p>Regulation 11(2)-d of the Public Finance Management Regulations 2016 states that the work-plans of a vote shall indicate the funding to be allocated to each activity.</p>	<p>I advised the Accounting Officer to ensure that activities within a given out-</p>																

	<p>I observed that the budgets for ten (10) out of the thirteen (13) outputs assessed were not supported by individual activity costings/budgets. Out-puts where this was noted are shown in table 3 below;</p> <p>Table 3: Unsupported budget outputs</p> <table border="1"> <thead> <tr> <th data-bbox="331 524 384 629">No</th> <th data-bbox="384 524 724 629">Out-Puts</th> <th data-bbox="724 524 810 629">No of activities</th> <th data-bbox="810 524 920 629">Budget (UGX) "000"</th> </tr> </thead> <tbody> <tr> <td data-bbox="331 629 384 725">1</td> <td data-bbox="384 629 724 725">141204 E-Government procurement management unit</td> <td data-bbox="724 629 810 725"></td> <td data-bbox="810 629 920 725">0.245</td> </tr> <tr> <td data-bbox="331 725 384 792">2</td> <td data-bbox="384 725 724 792">141210 Procurement and Disposal Audit</td> <td data-bbox="724 725 810 792">5</td> <td data-bbox="810 725 920 792">2.432</td> </tr> <tr> <td data-bbox="331 792 384 882">3</td> <td data-bbox="384 792 724 882">141219 Government Buildings and Administrative Infrastructure</td> <td data-bbox="724 792 810 882"></td> <td data-bbox="810 792 920 882">3.364</td> </tr> <tr> <td data-bbox="331 882 384 949">4</td> <td data-bbox="384 882 724 949">145606 Legal Services and Investigations</td> <td data-bbox="724 882 810 949"></td> <td data-bbox="810 882 920 949">2.568</td> </tr> <tr> <td data-bbox="331 949 384 1005">5</td> <td data-bbox="384 949 724 1005">145607 Capacity Building and Research</td> <td data-bbox="724 949 810 1005">1</td> <td data-bbox="810 949 920 1005">1.325</td> </tr> <tr> <td data-bbox="331 1005 384 1061">6</td> <td data-bbox="384 1005 724 1061">145608 Planning, Monitoring and Evaluation</td> <td data-bbox="724 1005 810 1061"></td> <td data-bbox="810 1005 920 1061">0.713</td> </tr> <tr> <td data-bbox="331 1061 384 1095">7</td> <td data-bbox="384 1061 724 1095">145609 Procurement Complaints</td> <td data-bbox="724 1061 810 1095"></td> <td data-bbox="810 1061 920 1095">0.571</td> </tr> <tr> <td data-bbox="331 1095 384 1128">8</td> <td data-bbox="384 1095 724 1128">145610 Compliance Monitoring</td> <td data-bbox="724 1095 810 1128">2</td> <td data-bbox="810 1095 920 1128">0.576</td> </tr> <tr> <td data-bbox="331 1128 384 1184">9</td> <td data-bbox="384 1128 724 1184">145616 Human Resource Management Services</td> <td data-bbox="724 1128 810 1184"></td> <td data-bbox="810 1128 920 1184">0.494</td> </tr> <tr> <td data-bbox="331 1184 384 1274">10</td> <td data-bbox="384 1184 724 1274">145672 Government Buildings and Administrative Infrastructure</td> <td data-bbox="724 1184 810 1274"></td> <td data-bbox="810 1184 920 1274">9.046</td> </tr> <tr> <td data-bbox="331 1274 384 1364">11</td> <td data-bbox="384 1274 724 1364">145675 Purchase of Motor Vehicles and Other Transport Equipment</td> <td data-bbox="724 1274 810 1364"></td> <td data-bbox="810 1274 920 1364">0.320</td> </tr> <tr> <td data-bbox="331 1364 384 1397">12</td> <td data-bbox="384 1364 724 1397">145676 Internal Audit</td> <td data-bbox="724 1364 810 1397"></td> <td data-bbox="810 1364 920 1397">0.708</td> </tr> <tr> <td data-bbox="331 1397 384 1476">13</td> <td data-bbox="384 1397 724 1476">145678 Purchase of Office and ICT Equipment, including Software</td> <td data-bbox="724 1397 810 1476"></td> <td data-bbox="810 1397 920 1476">0.920</td> </tr> </tbody> </table> <p>I noted that PPDA has detailed activity costings but the costings could not be traced to budget activities and outputs.</p> <p>Lack of detailed costings for activities implies that the costings at output level cannot be justified and as such, there is a risk that the entity either over or under budgeted for these outputs.</p> <p>The Accounting Officer explained that the Authority will undertake to ensure that all activities have detailed costings and are aligned to the overall budget of the Authority.</p>	No	Out-Puts	No of activities	Budget (UGX) "000"	1	141204 E-Government procurement management unit		0.245	2	141210 Procurement and Disposal Audit	5	2.432	3	141219 Government Buildings and Administrative Infrastructure		3.364	4	145606 Legal Services and Investigations		2.568	5	145607 Capacity Building and Research	1	1.325	6	145608 Planning, Monitoring and Evaluation		0.713	7	145609 Procurement Complaints		0.571	8	145610 Compliance Monitoring	2	0.576	9	145616 Human Resource Management Services		0.494	10	145672 Government Buildings and Administrative Infrastructure		9.046	11	145675 Purchase of Motor Vehicles and Other Transport Equipment		0.320	12	145676 Internal Audit		0.708	13	145678 Purchase of Office and ICT Equipment, including Software		0.920	<p>put have appropriate costs based on the cost of the outputs for the entire work plan and budget and all released funds are absorbed on planned activities.</p>
No	Out-Puts	No of activities	Budget (UGX) "000"																																																							
1	141204 E-Government procurement management unit		0.245																																																							
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13	145678 Purchase of Office and ICT Equipment, including Software		0.920																																																							
1.3	<p>Implementation of outputs and activities</p> <p>I assessed the implementation of a sample of the 13</p>	<p>I advised the</p>																																																								

<p>outputs and noted that the performance reports for PPDA were incomplete and could not provide sufficient information on the implementation of planned activities.</p> <p>Absence of complete performance reports implies that stakeholders may not be able to assess the performance of the Authority.</p> <p>The Accounting Officer stated that the Authority will ensure that budgeted outputs and activities are well aligned to the PBS to facilitate accountability and comprehensive performance reporting.</p>	<p>Accounting Officer to ensure that the performance of Authority is tracked and accurately reported.</p>
--	---

Other Matter

I consider it necessary to communicate the following matter other than those presented or disclosed in the financial statements;

2.0 STAFFING GAPS

Section (A-a) Paragraph 15(9) of the Standing Orders, 2010 mandates the Authority of Public Service to determine the structure, terms and conditions of service in Government entities. Furthermore, good strategic planning requires an entity to carry out human resource planning to ensure that an adequate number of qualified staff is in place to carry out the operational activities of an entity so as to enable it to achieve Strategic objectives.

According to the staff establishment, the approved number of positions for the PPDA is 140. Out of this establishment, only 103 positions were filled, leaving 37 positions vacant, which is 26% of the workforce of the entity. The positions that were greatly affected are; the position of Senior Officers with 10 vacancies and Officers with 20 vacancies. Failure to fill the staff establishment hampers service delivery and adversely affects the day-to-day running of the Authority.

The Accounting Officer explained that for the FY 2022/2023, the Authority received additional wage to recruit and fill its staffing gap. The recruitment process was underway and Management was optimistic that it will have a full staffing structure by the end of the FY.

I await the outcome of the commitment provided by the Accounting Officer.

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 management determines 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 Authority'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 management.

- Conclude on the appropriateness of Management'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 achieves fair presentation.

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 them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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 matter raised in compliance with legislation section below, and whose effect has 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 NAA 2008, 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 MANAGEMENT OF INFORMATION TECHNOLOGY (IT) INVESTMENTS

The Government of Uganda (GOU) is making large investments in Information Technology (IT) systems because of the tremendous benefits that IT can bring to its operations and services. One of the key programmes of NDPIII 2020/21-2024/25 is *Digital Transformation*, in which Government of Uganda aims to increase Information, Communication Technology (ICT) penetration and use of digital services for enhancing social and economic development.

As a result of national prioritisation of ICT, I undertook a thematic audit covering three financial years' expenditure (2019/20 to 2021/22) to scrutinise the management of IT Investments across Government. The overall objective was to assess whether the IT investments in Government are strategically aligned, managed appropriately and focused on achieving the NDP III objective. The procedures undertaken covered: planning and budgeting; procurement, utilization, maintenance and disposal of IT systems; governance, and financial reporting.

For the current year 2021/2022, the entity budgeted for UGX.857.46Mn for acquisition and implementation of IT systems and equipment and received UGX.254.288Mn. A review of ICT activities implemented revealed the following;

No	Observation	Recommendation
4.1	<p>IT Budgets</p> <p>Section 45 (3) of the Public Finance Management Act, 2015 requires an 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 (FY).</p> <p>For the current year 2021/2022, the entity budgeted for UGX.857.46Mn for acquisition and implementation of IT systems and equipment and received UGX.0.254Bn, leading to a shortfall of UGX 0.603Bn. The non-release meant that the IT systems could not be fully procured.</p>	<p>I advised Management to review the planning, budgeting and follow up of funding with a view of ensuring improvement in activity implementation.</p>
	<p>The Accounting Officer acknowledged the finding and promised to take appropriate action to address the issue.</p>	



John F. S. Muwanga
AUDITOR GENERAL

14th December 2022



GOVERNMENT OF THE REPUBLIC OF UGANDA



***PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC
ASSETS AUTHORITY***

Twelve (12) Months Reports and Financial Statements
For the Period Ended 30th June, 2022.

*For Accounting Officers of the Central and District Local
Governments*

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30th June 2022


(Public Procurement and Disposal of Public Assets Authority)

Statement of Financial Position

	Notes	30-Jun-22 (Shs)	30-Jun-21 (Shs)
ASSETS			
Cash and cash equivalents	17	-	-
Receivables	18		
Inventories	19		
Investments	20		
Non-Produced Assets	21		
Total Assets		-	-
LIABILITIES			
Borrowings	22		
Payables	23	203,276,665	1,027,628,818
Deposits	24		
Pension Liability	25		
Total Liabilities		203,276,665	1,027,628,818
Net assets (liabilities)		(203,276,665)	(1,027,628,818)
REPRESENTED BY:-			
Net Worth		(203,276,665)	(1,027,628,818)

Statement of Changes in Equity (Net Worth)

	Schedule	30-Jun-22 (Shs)	30-Jun-21 (Shs)
At 1 July - Net worth Last Year (B/F)		(1,027,628,818)	(1,027,628,818)
Less: Transfers to the UCF account	Note 16(b)		
+/- Balance sheet adjustments	Note 26	-	-
Revaluation reserves			
Add: Excess of revenue over expenditure for the Year		824,352,153	-
Closing Net Financial Worth		(203,276,665)	(1,027,628,818)


Benson Turanye.....
Accounting Officer

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30th June 2022

(Public Procurement and Disposal of Public Assets Authority)

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(Public Procurement and Disposal of Public Assets Authority)

Statement of Responsibilities of the Accounting Officer

The financial statements set out on pages 08 to 36 have been prepared in compliance with the provisions of the Public Finance Management Act, 2015 (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 Public Finance Management Act, 2015, 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 funds 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 require 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 specified timelines 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 as maybe required in connection with these financial statements.

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

I accept responsibility for the integrity and objectivity of these financial statements, the financial information they contain and their compliance with the Public Finance Management Act, 2015 as amended.



.....
Benson Turamyie
Accounting Officer

15.12.2022
.....
Date

(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:

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

PPDA's main responsibilities

- i. Monitor and report on the performance of the public procurement and disposal systems in Uganda and advice on the desirable changes
- ii. Set training standards, competences levels, certification requirements and professional development paths in consultation with competent authorities
- iii. 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 2022, the PPDA/URF Project had completed the 9th month of the Defects Liability Period having achieved completion on 31st September 2021. The actual cost-wise progress was 96% based on the paid certificates of UGX. UGX. 51,961,606,349 (incl. VAT) against the contract price of UGX. 54,082,441,313. The consultancy supervision during the defect's liability period has been paid for the period of nine months amounting to UGX. 104,785,775 against the contracted sum of UGX. 139,714,360.

(Public Procurement and Disposal of Public Assets Authority)



A picture of the PPDA/URF Project progress

(Public Procurement and Disposal of Public Assets Authority)

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 2021/2022

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 2021/22 through review of reports from the Internal Audit Function, Risk Function and Finance function.
4. The Committee convened on 14th June, 2022 and discussed the following:
 - Office of the Auditor General (OAG) Audit Plan for the Authority
 - Internal Audit Report for Q3 for F/Y 2021/22
 - Financial Performance Report as at 31st March, 2022
 - Internal Audit Plan for F/Y 2022/23

The ARC deliberated on the above aspects and made recommendation to the PPDA Board that were approved on the 23rd June, 2022.

Benson Turamye.....
Accounting Officer

15.12.2022
Date

(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 June, 30th 2022 was as follows:

The approved budget of the Authority for the Financial Year 2021/2022 under Government of Uganda funding was UGX 23,282,768,287. At the end of the fourth quarter, the Authority had received warrants totaling to UGX 19,521,464,035 representing 84% of the approved budget. Out of the approved cash warrants, UGX 19,521,435,549 was the actual funds utilized by the Authority representing 100% of the cash warrants. On the other hand, Non-Tax Revenues (NTR) of UGX 1,077,060,381 representing 135% of the annual target of 800M was collected by the end of Quarter. The entire amount is attributed to the increased number of providers that registered on the electronic Government Procurement Portal. The requirement for all Government Suppliers to be registered on eGP contributed to this very good revenue performance.

Fixed Assets Management.

During the year, the Authority acquired fixed assets worth UGX 6,761,499,095 through GoU funding of which 86.54 % was capital work in process on the construction project of the office block.

As at 30 June 2022, the value of land held by the Authority was UGX 3,020,000,000.

Payables and Liability Management.

During the financial year, arrears worth UGX 1,085,602,111 accumulated from the previous financial year were settled. At the end of the financial year, the Authority had unsettled payables worth UGX 203,276,665 as detailed within the financial statements and note: 26 payables. These will be prioritized in line with the budget execution circular within the following financial year.

As at year end, the Authority had no outstanding multi-year commitments.

Cash Management.

As at 30th June, 2022, the Authority had a zero balance on its cash and cash equivalents. This is in line with the high funds' absorption during the year.

There were neither any changes in equity nor any movements in cash during the year.

Funding Source other than Government of Uganda

In addition to funds received from Government of Uganda, the Authority had UGX 161,930,407 from the European Union (EU) at the start of the financial year. Funds worth UGX 105,387,010 were spent by the end of the second quarter of the FY 2021/22.

The Authority received funding of UGX 115Million from the UN WOMEN to facilitate the enhancement of women's participation in public procurement in the period.

During the period July – December 2021, UGX 112,430,005 (representing 98%) was utilised in collaboration with UWEAL to conduct sensitisation workshops in the North, East, West and Central regions, radio talk shows, round table dialogues and press conferences on Women entrepreneurship in Uganda.

During the financial year 2021/2022, in addition to an opening balance of Ugx 46,610,381, the Authority received USD 212,043 (UGX 747,529,786) from the DFID and utilised USD 219,891 (UGX 775,116,242) to install 11 billboards in all the four regions of the country, conduct open contracting trainings across the nation and procure furniture and video conferencing facilities for PPDA training room and establish a Contractor Reference Portal. The DFID project is closed on the 31 March 2022 having absorbed 97% of funds released

The Authority received funding support from UglIFT to facilitate compliance inspections in government entities implementing the ESHS, the dissemination trainings for the implementers and for the sensitization of bidders applying the ESHS in their bidding process. UGX 500Million was allocated and by 30 June 2022 100% of the budget had been absorbed.

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30th June 2022

(Public Procurement and Disposal of Public Assets Authority)

Further the Authority received UGX 1,165 million from REAP to enhance VFM in public procurement for large complex procurements through capacity building and establishment of a monitoring and evaluation framework for public procurement. 100% of the budget was released and utilised during the financial year to develop IEC materials that promote local content, conduct training for PPDA staff and conduct research for the Monitoring and evaluation framework for the public procurement system. 100% of the budget was absorbed by the end of the financial year.

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 2022 attached.

Patrick Kyakulaga.....
Head of Accounts

Date 15/12/2022

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30th June 2022

(Public Procurement and Disposal of Public Assets Authority)

Statement of Financial Performance

[Based on classification of expenditures by nature]

	Note	Actual 30-Jun-22 (Shs)	Actual 30-Jun-21 (Shs)
OPERATING REVENUE			
Taxes	2		
External Assistance	3		
Transfers received from Treasury- UCF	4	19,521,264,367	18,588,295,464
Transfers received from Other Government units	5		
Non-Tax revenue	6	1,077,060,381	1,016,096,107
Total operating revenue		20,598,324,748	19,604,391,571
OPERATING EXPENSES			
Employee costs	7	10,012,480,132	9,895,827,813
Goods and services consumed	8	1,679,004,191	2,016,619,334
Consumption of property, plant & equipment	9	6,761,499,095	6,328,441,789
Subsidies	10		
Transfers to other Organisations	11		
Social benefits	12		
Other operating expenses	13	243,928,796	353,070,795
Total operating expenses		18,696,912,214	18,593,959,731
Excess of revenue over expenditure from operating activities		1,901,412,534	1,010,431,840
Foreign exchange loss /Gain	14		
Finance costs	15		
Transfers to Treasury	16(a)	(1,077,060,381)	(1,016,096,107)
Excess of Revenue over expenditure for the year		824,352,153	(5,664,267)


Benson Turamy.....
Accounting Officer

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Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30th June 2022

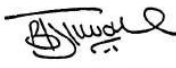
(Public Procurement and Disposal of Public Assets Authority)

Statement of Financial Position

	Notes	30-Jun-22 (Shs)	30-Jun-21 (Shs)
ASSETS			
Cash and cash equivalents	17	-	-
Receivables	18		
Inventories	19		
Investments	20		
Non-Produced Assets	21		
Total Assets		-	-
LIABILITIES			
Borrowings	22		
Payables	23	203,276,665	1,027,628,818
Deposits	24		
Pension Liability	25		
Total Liabilities		203,276,665	1,027,628,818
Net assets (liabilities)		(203,276,665)	(1,027,628,818)
REPRESENTED BY:-			
Net Worth		(203,276,665)	(1,027,628,818)

Statement of Changes in Equity (Net Worth)

	Schedule	30-Jun-22 (Shs)	30-Jun-21 (Shs)
At 1 July - Net worth Last Year (B/F)		(1,027,628,818)	(1,027,628,818)
Less: Transfers to the UCF account	Note 16(b)		
+/- Balance sheet adjustments	Note 26	-	-
Revaluation reserves			
Add: Excess of revenue over expenditure for the Year		824,352,153	-
Closing Net Financial Worth		(203,276,665)	(1,027,628,818)

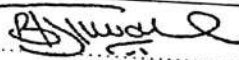

Benson Turamy.....
Accounting Officer

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30th June 2022

(Public Procurement and Disposal of Public Assets Authority)

Cash flow Statement for the year ended [Direct Method]

	30-Jun-22 (Shs)	30-Jun-21 (Shs)
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue from Operating activities (see below)	19,521,264,367	18,588,293,464
PAYMENTS FOR OPERATING EXPENSES		
Employee costs	10,012,480,132	9,895,827,813
Goods and services consumed	1,475,727,526	1,421,569,525
Subsidies		
Transfers to Other Organisations		
Social benefits		
Other expenses		
Foreign exchange loss/gain	243,928,796	353,070,795
Net Advances paid		
Domestic arrears paid during the year		
Deposits paid	1,027,628,818	
Pension Arrears paid during the Year		
Losses of cash		
Letters of Credit receivable		
Total payments for operating activities		
Net cash inflows/(outflows) from operating activities	12,759,765,272	11,670,468,133
CASH FLOWS FROM INVESTING ACTIVITIES	6,761,499,095	6,917,827,331
Purchase of property, plant and equipment		
Purchase of non-produced assets	6,761,499,095	6,908,005,852
Proceeds from sale of property, plant and equipment		
Purchase of investments		
Proceeds from sale of investments		
Net cash inflows/(outflows) from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES	6,761,499,095	6,908,005,852
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	9,821,479

Benson Turamy..... 

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30th June 2022

(Public Procurement and Disposal of Public Assets Authority)

Accounting Officer

Cash flow Statement for the year ended (continued)

For cash flow purposes receipts from revenue comprise

	Notes	30-Jun-22 Shs	30-Jun-21 Shs
Total Revenue as per Statement of Financial Performance		19,521,264,367	19,604,391,571
Add : Advances recovered during the year			
: Revenue receivable collected during the period		1,077,060,381	1,016,096,107
: Deposits received			
Total Revenue		20,598,324,748	20,620,487,678
Less: Grants received in Kind			
Revenue in Kind (Tax waivers)			
Transfers to Treasury (16a)		1,077,060,381	1,016,096,107
Revenue Receivable for the reporting period			
Total revenue received for Cash flow statement purposes		19,521,264,367	19,604,391,571

Reconciliation of movement of cash during the year

	Notes	30-Jun-22 (Shs)	30-Jun-21 (Shs)
At the beginning of the year		-	-
Less: Transfers to the UCF account (Previous Year Balances)	16(b)	-	-
Add/ (Less) : Adjustments in cash and cash equivalents	27	-	(9,821,479)
Net increase (decrease) of cash from the <i>Cash flow Statement</i>		-	9,821,479
At the end of the year		-	-

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

	Notes	30-Jun-22 (Shs)	30-Jun-21 (Shs)
Cash and cash equivalents	17	-	-
Cash and bank balances		-	-

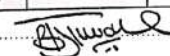
Benson Turamya.....
Accounting Officer

(Public Procurement and Disposal of Public Assets Authority)

Statement of Appropriation Account [Based On Services Voted]

	Initial Approved Budget 30 Jun-22 (Shs) (a)	Revised Approved Budget 30 Jun-22 (Shs) (b)	Warrants 30 Jun-22 (Shs) c)	Actual 30 Jun-22 (Shs) (d)	Variance Revised Vs Actual 30 Jun-22 (Shs) (b-d)	Variance Warrants Vs Actual 30 Jun-22 (Shs) (c-d)
RECEIPTS						
Taxes						
External Assistance						
Transfers received from Treasury- UCF	23,282,768,287	23,282,768,287	19,521,464,035	19,521,264,367	3,761,503,920	-
Transfers received from Other Government units						
Non Tax revenue	800,000,000	800,000,000		1,077,060,381		
Total receipts	24,082,768,287	24,082,768,287	19,521,464,035	20,598,324,748	3,761,503,920	-
EXPENDITURE- by services as per appropriation						
Performance Monitoring	3,061,810,625	3,061,810,625	3,053,040,625	3,053,040,625	8,770,000	0
Capacity Building & Advisory Services	1,324,537,000	1,324,537,000	1,287,950,000	1,287,950,000	36,587,000	0
Legal & Investigations	1,284,489,229	1,284,489,229	1,281,000,741	1,281,000,741	3,488,488	0
E - Government	576,124,800	576,124,800	576,124,800	576,124,800	0	0
Corporate Affairs	2,677,808,258	2,677,808,258	2,639,086,202	2,529,114,978	148,693,280	109,971,224
Operations	3,363,998,375	3,363,998,375	3,098,030,125	3,857,323,802	-493,325,427	-759,293,677
Development	10,994,000,000	10,994,000,000	7,586,231,542	6,936,709,421	4,057,290,579	649,522,121
Total Expenditure	23,282,768,287	23,282,768,287	19,521,464,035	19,521,264,367	3,761,503,920	199,668
NTR transferred to the UCF Account (16a)	800,000,000	800,000,000	-	1,077,060,381		
Net Receipts/Payments						

Benson Turamy.....
Accounting Officer

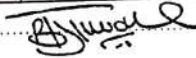


(Public Procurement and Disposal of Public Assets Authority)

Statement of Appropriation Account [Based On Services Voted]

	Initial Approved Budget 30 Jun-22 (Shs) (a)	Revised Approved Budget 30-Jun-22 (Shs) (b)	Warrants 30-Jun-22 (Shs) (c)	Actual 30 Jun-22 (Shs) (d)	Variance Revised Vs Actual 30 Jun 22 (Shs) (b-d)	Variance Warrants Vs Actual 30 Jun-22 (Shs) (c-d)
RECEIPTS						
Taxes						
External Assistance						
Transfers received from Treasury- UCF	23,282,768,287	23,282,768,287	19,521,464,035	19,521,264,367	3,761,503,920	-
Transfers received from Other Government units						
Non Tax revenue	800,000,000	800,000,000		1,077,060,381		
Total receipts	24,082,768,287	24,082,768,287	19,521,464,035	20,598,324,748	3,761,503,920	-
EXPENDITURE- by services as per appropriation						
Performance Monitoring	3,061,810,625	3,061,810,625	3,053,040,625	3,053,040,625	8,770,000	0
Capacity Building & Advisory Services	1,324,537,000	1,324,537,000	1,287,950,000	1,287,950,000	36,587,000	0
Legal & Investigations	1,284,489,229	1,284,489,229	1,281,000,741	1,281,000,741	3,488,488	0
E - Government	576,124,800	576,124,800	576,124,800	576,124,800	0	0
Corporate Affairs	2,677,808,258	2,677,808,258	2,639,086,202	2,529,114,978	148,693,280	109,971,224
Operations	3,363,998,375	3,363,998,375	3,098,030,125	3,857,323,802	-493,325,427	-759,293,677
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Total Expenditure	23,282,768,287	23,282,768,287	19,521,464,035	19,521,264,367	3,761,503,920	199,668
NTR transferred to the UCF Account (16a)	800,000,000	800,000,000	-	1,077,060,381		
Net Receipts/Payments				-		

Benson Turame.....
Accounting Officer



(Public Procurement and Disposal of Public Assets Authority)

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

	Actual 30-Jun-22 (Shs)	Actual 30-Jun-21 (Shs)
Total expenditure per Appropriation Account	19,521,264,367	19,173,523,794
Add:		
Letters of credit receivable prior year but delivered during the year		
Accrued expenditure	203,276,665	
Prepayments performed		
Less:		
Letters of credit receivable at year-end		
Domestic Arrears paid	1,027,628,818	
Non produced assets for the period		
Prepayments for the period		
Total Expenditure per Statement of Financial Performance	18,696,912,214	19,173,523,794

Benson Turamyé.....
Accounting Officer



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

FAQs

**FREQUENTLY
ASKED QUESTIONS
FOR PROCURING AND
DISPOSING ENTITIES
AND PROVIDERS**

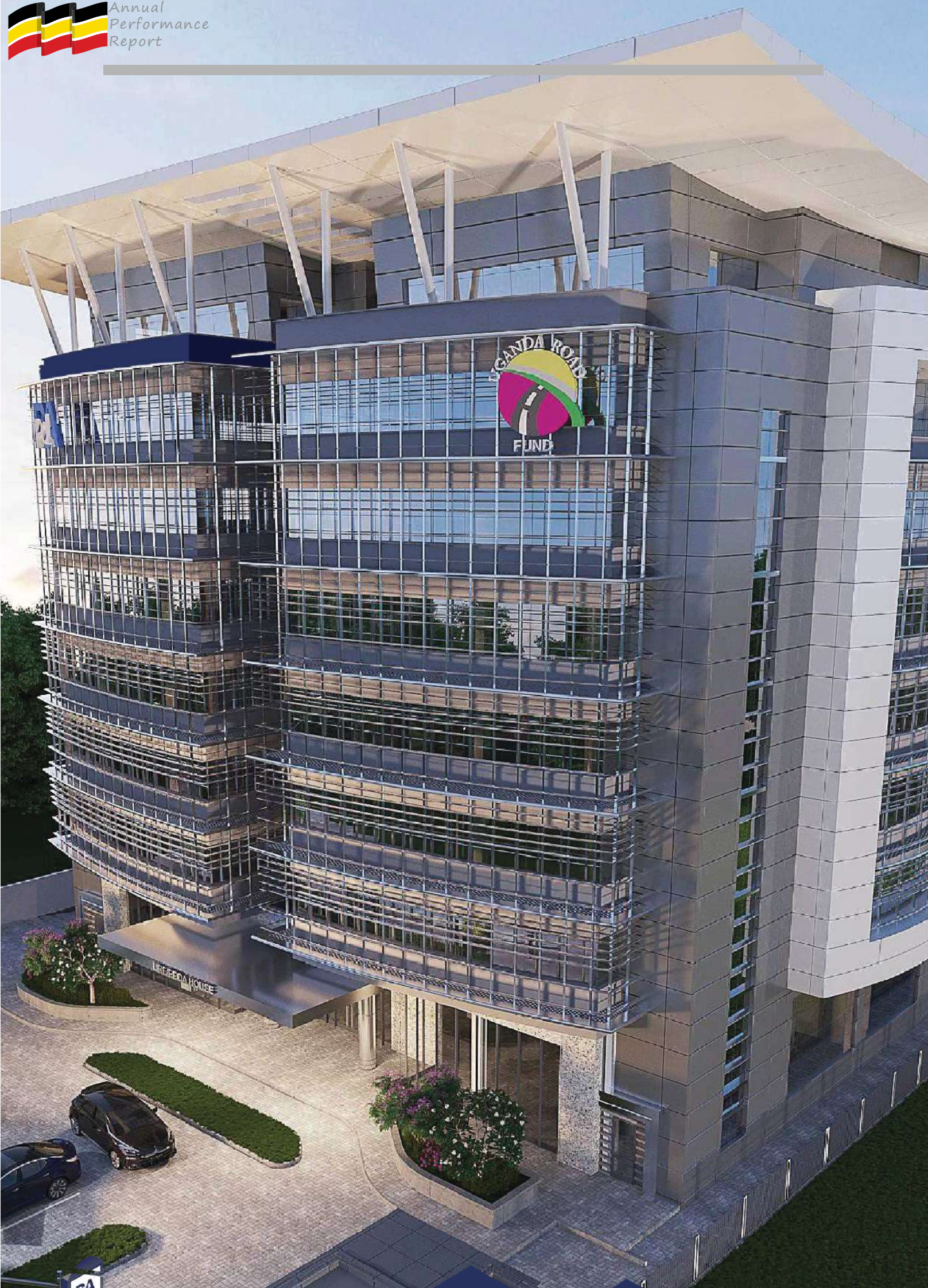


eGP
ELECTRONIC GOVERNMENT PROCUREMENT
Efficient | Transparent | Secure

What can Procuring Entities do to promote use of reservation scheme?

- Encourage providers that are not registered to register their businesses with Uganda Registration Services Bureau.
- Build capacity of the local providers.
- Approach the PPDA on potential areas for reservation.

#ProcurementThatDelivers



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