



PUBLIC PROCUREMENT AND DISPOSAL  
OF PUBLIC ASSETS AUTHORITY

*"Procurement That Delivers"*

# ANNUAL PERFORMANCE REPORT



JULY 2020 – JUNE 2021



# PERFORMANCE INDICATORS



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<b>ACRONYMS</b>	<b>MEANING</b>
<b>BEB</b>	Best Evaluated Bidder
<b>BUBU</b>	Buy Uganda Build Uganda
<b>CC</b>	Contracts Committee
<b>CG</b>	Central Government
<b>CSO</b>	Civil Society Organization
<b>DLG</b>	District Local Government
<b>EAPF</b>	East African Procurement Forum
<b>EC</b>	Evaluation Committee
<b>EDMS</b>	Electronic Document Management System
<b>e-GP</b>	Electronic Government Procurement
<b>e-learning</b>	Electronic Learning
<b>FY</b>	Financial Year
<b>GAPP</b>	Governance, Accountability, Participation, Performance Programme
<b>GIZ</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit
<b>GoU</b>	Government of Uganda
<b>GPP</b>	Government Procurement Portal
<b>HR</b>	Human Resource
<b>HSE</b>	High Spend Entity
<b>ICT</b>	Information and Communications Technology
<b>KCCA</b>	Kampala Capital City Authority
<b>LG</b>	Local Government
<b>MOFPED</b>	Ministry of Finance, Planning and Economic Development
<b>MoLG</b>	Ministry of Local Government
<b>MoU</b>	Memorandum of Understanding
<b>MoWT</b>	Ministry of Works and Transport
<b>MTEF</b>	Medium Term Expenditure Framework
<b>NDP</b>	National Development Plan
<b>NITA-U</b>	National Information Technology Authority – Uganda
<b>OAG</b>	Office of the Auditor General
<b>PAD</b>	Project Agreement Document
<b>PDEs</b>	Procuring and Disposing Entities
<b>PDU</b>	Procurement and Disposal Unit
<b>PPDA</b>	Public Procurement and Disposal of Public Assets Authority
<b>PPDA Act</b>	Public Procurement and Disposal of Public Assets Act No. 1/2003
<b>PPDA Regulations</b>	Public Procurement and Disposal of Public Assets Regulations
<b>RoP</b>	Register of Providers
<b>SBD</b>	Standard Bidding Document
<b>SBDs</b>	Standard Bidding Documents
<b>SMEs</b>	Small and Medium Enterprises
<b>UGX</b>	Uganda Shillings
<b>UNRA</b>	Uganda National Roads Authority
<b>URF</b>	Uganda Road Fund
<b>USD</b>	United States Dollars

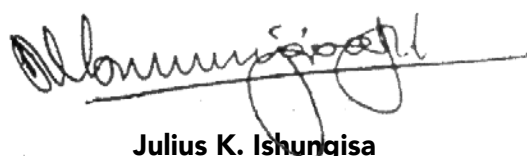
## MESSAGE FROM THE BOARD CHAIRMAN

On behalf of the Board of Directors and Management of the Public Procurement and Disposal of Public Assets Authority, I am honored to present to you the 18<sup>th</sup> Annual Report of the Authority for the Financial Year (FY) 2020/21. This is the first year of implementation of the fifth Strategic Plan FY 2020/21-2024/25 with the overall goal of achieving value for money in public procurement.

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

In the FY 2021/22, the Authority will update and align the procurement guidelines and regulations to the amended PPDA Act. The Authority will also focus on strengthening contract management and performance through enforcing contract monitoring in Entities, systematically addressing the capacity gaps in contract management, fast tracking the implementation of e-GP to improve transparency, efficiency and lower transactions costs. The Authority will continue to monitor the execution of contracts, enhance competition and promote the development of the domestic industry through monitoring the implementation of the local content strategy.

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



**Julius K. Ishungisa**

**CHAIRMAN - BOARD OF DIRECTORS**



# EXECUTIVE SUMMARY

## INTRODUCTION

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

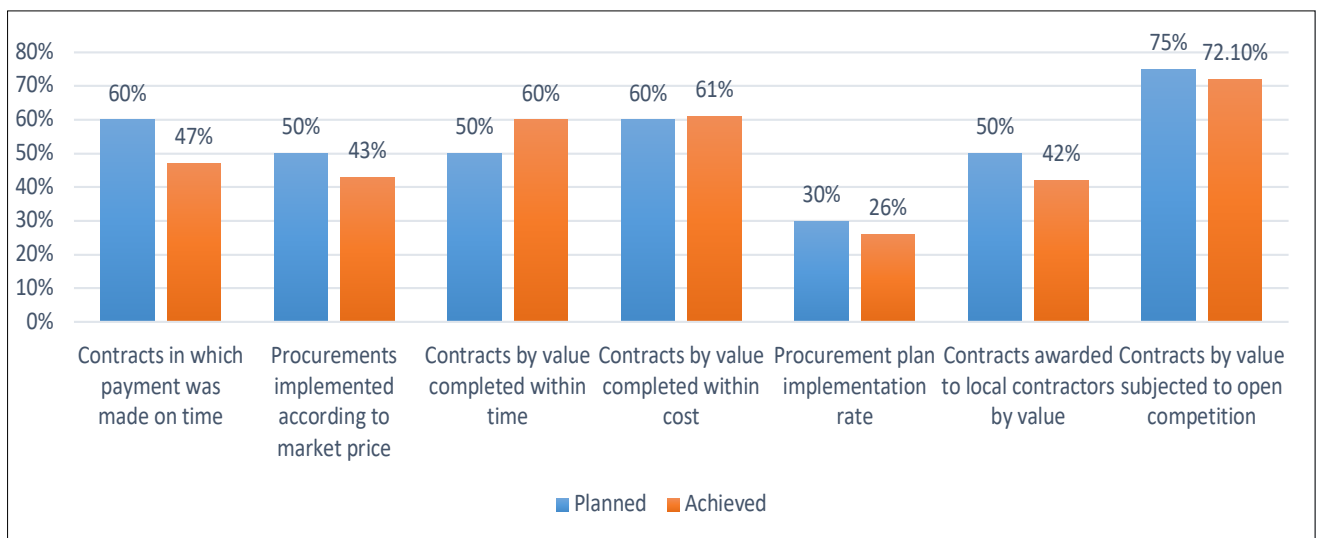
- ensure the application of fair, competitive, transparent, non-discriminatory and value for money public procurement and disposal standards and practices.
- advise Government, local governments and other procuring and disposing entities on the procurement and disposal policies, systems and practices 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 2020/21 highlights the key achievements of the Authority, the challenges faced during the implementation of activities and the main activities planned for the Financial Year 2021/22 based on the priorities of the strategic plan (2020/21-2024/25).

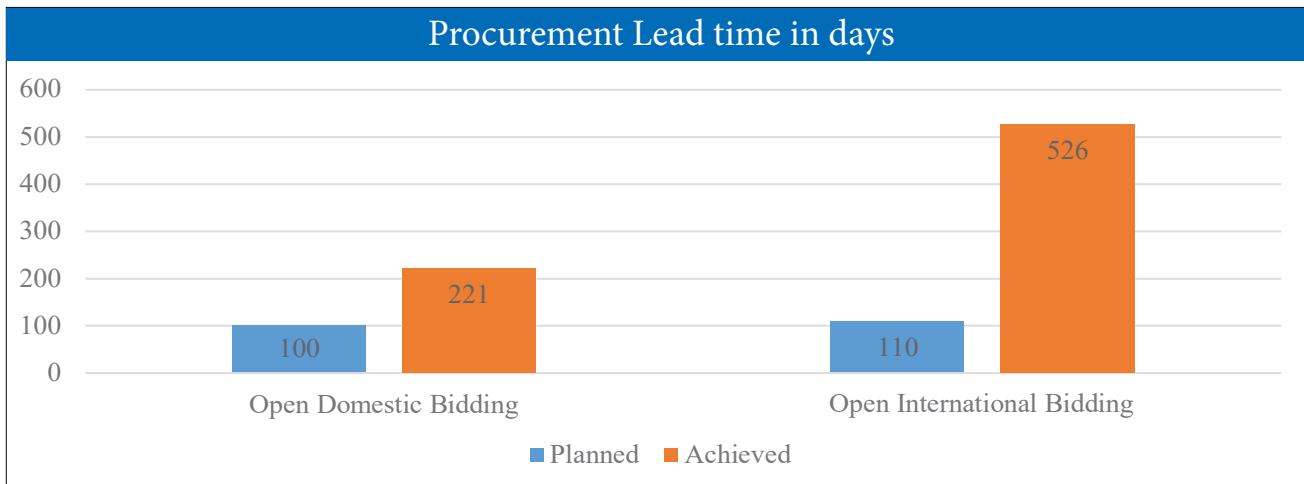
## KEY HIGHLIGHTS IN FY 2020/21

Overall, 50% of the outcome targets were achieved, however poor performance is still observed on the lower absorption rates of the procurement budget and lengthy procurement processes depicted by longer average time to complete the procurement process for both ODB and OIB as shown by figure 1 and 2.

**Figure 1: Overview of outcome indicators**



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



## BRIEF ON THE PERFORMANCE OF SPECIFIC OUTPUTS

### (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 79 Performance Audits, 80 Contract Audits, 78 Compliance Inspections and 6 Bid Preparatory Audits. The audit findings also revealed that only 60% of contracts by value were completed within the contractual timelines implying that 39.9% of the contracts by value were not completed within the contractual period. Only 43% of the signed contracts were implemented according to market price and payment was made on time in 47.25% of the contracts.

#### Investigations

During the period, the Authority investigated and issued reports on 54 complaints worth UGX 364,704,263,003. Of the 54 reports issued, 17(31.5%) reports were in respect to complaints from Local Governments while 37 (68.5%) were from Central Government. The Authority found merit in 17 cases worth UGX 81,374,854,162 representing (22.3%) by value and no merit in 37 investigation cases worth UGX283,329,408,841 representing (77.7%) by value.

#### Applications for Administrative Reviews

The Authority received and handled forty nine 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. 790,355,113,326. Thirty five applications representing 71.4% were in respect to procurements by Central Government Entities and fourteen applications representing 28.6% related to procurements by Local Government Entities. Sixteen applications representing 32.7% were upheld and thirty three applications representing 67.3% were rejected. Out of the forty nine decisions made, thirteen were appealed against at the PPDA Appeals Tribunal in which seven decisions by the Authority were set aside.

## PPDA Appeals Tribunal

During the period, there were two (2) administrative review applications filed in the Tribunal against the decisions of the Authority. One (1) application was withdrawn and one (1) application was dismissed with no order as to costs. The decision of the Tribunal in one (1) application (China Civil Engineering Construction Corporation in JV with Shangai Municipal Engineering Design Institute) has been appealed against in the High Court.

## Accreditations

During the period under review, the Authority handled 14 applications for accreditation of alternative procurement procedures from various entities. Of these, five were granted, three were rejected and six were under consideration. The five accreditations granted were to Bukedi College Kachonga (Negotiations for school requirements), Uganda National Roads Authority (Construction Unit), Maryhill High School (Bakery Project), Pride Micro Finance Limited (Use of final and best offers and for business premises) and NSSF (Management of service charge).

## Deviations

The Authority approved four (4) requests for deviations from use of the standard bidding documents with respect to revenue collections, software procurement, design and construction supervision services and procurement of locally assembled radios.

## Suspension of Providers

The Authority received thirty-five recommendations to suspend a provider in the financial year. This was in addition to the sixty-two complaints that were carried forward from the previous financial year resulting into ninety-seven recommendations. The Authority found merit in nineteen recommendations and suspended the providers. The suspended providers were found to have breached the code of ethics of providers.

## (B) ENHANCE STAKEHOLDER ENGAGEMENT AND MANAGEMENT

Parliamentary Committee on Finance, Planning and Economic Development:

The Authority had a breakfast meeting with the committee and deliberated on a number of issues. The results of the integrity survey were discussed at the same meeting and the committee noted that there is increased perception of corruption in public procurement. The committee pledged to support the Authority so as to strengthen the regulatory function.

## Monitoring and Inspection

The Board and Management toured Namunkeker Industrial Park and Karuma Dam to ascertain the progress of the two projects. The team also retreated at Chobe Safari Lodge to discuss the framework for the engagement of stakeholders.

## Procurement Cadre Forum

The Authority organized a Procurement Cadre Forum for both the Local and Central Government Entities on 16<sup>th</sup> December 2020 at Hotel Africana, Kampala. The theme of the Cadre forum was "Procurement that delivers; the role of the Regulator and Professional amidst social economic and political *disruptions*".

The Objective of the forum was to disseminate developments in the public procurement field such as the revised standard bidding document for works, electronic government procurement, integrity survey findings, share experience and discuss practical issues facing Procuring and Disposing Entities in the execution of procurements and disposals. The training attracted 50 participants who attended the workshop physically and over 150 cadres attended virtually through a webinar/zoom connection. This was done to ensure that a minimum number of participants were in attendance to ensure observance of the standard operation procedures for the prevention of the spread of Covid 19. A link was created for the participants to register in advance and access the proceedings remotely through the link.

## Management of online platforms (social media)

Traffic on the online platforms has continued to grow because of the initiatives undertaken by the Public Relations Unit. This includes timely response to stakeholders. The response is done in less than 24 hours for all queries coming in. There are no pending queries from stakeholders on all the online platforms. There was production of short messages about the PPDA for public information. The messages were produced and ran as newspaper strips and social media posts.

The twitter page has 2,809 followers. Facebook total page followers are 5196. The twitter impressions have been averaging 60,000 per quarter i.e. the total tally of all the times the Authority tweets are viewed or clicked. In addition to the above, five TV talk shows were conducted to inform the public on the various procurement reforms.

## Promotion of local content

The Authority conducted an assessment to ascertain new areas that should be considered 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. Table 1 below indicates the summary sector capacities for new products as submitted by UMA.

**Table 1: Summary Sector Capacities**

SN	Sector	No.of Surveyed Firms	Agg. Sector Investment	Installed Capacity <sup>1</sup> (Mt)	Utilized Capacity (%)
1	Furniture	50	138.7 Billion	42,600	22.5
2	Transformers	5	41.2 Billion	5,220 pieces	22
3	Iron and Steel	5	1,834 Billion	1.45 Million	59
4	Cement	3	1,063 Billion	6.6 Million	55
5	Printing	61	1,006 Billion		36

Source: UMA capacity study, 2019

The local manufacturing companies reported that if given business opportunities, they would be operating at full capacity leading to increase in employment levels in the country. Following this, the Authority drafted revised guidelines to include new areas of reservation such as furniture, transformers and inputs required for turnkey projects/contracts to local providers.

Capacity Building of stakeholders: In total, 2914 participants against a planned 2438 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.

**Installed capacity means maximum production at full utilization of the companies' machinery and employment**

**Table 2: Participants trained**

No	Category	Number of participants	
		Planned	Actual
1.	Contracts Committee (CC), Accounting Officers(AO), Procurement Department Units (PDUs) and User Departments(UD)	1538	1514
2.	Women Entrepreneurs	500	457
3.	Providers and PDUs (eGP)		385
4.	Public and Political leaders	300	280
5.	Civil Society Organizations (CSOs)		197
6.	Secondary School Staff	100	81
	Total	2438	2914

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.

### 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 Thirty-Two (32) written requests for legal guidance/advice were handled during the financial year 2020/21. Out of these, 22 (69%) were from Central Government, 6 (19%) were from the Local Government and 4 (12%) were from Providers.

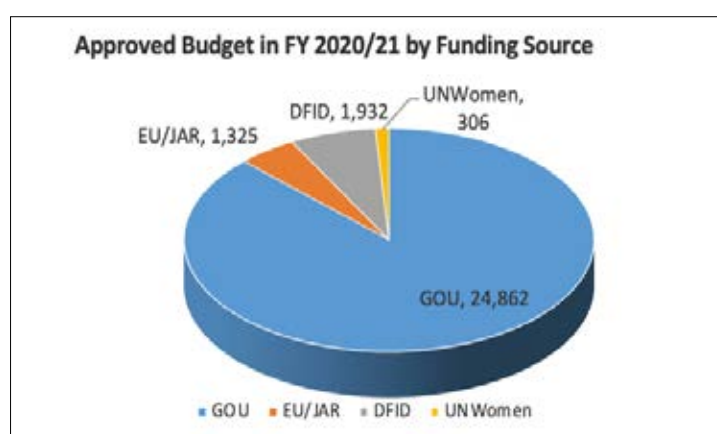
## (C) STRENGTHEN INSTITUTIONAL AND MANAGEMENT CAPACITY

### Overall Financial performance

The approved budget of the Authority for the Financial Year 2020/2021 was UGX 28,424,344,882 comprising of UGX. 24,861,777,232 (87%) under Government of Uganda (GOU) funding and UGX. 3,562,567,650 (13%) from development partners (DFID, EU and UN WOMEN) as distributed in figure 3 below.

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

Approved Budget in FY 2020/21 by Funding Source



By the end of the financial year, the Authority had received cash releases equal to UGX 21,321,321,870 comprising of UGX. 18,697,557,455 (88%) from GOU and UGX. 2,623,764,545 (12%) from development partners.

Overall expenditure Year to Date was UGX. 21,011,783,749, out of which UGX 18,589,625,842 (representing 89%) was on GOU activities and UGX 2,422,157,907 (representing 11%) on donor funded activities. The Authority realized an absorption rate of 99% on the GOU cash release budget and a 92% on the donor funding during the year.

## DONOR FUNDING

### UN WOMEN

The UN WOMEN funding period runs from 01<sup>st</sup> January to 31<sup>st</sup> December, and cuts across two financial years. The Authority received UGX 118,010,193 for the funding period Jan – Dec 2020 and UGX 187,500,000 for the funding period Jan - Dec 2021. UGX 114,719,199 was utilized in the year 2020 for capacity building in five regions to enhance women's participation in public procurement.

During the period 01<sup>st</sup> Jan 2021 to 30<sup>th</sup> June 2021, the Authority received a cash release of UGX 150,000,000 out of the total approved budget of UGX 187,500,000 (being 80% of the funding approved for the year 2021). UGX 38,236,782 was utilized in the period to 30<sup>th</sup> June 2021, representing a 25% absorption rate. Activities under this project were greatly affected by restrictions imposed by the government as a result of the COVID-19 pandemic. As a result of SOPs issued by Ministry of Health, only 50 participants were trained instead of the 100 that had been planned for before the onset of the COVID-19 pandemic hence affecting actual output against targets. Consequently, the Authority absorbed only 57% (UGX 152,955,981) of total release in the period 2020 – 2021. The unspent funds will be rolled over for absorption in the subsequent financial year, 2021/2022.

### European Union/ JAR Sector Reform (EU/JAR)

The approved budget under the EU-JAR Sector Reform funding for the FY2020/21 was UGX 1,324,369,277. A full release of the funds (UGX 1,324,369,277) was issued in the financial year, out of which UGX 1,264,626,980 (representing 96% of funds released) was utilized in the period for contract audits, physical verification, compliance and follow up audits, and staff training. The Authority also purchased two vehicles to support the performance monitoring function. The EU/JAR project funding period ended on the 30<sup>th</sup> June 2021 and unspent funds on account (approximately UGX 54M) will be remitted back to the Ministry of Finance as per guidelines issued.

### The Department for International Development (DFID)

In July 2019, The Authority received a three year grant of USD 837,800 for the period March 2019 to February 2021 to facilitate change management initiatives for the EGP project, provide capacity building on open contracting and develop a five-year strategic plan for the Authority. By the end of the project period on the 28<sup>th</sup> February 2021, the Authority had received a total of USD 281,600 and utilized USD 279,441 (99%). However, due to changes with the developer of the EGP European Dynamics system, the funding for the EGP component, which was the majority of the funding, was withdrawn and this led to delays in the approval of funding for the other activities in the work plan. As a consequence, the Authority was not able to execute the approved work plan within the projected timelines and hence requested for an extension of the project end date and a revision of the project work plan to accommodate changes in scope.

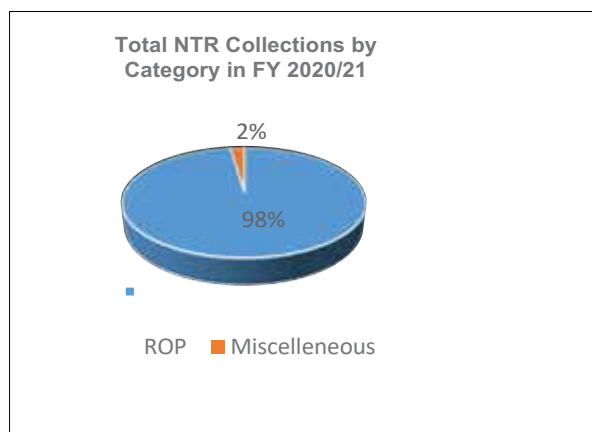
The World Bank approved a project extension to 31<sup>st</sup> August 2021 and a budget of USD 240,600 (USD 50,000 of which is the bank execution component) to facilitate capacity building on Open Contracting, sensitization campaigns on transparency and accountability (including the installation of 11 Billboards across 4 regions of Uganda) and the development and implementation of a rehabilitation strategy for suspended providers. An analysis of the budget performance of the DFID fund for FY20/21 is as indicated in table 2 above.

### Non-Tax Revenue (NTR)

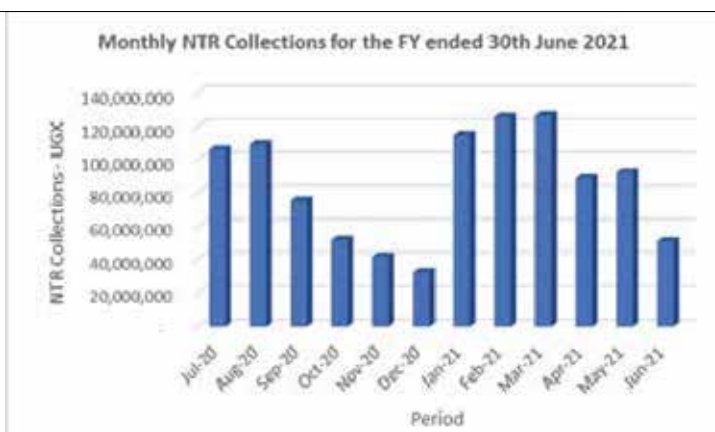
The Authority is mandated to collect Non-Tax Revenue (NTR) through the Uganda Revenue Authority e-Tax portal, which is then remitted to the Consolidated Fund. The main source of NTR collected by the Authority is registration fees on the Register of Providers, proceeds from the disposal of assets and other miscellaneous revenues. By the end of the financial year 2020/21, the Authority had collected Non-Tax Revenues of UGX 1,016,096,107 (representing 141% of the annual target of UGX 719 Million). UGX 993,159,507 (representing 98% of amounts collected) were attributed to registration fees on the Register of Providers (ROP) portal and UGX 22,936,600 (representing 2%) were collections from disposal of assets in the year.

An analysis of NTR collected in the year and the monthly performance against projection is shown in figure 4 and 5 respectively.

**Figure 4: Total NTR Collections by Category in FY 2020/21**



**Figure 5: Summary of NTR**



There was an overall increase in collections during the year partly due to the demand for ROP certificates by NGO's and the anticipation of the EGP system roll out in the third quarter. This is reflected in the high volume of collections between Jan-21 and Mar-21. All amounts collected were remitted to the consolidated fund by the end of the financial year.

## (D) LEVERAGING TECHNOLOGY TO DELIVER EFFICIENCY IN PUBLIC PROCUREMENT

### Conduct e-GP Change Management and Training

The Authority in conjunction with other stakeholders such as MOFPED, MoICT, NITA-U, UCAA, 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.

## Rollout and Implementation of the Letter Movement System (LMS)

In a bid to further automate Authority operations and bridge the existing information gap, the IT section developed a letter movement system to facilitate management of incoming and outgoing letters. The LMS is a web-based system used for capturing information about letters/documents both received and sent by the Authority to and from its different stakeholders. The LMS automated the movement of letters within the Authority which makes information sharing and management more efficient.

The system was rolled out in March 2021. User support and continuous improvement to the system is ongoing.

**Table 3: Summary Performance against the Planned Targets**

Indicators		Actual FY 2019/20 #	Planned Target FY 2020/21 %	Actual		Result Rating
<b>Strengthen Regulation of Public Procurement System</b>						
Procurement Audits and Compliance Checks	In-house and outsourced	107	160	157	98%	
Contract Audits	In-house and outsourced	19	30	80	260%	
Bid Preparatory Audits	In house	N/A	5	6	120%	
Investigations	Completed	52	90	54	60%	
Administrative Reviews Upheld Withdrawn	Rejected	27	N/A	33	67%	N/A
	17	N/A	16	33%	N/A	
	1	N/A	0	0	N/A	
PPDA Appeals Tribunal	% Cases upheld by Tribunal	36% n=25	100%	7 n=15	47% n=15	
Average number of bids received	# of bids	3.3	5	2	N/A	N/A
Proportion of Contracts rated satisfactory from Audits	By value	62.73	65%	N/A	64%	
% of contracts by value subjected to open competition	By value	71.4%	75%	N/A	72.1%	
Proportion of contracts by value awarded to local providers	By value	58.4%	50%	N/A	74.3%	
Average procurement lead time (ODB)	# of Days	155	100	121	N/A	N/A
Average procurement lead time (OIB)	# of Days	343	110	416	N/A	N/A

Indicators		Actual FY 2019/20 #	Planned Target FY 2020/21 %	Actual		Result Rating
Procurement Plan Implementation rate	All Entities	17.4%	30%	N/A	26%	N/A
Proportion of contracts completed within cost	Value	N/A	60%	N/A	61.7%	
Contracts completed within contractual time	Value	66.4%	50%	N/A	60%	
Proportion of procurements implemented according to market price	value	66.3%	50%	N/A	43%	
Proportion of contracts where payment was made on time	Value	66.1	60%	N/A	47.3%	
Accreditations Upheld Pending consideration Closed for lack of information	Rejected	2	N/A	3 (n=14)	21%	N/A
	11	N/A	5 (n=14)	36%	N/A	
	1	N/A	6 (n=14)	43%	N/A	
	N/A	N/A	0 (n=14)	0%	N/A	
Suspensions of Providers Not suspended(n o merit) Pending Court decision Still under consideration	Number of providers suspended	5 n=24	N/A	19 (n=97)	20%	N/A
	N/A	N/A	24 (n=97)	25%	N/A	
	N/A	N/A	16 n=97	16%	N/A	
	N/A	N/A	38 (n=97)	39%	N/A	
Proportion of entities compliant with submission of reports LG(quarterly)	CG(monthly)	57.3%	2238	1693	75.6%	
	45.5%	696	404	58%		
Proportion of entities compliant with submission of plans	CG& LG	88.6%	397	358	90.2%	
<b>Enhance stakeholder engagement and management</b>						
Training Conducted	# Stakeholders trained		3000	2902	96%	
Legal Advice	Number of written guidance	177	160	132	82%	

Indicators		Actual FY 2019/20 #	Planned Target FY 2020/21 %	Actual		Result Rating
Deviation from use of SBDs	#	N/A				
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
<b>Strengthen Institutional and Management Capacity</b>						
Budget Performance Non Wage	Wage	6.968bn	6.968bn	6.968bn	100%	
		5.605bn	6.889bn	5.048bn	73%	
	Development Budget	4.707bn	10.994bn	6.681bn	61%	
%age of strategic organizational targets achieved	%	54%	60%	N/A	50%	
Average staff appraisal rating	%	N/A	65%	N/A	78%	
Employee satisfaction levels	%	N/A	65%	N/A	N/A	N/A
Annual budget absorption rate	%	95.8%	60%	N/A	99%	
Annual Auditor General rating	%	unqualified	unqualified	N/A	N/A	N/A
<b>To leverage Technology to deliver Efficiency in Public Procurement</b>						
Procurement lead time in days for entities using EGP	#	N/A	100	N/A	N/A	N/A
Average number of bids received under EGP for every procurement advertised	#	N/A	3	N/A	N/A	N/A

### 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 4.

**Table 4: 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 2014/2015- 2018/19, PPDA reviewed and refined its vision, mission, and focus. The following section presents the vision, mission, overall goal, core values as outlined in the expiring strategic plan as well as the organizational structure of the Authority.

## 1.1 Vision, Mission, and Overall Goal of the Authority



## 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 customers 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 three committees: the Audit and Risk Committee, the Advisory Committee and the Complaints Review Committee. Under the PPDA Act, 2003, at least one Board meeting must be held in two months of a Financial Year.



**Mr Julius K. Ishungisa**  
Chairman



**Ms Rita Namakiika  
Nangono**  
Member



**Arch Dorothy  
Abola**  
Member



**Mr. David Kiyingi  
Nyimbwa**  
Member



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



**Eng. George  
William Bwanga**  
Member



**Mr. David Sserebe  
Bbunya**  
Member



**Mr. Benson  
Turamye**  
Member

The following were the Board of Directors as at 30<sup>th</sup> June 2019.

1.	Mr Julius K. Ishungisa:	Chairman of the Board of Directors
2.	Ms Rita Namakiika Nangono:	Member
3.	Eng. George William Bwanga:	Member
4.	Arch. Dorothy Abola:	Member
5.	Mr. David Kiyingi Nyimbwa:	Member
6.	Mr. David Sserebe Bbunya:	Member
7.	Dr. Levi Kabagambe (PhD):	Member
8.	Mr. Benson Turamye:	Member

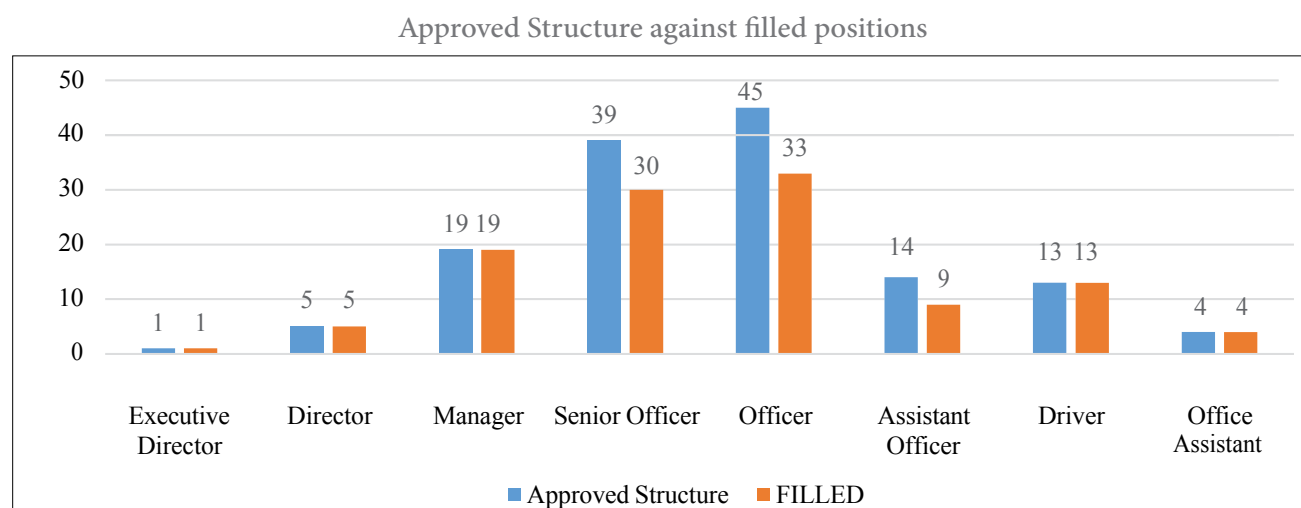
### 1.3.2 Directorates of the Authority

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 Directorate: The Directorate adopts, adapts and upgrades the common specification standards as well as issuing guidelines for public procurement and disposal sector.
- ii. Performance Monitoring Directorate: This Directorate is mandated to carry out procurement and disposal contract and performance audits.
- iii. Capacity Building and Advisory Services Directorate: This Directorate 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 Directorate: This Directorate is responsible for the smooth management of financial, human resource and administrative affairs of the Authority.
- v. Corporate Affairs Directorate: This Directorate is responsible for strategic planning, monitoring and evaluation, public relations and managing both the internal and external relations of the Authority.

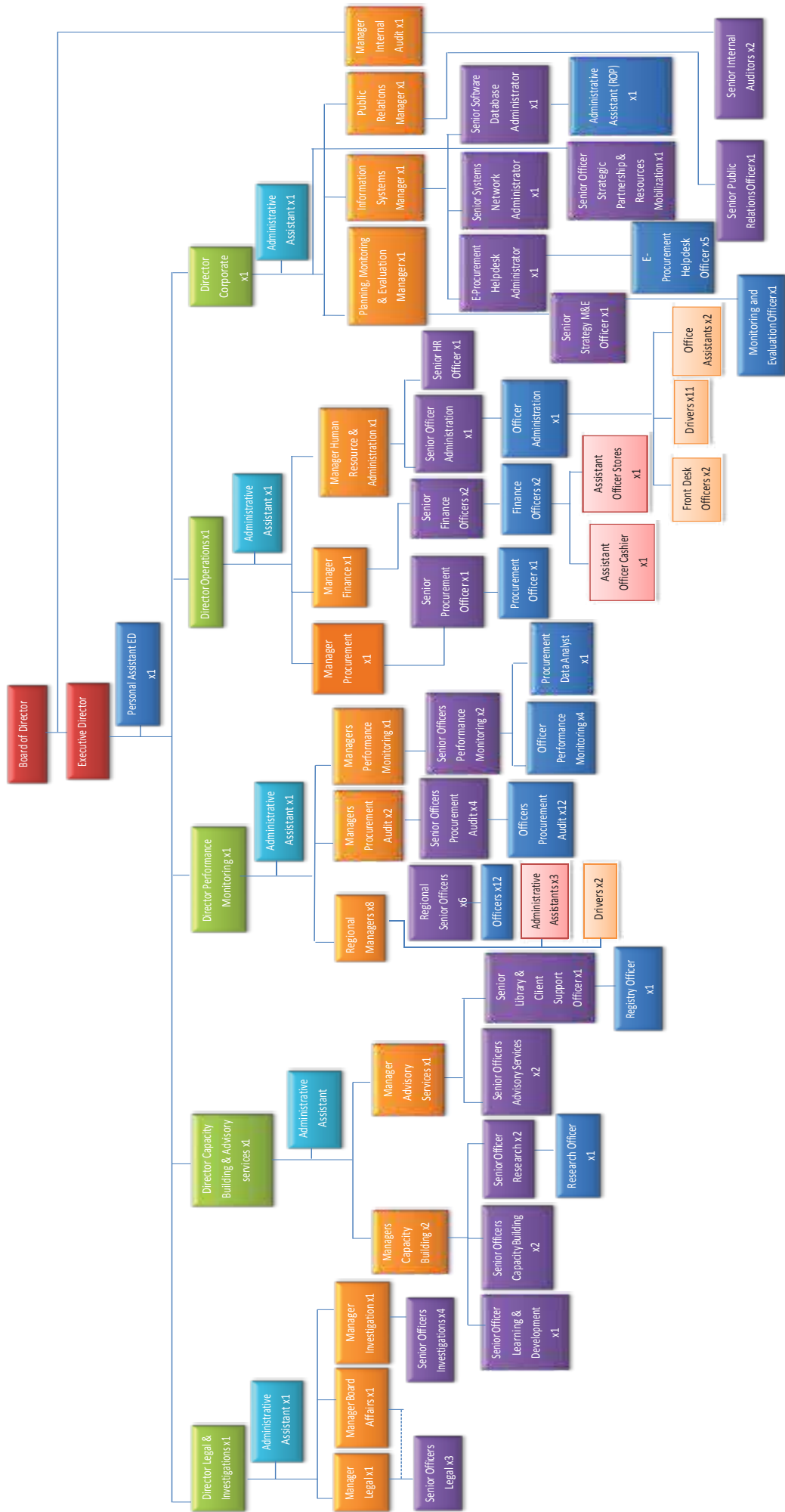
As at end of June 2021, the Authority had a staff complement of 114(81%) out of the 140 approved positions in the structure. The distribution of the various staff in the various directorates of the Authority is illustrated in Figure 6 below.

**Figure 6: Approved Structure against filled positions**



# ORGANISATIONAL STRUCTURE OF THE AUTHORITY

Figure 7: PPDA Organogram



# 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 Amendments of the PPDA Act, 2003

During the period under review, H.E the President of the Republic of Uganda assented to the PPDA (Amendment) Act, 2021 and it is in preparation for gazetting.

#### 2.2 Revision of the Standard Bidding Documents

During the period under review, the Board approved the Standard Bidding Document (SBD) for the Open or Restricted Bidding Method of Procurement for Supplies for use by the Central Government Entities. The revision incorporates sustainable procurement, requirement of contract prices in Uganda Shillings, clarification on the instruction for submission of Joint Ventures / Consortium and Associations and editorial enhancements.

#### 2.3 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. It is in accordance with the above mandate that the Authority conducted 246 audits in 185 Entities for the financial year ended June 2021 as indicated below:

1. Performance audits were conducted in seventy-nine (79) Entities with 1,752 sampled contracts worth UGX 2,786,119,769,348. The total number of contracts awarded in the seventy-nine (79) Entities in which performance audits were conducted was 10,559 contracts valued at UGX 4,012,616,753,808.
2. Compliance inspections were carried out in seventy-eight (77) Entities for the year ended June 2021 with 845 sampled contracts worth UGX 187,365,340,116.
3. Eighty (80) contract audits were carried out in twenty-nine (29) Entities with an aggregate value of UGX 1,497,217,472,720, USD 356,404,874.40 and EUR 81,918,780.93.

**Table 5: Performance by Value and Number of Contracts under performance audits**

Category of Performance	Value of Contracts (UGX)	Percentage (%)	Number of Contracts	Percentage (%)
High Risk	836,879,152,459	30.04	483	27.57
Medium Risk	858,861,915,494	30.83	614	35.05
Low Risk	979,178,515,863	35.14	471	26.88
Satisfactory	111,200,185,533	3.99	184	10.50
Total	2,786,119,769,348	100	1,752	100

The audit findings also revealed that only 60% of contracts by value were completed within the contractual timelines implying that 39.9% of the contracts by value were not completed within the contractual period. Only 43% of the signed contracts were implemented according to market price and payment was made on time in 47.25% of the contracts.

## 2.4 Investigations

During the period, the Authority investigated and issued reports on 54 complaints worth UGX 364,704,263,003. Of the 54 reports issued, 17 reports (31.5%) were in respect to complaints from Local Governments while 37 (68.5%) were from Central Government.

**Table 6: Complaints that had Merit Vs No merit by Number and Value**

No	Merit/No merit	Number	Percentage (%)	Value (UGX)	Percentage (%)
1.	Merit	17	31.5	81,374,854,162	22.3
2.	No Merit	37	68.5	283,329,408,841	77.7
Total		54	100	364,704,263,003	100

Out of the fifty-four (54) complaints concluded and issued, twenty (20) were related to works, seventeen (17) were related to supplies, seven (7) were related to services, one was related to local revenue, three were related to disposal and six related to Non-Consultancy services.

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. Use of inappropriate procurement methods;
- ii. Lack of transparency in the procurement process;
- iii. Disposal without the Chief Government Valuer's report;
- iv. Procurements not initiated or cancelled with due process;
- v. Non approval of bid notices by the Contracts Committee;
- vi. Inadequate bidding documents;
- vii. Irregularities at evaluation;
- viii. Non-adherence to Government Policy of restricting certain procurement to a associations and cooperatives.

## 2.5 Handling of Applications for Administrative Reviews

The Authority received and handled forty nine 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. 790,355,113,326. Thirty five applications representing 71.4% were in respect to procurements by Central Government Entities and fourteen applications representing 28.6% related to procurements by Local Government Entities. Sixteen applications representing 32.7% were upheld and thirty three applications representing 67.3% were rejected.

Out of the forty nine decisions made, thirteen were appealed against at the PPDA Appeals Tribunal in which seven decisions by the Authority were set aside. The summary of the applications for Administrative Review handled during the quarter are as reflected in the table 7 below.

**Table 7: Administrative Reviews handled**

Decisions made	Number	percentage
Upheld	16	32.7%
Rejected	33	67.3%
Total	49	100%
Source of complaints		
Central Government	35	71.4%
Local Government	14	28.6%

Out of the 16 applications that had merit, Entities were directed in 10 procurements to re-evaluate the bids, and in 4 applications, the Accounting Officers were directed to handle the reviews which they had rejected.

## 2.6 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 thirty-five recommendations to suspend a provider in the financial year. This was in addition to the sixty-two complaints that were carried forward from the previous financial year resulting into ninety-seven recommendations. The Authority found merit in nineteen recommendations and suspended the providers. Table 8 below gives the status of the 97 recommendations.

**Table 8: Cases recommended for suspension**

Action	Number of cases	Reason
Suspended	19	Forgeries and fraudulent practices
Not Suspended	24	No merit in the recommendation
Matters in Court	16	Pending court decision
Not handled	38	Still under investigation
Total	97	

## 2.7 Accrediting alternative procurement and disposal systems

The Authority handled 14 applications for accreditation of alternative procurement procedures from various entities. Of these, five were granted, three were rejected and six were under consideration. The five accreditations granted were to Bukedi College Kachonga (Negotiations for school requirements), Uganda National Roads Authority (Construction Unit), Maryhill High School (Bakery Project), Pride Micro Finance Limited (Use of final and best offers and for business premises) and NSSF (Management of service charge).

## 2.8 PPDA Appeals Tribunal

During the period, fifteen (15) appeals against the Authority's administrative review decisions were filed before the Tribunal. Seven (7) applications were upheld by the Tribunal and the decisions of the Authority set aside. Six(6) applications were dismissed and two (2) applications were withdrawn by the applicants.

# 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 Parliamentary Committee on Finance, Planning and Economic Development

The Authority had a breakfast meeting with the committee and deliberated on a number of issues. The results of the integrity survey were discussed at the same meeting and the committee noted that there is increased perception of corruption in public procurement. The committee pledged to support the Authority so as to strengthen the regulatory function.

### 3.2 Monitoring and Inspection

The Board and Management toured Namunkekera Industrial Park and Karuma Dam to ascertain the progress of the two projects. The team also retreated at Chobe Safari Lodge to discuss the framework for the engagement of stakeholders.



**Board's Visit to Namunkerera Industrial Park.**

### 3.3 Procurement Cadre Forum

The Authority organized a Procurement Cadre Forum for both the Local and Central Government Entities on 16<sup>th</sup> December 2020 at Hotel Africana, Kampala. The theme of the Cadre forum was “Procurement that delivers; the role of the Regulator and Professional amidst social economic and political disruptions” The Objective of the forum was to disseminate developments in the public procurement field such as the revised standard bidding document for works, electronic government procurement, integrity survey findings, share experience and discuss practical issues facing Procuring and Disposing Entities in the execution of procurements and disposals.

The training attracted 50 participants who attended the workshop physically and over 150 cadres attended virtually through a webinar/zoom connection. This was done to ensure that a minimum number of participants were in attendance to ensure observance of the standard operation procedures for the prevention of the spread of Covid 19. A link was created for the participants to register in advance and access the proceedings remotely through the link

### 3.4 Promotion of local content

The Authority conducted an assessment to ascertain new areas that should be considered 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. The local manufacturing companies reported that if given business opportunities, they would be operating at full capacity leading to increase in employment levels in the country.

Following this, the Authority drafted revised guidelines to include new areas of reservation such as furniture, transformers and inputs required for turnkey projects/contracts to local providers.

### 3.5 Capacity Building of stakeholders

In total, 2914 participants against a planned 2438 where trained in various aspects of the procurement and disposal system. The over performance is attributed to eGP change management training and CSOs. 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

The approved budget of the Authority for the Financial Year 2020/2021 was UGX 28,424,344,882 comprising of UGX. 24,861,777,232 (87%) under Government of Uganda (GOU) funding and UGX. 3,562,567,650 (13%) from development partners (DFID, EU and UN WOMEN). By the end of the financial year, the Authority had received cash releases equal to UGX 21,321,321,870 comprising of UGX. 18,697,557,455 (88%) from GOU and UGX. 2,623,764,545 (12%) from development partners. Overall expenditure Year to Date was UGX. 21,011,783,749, out of which UGX 18,589,625,842 (representing 89%) was on GOU activities and UGX 2,422,157,907 (representing 11%) on donor funded activities. The Authority realized an absorption rate of 99% on the GOU cash release budget and a 92% on the donor funding during the year as indicated in table 9.

absorption rate of  
**99%**  
on the GOU cash  
release budget

absorption rate of  
**92%**  
on donor funding

**Table 9: Analysis of Budget performance per expenditure Category (GOU and Donor)**

Budget Category	Approved Budget	Cash Releases	Actual Spend	Release Vs Budget	Actual Vs Release	Remarks
GOU Budget	UGX 'M	UGX 'M	UGX 'M	%	%	
Wage	6,969	6,969	6,863	100%	98%	100% of the budget was released and 98% spent. Unspent balance of UGX 106M due to vacant positions not yet filled.
Gratuity	1,662	1,662	1,662	100%	100%	100% budget released and spent.

Budget Category	Approved Budget	Cash Releases	Actual Spend	Release Vs Budget	Actual Vs Release	Remarks
GOU Budget	UGX 'M	UGX 'M	UGX 'M	%	%	
Gratuity	1,662	1,662	1,662	100%	100%	100% budget released and spent.
Non-Wage Recurrent	5,237	3,386	3,384	65%	100%	65% of the budget released leading to failure to meet some financial obligations in the year. Domestic arrears accrued as a result.
Development Budget	10,994	6,681	6,680	61%	100%	61% of approved budget was released. This coupled with the interruptions due to Covid-19 have delayed completion of the project (extended from May-21 to Aug-21)
Total GOU Budget	24,862	18,698	18,590	75%	99%	75% of Approved budget was released in FY 2020/21
<b>DONOR Budget</b>						
EU	1,325	1,325	1,265	100%	95%	Project closed at 30 <sup>th</sup> June 2021 after 3 years of implementation at 95% absorption rate.
UNWOMEN: 2020	118	118	115	100%	97%	97% absorption of budget but costs of implementation of activities was higher due to COVID-19 restrictions, hence number of women trained was lower than target.
2021	188	150	38	80%	25%	Implementation of project work plan delayed by late release of funds and interruption of activities due to Covid-19 restrictions.
DFID: FY 19/20 FY 20/21 FY 21/22	541 507 884	541 507 0	126 913 0	100% 100% 0%	23% 180% 0%	54% of the overall approved budget was released in the period 2019 - 2021. Over absorption in FY 20/21 was a result of carry over funds from FY 19/20 utilised in FY20/21.
Total Donor Budget	3,563	2,624	2,457	74%	92%	
<b>Overall Budget</b>	<b>28,314</b>	<b>21,207</b>	<b>21,012</b>	<b>75%</b>	<b>98%</b>	

## 41.2 Brief on budget performance

### a) GoU Budget Performance

The Authority experienced a budget shortfall of UGX 6,164,219,907 during the year, of which UGX 1,851,102,907 was on the recurrent budget and UGX 4,313,117,000 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 1,751,397,767.

### b) Performance on Donor funding

#### i. UN WOMEN

The UN WOMEN funding period runs from 01<sup>st</sup> January to 31<sup>st</sup> December, and cuts across two financial years. The Authority received UGX 118,010,193 for the funding period Jan – Dec 2020 and UGX 187,500,000 for the funding period Jan - Dec 2021. UGX 114,719,199 was utilized in the year 2020 for capacity building in five regions to enhance women's participation in public procurement.

During the period 01<sup>st</sup> Jan 2021 to 30<sup>th</sup> June 2021, the Authority received a cash release of UGX 150,000,000 out of the total approved budget of UGX 187,500,000 (being 80% of the funding approved for the year 2021). UGX 38,236,782 was utilized in the period to 30<sup>th</sup> June 2021, representing a 25% absorption rate. Activities under this project were greatly affected by restrictions imposed by the government as a result of the COVID-19 pandemic. As a result of SOPs issued by Ministry of Health, only 50 participants were trained instead of the 100 that had been planned for before the onset of the COVID-19 pandemic hence affecting actual output against targets. Consequently, the Authority absorbed only 57% (UGX 152,955,981) of total release in the period 2020 – 2021. The unspent funds will be rolled over for absorption in the subsequent financial year, 2021/2022.

#### ii. European Union/ JAR Sector Reform (EU/JAR)

The approved budget under the EU-JAR Sector Reform funding for the FY2020/21 was UGX 1,324,369,277. A full release of the funds (UGX 1,324,369,277) was issued in the financial year, out of which UGX 1,264,626,980 (representing 96% of funds released) was utilized in the period for contract audits, physical verification, compliance and follow up audits, and staff training. The Authority also purchased two vehicles to support the performance monitoring function. The EU/JAR project funding period ended on the 30<sup>th</sup> June 2021 and unspent funds on account (approximately UGX 54M) will be remitted back to the Ministry of Finance as per guidelines issued.

#### iii. The Department for International Development (DFID)

In July 2019, the Authority received a three year grant of USD 837,800 for the period March 2019 to February 2021 to facilitate change management initiatives for the EGP project, provide capacity building on open contracting and develop a five-year strategic plan for the Authority. By the end of the project period on the 28<sup>th</sup> February 2021, the Authority had received a total of USD 281,600 and utilized USD 279,441 (99%). However, due to changes with the developer of the EGP European Dynamics system, the funding for the EGP component, which was the majority of the funding, was withdrawn and this led to delays in the approval of funding for the other activities in the work plan.

As a consequence, the Authority was not able to execute the approved work plan within the projected timelines and hence requested for an extension of the project end date and a revision of the project work plan to accommodate changes in scope. The World Bank approved a project extension to 31<sup>st</sup> August 2021 and a budget of USD 240,600 (USD 50,000 of which is the bank execution component) to facilitate capacity building on Open Contracting, sensitization campaigns on transparency and ac-

countability (including the installation of 11 Billboards across 4 regions of Uganda) and the development and implementation of a rehabilitation strategy for suspended providers. An analysis of the budget performance of the DFID fund for FY20/21 is as indicated in table 2 above.

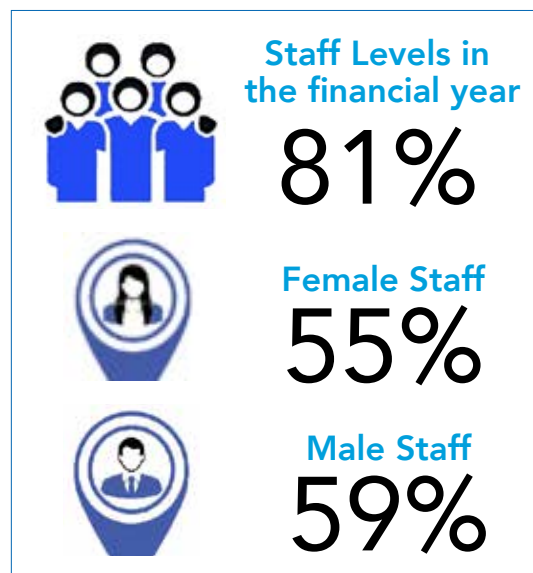
## 4.2 Human Resources

### 4.2.1 Staffing level of the Authority

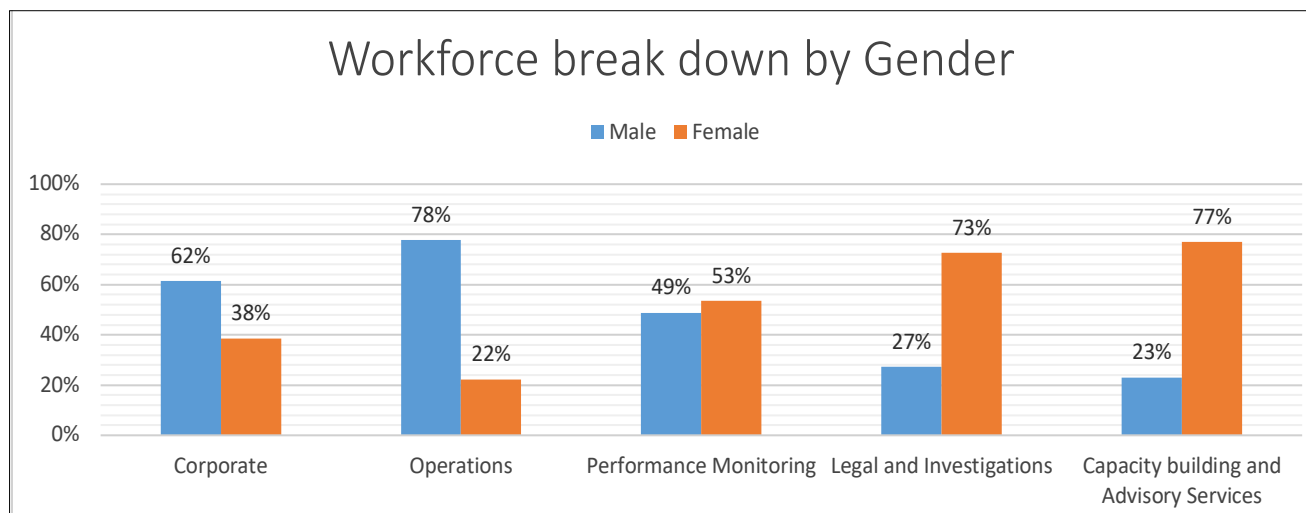
#### 4.2.1.1 Staffing

The Authority has a staff structure of 140 staff. The staffing level in the Authority during the quarter was at 114 staff, which represents 81% of the total staff structure. 19% of the structure is not yet filled.

The number of Male staff in the Authority is 59 and females 55 representing 52% and 48% of the total staff respectively. This is a positive indicator that the Authority is gender diverse.



**Figure 8: Showing the number of Workforce per department**



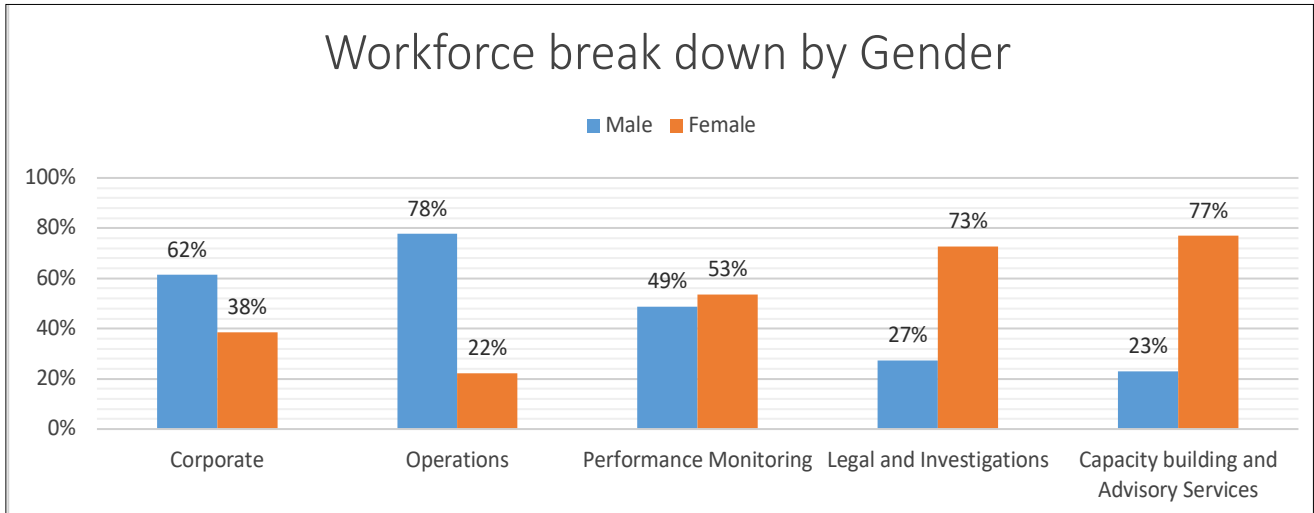
#### 4.2.1.2 Recruitment and selection of staff

The Authority completed the recruitment and filled nine (9) vacant positions which included Public Relations Manager, Manager Procurement, Manager Capacity Building, Regional Manager, Senior Officer, Monitoring and Evaluation, Senior Officer Procurement Audit, Mbale, Senior Officer Legal, E-GP Support Officer-Procurement Audit and Officer Procurement Audit, Gulu.

#### 4.2.1.3 Implement a well-structured Annual Training plan.

During the period, twenty seven (27) staff attended both physical and on-line training in various fields. The number of staff trained as per department is as shown by Figure 9.

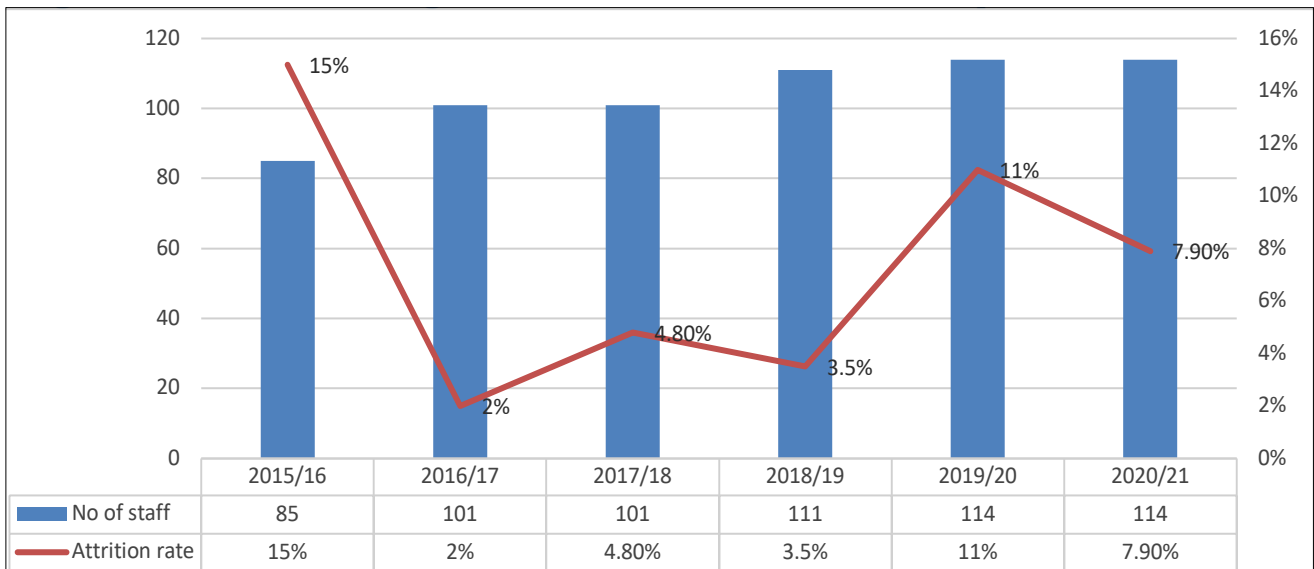
**Figure 9: Showing the number of staff trained per department**



**4.2.1.4 Develop and Implement an Employee Engagement and Retention Program**

The Authority implements 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 and 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 (9) 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 10 shows the staffing levels and Attrition Rates over the past 5 Years.

**Figure 10: 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

### 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

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.

#### 5.2 Extension of the National Backbone Infrastructure (NBI) Internet to the Gulu Office

PPDA in conjunction with National Information Technology Authority (NITA) extended the NBI (government internet backbone) to Gulu regional office in March 2021 and a leased line was also setup to connect the office to the same network as the rest of the offices in a wide area network.

#### 5.3 Rollout and Implementation of the Letter Movement System (LMS)

In a bid to further automate Authority operations and bridge the existing information gap, the IT section developed a letter movement system to facilitate management of incoming and outgoing letters. The LMS is a web-based system used for capturing information about letters/documents both received and sent by the Authority to and from its different stakeholders. The LMS automated the movement of letters within the Authority which makes information sharing and management more efficient. The system was rolled out in March 2021. User support and continuous improvement to the system is ongoing

# CHAPTER 6:

## CHALLENGES ENCOUNTERED IN FY 2020/21 AND PRIORITIES OF FY2021/22.

### 6.0 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 carry out 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 PPDA Act. It is now planned that the view of the PPDA Regulations and Local Government (PPDA) Regulations, 2006 shall be reviewed 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 2021/22

### **Strengthening regulation of the Public Procurement and Asset Disposal System:**

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

### **Enhancing Stakeholder Engagement and Management:**

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

### **Strengthening Institutional and Management Capacity:**

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

### **Leveraging Technology to deliver Efficiency in Public Procurement:**

This will be done through piloting of the e-procurement system to selected entities, conducting system wide training on the use of the system as well as Automation of HR Processes.

# ANNEXES

## Annex I: Providers Suspended by the Authority

No	Entity	Provider	Breach and Finding	Period of Suspension
Suspended Providers				
1	Kitgum MC	Jupiter Technical Services Limited	Forgery of a Tax Clearance Certificate	Two years ending 21 <sup>st</sup> September 2022
2	Authority's own initiative	Ezekiel Construction Limited	Breach of the code of ethical conduct of providers following submission of a forged Transaction Tax Clearance Certificate	Three years ending 24 <sup>th</sup> November 2023
3	Uganda National Roads Authority	Shanghai Repairs Ltd	Breach of the code of ethical conduct of providers following submission of a forged bid guarantee	Two years ending 24 <sup>th</sup> November 2022
4	Authority's own initiative	Mabrows Contractors Limited	Breach of the code of ethical conduct of providers following submission of a forged Transaction Tax Clearance Certificate	Three years ending 24 <sup>th</sup> November 2023
5	Authority's own initiative	Rwapa Technologies Limited	Breach of the code of ethical conduct of providers following submission of a forged Transaction Tax Clearance Certificate	Three years ending 24 <sup>th</sup> November 2023
6	Authority's own initiative	Ahijum Technical Services Limited	Breach of the code of ethical conduct of providers following submission of a forged Transaction Tax Clearance Certificate	Three years ending 24 <sup>th</sup> November 2023
7	Authority's own initiative	Yurio General Enterprises Ltd	Breach of the code of ethical conduct of providers following submission of a forged Transaction Tax Clearance Certificate	Three years ending 24 <sup>th</sup> November 2023
8	Authority's own initiative	Kihembe Transporters Ltd	Breach of the code of ethical conduct of providers following submission of a forged Transaction Tax Clearance Certificate	Three years ending 24 <sup>th</sup> November 2023
9	Authority's own initiative	The Saja's Company Ltd	Breach of the code of ethical conduct of providers following submission of a forged Transaction Tax Clearance Certificate	Three years ending 24 <sup>th</sup> November 2023
10	Kitgum Municipal Council	Loborom Company Limited	Breach of the code of ethical conduct of providers following submission of a forged Transaction Tax Clearance Certificate	Three years ending 24 <sup>th</sup> November 2023
11	Kitgum Municipal Council	Brilliant Arch Consult & Engineering Company Limited	Breach of the code of ethical conduct of providers following submission of a forged bank statement	Three years ending 24 <sup>th</sup> November 2023
12	Ministry of Education	KSB Office & General Supplies Ltd	Forgery of a bid security Two years effective	Two years ending 21 <sup>st</sup> February 2023
13	Uganda National Roads	K.B Technical Services	Breach of the Code of Ethical Conduct of Providers.	Three years ending 6 <sup>th</sup> April 2024

Authority				
1	Bank of Uganda	Carl Investments (U) Ltd	Forgery of Income Tax Clearance Certificate	Two Years
2	PPDA	Alepen Uganda Limited	Forgery of Income Tax Clearance Certificate	Two Years
3	Rural Electrification Agency	Metro Ltd	Engaging in fraudulent activity by carrying out deceptive financial practices which caused a financial loss	Two Years
4	Rural Electrification Agency	Solar Sense	Engaging in fraudulent activity by carrying out deceptive financial practices which caused a financial loss	Two Years
5	Rural Electrification Agency	Naco Solar Limited	Engaging in fraudulent activity by carrying out deceptive financial practices which caused a financial loss	Two Years
6	Rural Electrification Agency	Solar Energy Distributors Ltd	Engaging in fraudulent activity by carrying out deceptive financial practices which caused a financial loss	Two Years



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 (PPDA)  
FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup> JUNE 2021**

**OFFICE OF THE AUDITOR GENERAL  
UGANDA**

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## LIST OF ACRONYMS

ACRONYM	MEANING
AIA	Appropriation in Aid
BEC	Budget Execution Circular
DFID	Department for International Development
EU	European Union
GoU	Government of Uganda
HR	Human Resource
ICT	Information & Communication Technology
IESBA	International Ethics Standards Board for Accountants
INTOSAI	International Organization of Supreme Audit Institutions
ISSAIs	International Standards of Supreme Audit Institutions
MDAs	Ministries, Departments and Agencies
Mn	Million
MoFPED	Authority of Finance, Planning and Economic Development
MTEF	Medium Term Expenditure Framework
NAA	National Audit Act
NTR	Non-Tax Revenue
OAG	Office of the Auditor General
PBS	Program Budgeting System
PDU	Procurement & Disposal Unit
PFM	Public Finance Management
PFMA	Public Finance Management Act
PFMR	Public Finance Management Regulations
PPDA	Public Procurement & Disposal of Public Assets
PS/ST	Permanent Secretary / Secretary to the Treasury
TI	Treasury Instructions
UCF	Uganda Consolidated Fund
UGX	Uganda Shilling
UN	United Nations

**REPORT OF THE AUDITOR GENERAL ON THE AUDIT OF FINANCIAL STATEMENTS OF  
THE PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY (PPDA)  
FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup> JUNE, 2021**

**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 30<sup>th</sup> June, 2021, which comprise the Statement of Financial Position as at 30<sup>th</sup> June 2021, the Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows together with other accompanying statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements of the Public Procurement and Disposal of Public Assets Authority for the financial year ended 30<sup>th</sup> June 2021 are prepared, in all material respects, in accordance with Section 51 of the Public Finance Management Act, 2015 and the Financial Reporting Guide, 2018.

**Basis for Opinion**

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of my report. I am independent of the Authority in accordance with the Constitution of the Republic of Uganda 1995 (as amended), the National Audit Act, 2008, the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics, the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (Parts A and B), 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**

On the 24<sup>th</sup> of April 2020, Parliament approved the annual budget for MDAs and LGs that contained the specific resource envelope allocated to each vote to implement agreed on outputs. Subsequently, the PS/ST issued a Budget Execution Circular that communicated

the budget strategy, policy, and administrative issues to guide the budget implementation for the financial year 2020/2021.

During my overall risk assessment exercise, I noted that MDAs and LGs are still experiencing challenges in implementing the budgets approved by parliament and policy guidance's issued by PS/ST, which has continued to affect the performance and credibility of the budget negatively. These challenges include; lack of strategic plans that are aligned to the National Development Plans, underperformance of revenue, implementation of off-budget activities, under absorption of funds, insufficient quantification of outputs, partial and non-implementation of outputs, diversion of funds and challenges in budget monitoring and reporting of performance.

I am aware that the Covid-19 Pandemic continues to significantly affect the implementation of several activities. Consequently, a number of activities were not implemented due to budget cuts and lockdown measures instituted to control the spread of the pandemic. It is against this background that the implementation of the budget was again considered a key audit area during the office-wide planning for the current audit year.

Consequently, I developed procedures to address the performance of the budget of the entity and report on the following;

- i) The extent of implementation of the strategic plan
- ii) Level of revenue performance
- iii) Appropriation of off-budget receipts
- iv) Level of funds absorption
- v) The extent of quantification of planned activities
- vi) The extent of implementation of planned activities
- vii) Diversion of funds by the entity.
- viii) Preparation and timely submission of annual monitoring reports
- ix) Submission of quarterly performance reports
- x) Accuracy of the performance reports prepared and submitted.

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 contribute to socio-economic development.

To achieve this mandate, PPDA planned to implement a number of both recurrent and redevelopment deliverables under various programmes. A review of the entity's Ministerial policy statement and budgets revealed that the Authority had an approved budget of UGX.28,424,344,882, out of which UGX.21,321,321,870 (75%) was received.

The Authority planned to achieve the above deliverables through implementation of 5 outputs. I reviewed all the outputs and below are the findings;

No	Observation	Recommendation																				
1.1	<p><b><u>Implementation of the strategic plan</u></b></p> <p>The overall Government National Development Plan (NDP III) started at the beginning of FY 2020/21. In line with the NDP III, PPDA had an approved strategic plan for the period 2020/21 -2024/25, which set out both the long term and short term targets to be achieved during the duration of the strategic plan.</p> <p>This being the first year of implementation of the Authority's strategic plan, I conducted an assessment of the achievement of the annual targets/goals.</p> <p>I noted at the time of the audit that out of the planned Four (4) strategic targets/goals, No targets had been fully achieved, while three (3) were partially achieved, and one (1) target had not been achieved at all as summarised in the table below;</p> <p><b>The extent of achievement of 2020/21-2024/2025 strategic plan</b></p> <table border="1" data-bbox="284 887 1225 1191"> <thead> <tr> <th>No</th> <th>Level of performance by the end of 2019/2020</th> <th>No of strategic goals/objectives</th> <th>% of total number of strategic objectives</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Fully achieved</td> <td>0</td> <td>0</td> </tr> <tr> <td>2</td> <td>Partially achieved</td> <td>3</td> <td>75</td> </tr> <tr> <td>3</td> <td>Not achieved</td> <td>1</td> <td>25</td> </tr> <tr> <td></td> <td><b>Total</b></td> <td><b>4</b></td> <td><b>100</b></td> </tr> </tbody> </table> <p>The partially achieved targets include;</p> <ul style="list-style-type: none"> <li>The entity targeted to achieve a rating of 65% on contracts by value rated satisfactory from audits, however it achieved only 4%</li> <li>The entity targeted to achieve a rating of 50% on procurements implemented according to market price, however it achieved only 43%</li> </ul> <p>The Authority however did not achieve any target under the Enhancing Stakeholder Engagement and Management goal.</p> <p>Failure to fully attain the annual targets can lead to delays or even failure to attain the overall targets envisaged in the strategic plan.</p> <p>Management explained that the un-achieved targets were as a result of budget cuts and mostly affected Stakeholders engagement activities.</p>	No	Level of performance by the end of 2019/2020	No of strategic goals/objectives	% of total number of strategic objectives	1	Fully achieved	0	0	2	Partially achieved	3	75	3	Not achieved	1	25		<b>Total</b>	<b>4</b>	<b>100</b>	<p>I advised Management to ensure that efforts are always made to attain the planned goals during the year.</p>
No	Level of performance by the end of 2019/2020	No of strategic goals/objectives	% of total number of strategic objectives																			
1	Fully achieved	0	0																			
2	Partially achieved	3	75																			
3	Not achieved	1	25																			
	<b>Total</b>	<b>4</b>	<b>100</b>																			
1.2	<p><b><u>Revenue performance</u></b></p> <p>I noted that out of the budgeted revenue of UGX.28.4Bn for the year 2020/21, UGX.21.3Bn was realised representing a performance of only 75% of the target.</p>	<p>I advised the Accounting Officer to always</p>																				

No	Observation	Recommendation																								
	<p>The performance of each revenue source is summarised in the table below;</p> <table border="1" data-bbox="248 297 1198 701"> <thead> <tr> <th data-bbox="248 297 304 477">No</th> <th data-bbox="304 297 523 477">Revenue Source</th> <th data-bbox="523 297 708 477">Initial Budget – UGX Bn</th> <th data-bbox="708 297 916 477">Actual Receipts – UGX Bn</th> <th data-bbox="916 297 1102 477">Variance - UGX Bn</th> <th data-bbox="1102 297 1198 477">% age</th> </tr> </thead> <tbody> <tr> <td data-bbox="248 477 304 533">1</td> <td data-bbox="304 477 523 533">GOU</td> <td data-bbox="523 477 708 533">24.86</td> <td data-bbox="708 477 916 533">18.69</td> <td data-bbox="916 477 1102 533">6.16</td> <td data-bbox="1102 477 1198 533">0.25</td> </tr> <tr> <td data-bbox="248 533 304 622">2</td> <td data-bbox="304 533 523 622">Development Partners</td> <td data-bbox="523 533 708 622">3.56Bn</td> <td data-bbox="708 533 916 622">2.62</td> <td data-bbox="916 533 1102 622">0.94</td> <td data-bbox="1102 533 1198 622">0.26</td> </tr> <tr> <td data-bbox="248 622 304 701"></td> <td data-bbox="304 622 523 701"></td> <td data-bbox="523 622 708 701"><b>28.42</b></td> <td data-bbox="708 622 916 701"><b>21.32</b></td> <td data-bbox="916 622 1102 701"><b>7.10</b></td> <td data-bbox="1102 622 1198 701">0.25</td> </tr> </tbody> </table> <p>The observed performance was attributed to failure to realise all revenues from the Ministry of Finance and development partners.</p> <p>I further noted that the entity did not seek a revision of its budget and work plan, as provided for by Section 17 (3) of the PFMA 2015, following the revenue shortfall.</p> <p>Revenue shortfall hampers service delivery.</p> <p>Management explained that the pandemic affected Government revenue performance due to the economic slowdown. Due to the limited resource envelope and cash flow constraints, MoFPED could not fully finance the Authority's budget as approved.</p>	No	Revenue Source	Initial Budget – UGX Bn	Actual Receipts – UGX Bn	Variance - UGX Bn	% age	1	GOU	24.86	18.69	6.16	0.25	2	Development Partners	3.56Bn	2.62	0.94	0.26			<b>28.42</b>	<b>21.32</b>	<b>7.10</b>	0.25	<p>engage all stakeholders to ensure budgeted funds are disbursed to finance the planned activities implemented. In cases of budget cuts, management should ensure that the necessary revisions in the budget and work plan are effected and approved as guided by the PFMA 2015.</p>
No	Revenue Source	Initial Budget – UGX Bn	Actual Receipts – UGX Bn	Variance - UGX Bn	% age																					
1	GOU	24.86	18.69	6.16	0.25																					
2	Development Partners	3.56Bn	2.62	0.94	0.26																					
		<b>28.42</b>	<b>21.32</b>	<b>7.10</b>	0.25																					
1.3	<p><b>Implementation of outputs</b></p> <p>An analysis of the outputs revealed that some of the activities remained either partially or not implemented at all.</p> <p>Out of the 5 outputs assessed, No output was fully implemented; 5 outputs representing 100% were partially implemented, while no output was not implemented at all. Details in Appendix 2 and below is a table showing a summary of the implementation status;</p> <p><b>Table showing the level of implementation</b></p> <table border="1" data-bbox="248 1641 1198 1877"> <thead> <tr> <th data-bbox="248 1641 347 1720">S/n</th> <th data-bbox="347 1641 683 1720">Reporting</th> <th data-bbox="683 1641 884 1720">Outputs</th> <th data-bbox="884 1641 1198 1720">Performance in %</th> </tr> </thead> <tbody> <tr> <td data-bbox="248 1720 347 1765">1</td> <td data-bbox="347 1720 683 1765">Fully Implemented</td> <td data-bbox="683 1720 884 1765">0</td> <td data-bbox="884 1720 1198 1765">0</td> </tr> <tr> <td data-bbox="248 1765 347 1798">2</td> <td data-bbox="347 1765 683 1798">Partially Implemented</td> <td data-bbox="683 1765 884 1798">5</td> <td data-bbox="884 1765 1198 1798">100%</td> </tr> <tr> <td data-bbox="248 1798 347 1843">3</td> <td data-bbox="347 1798 683 1843">Not Implemented</td> <td data-bbox="683 1798 884 1843">0</td> <td data-bbox="884 1798 1198 1843">0%</td> </tr> <tr> <td data-bbox="248 1843 347 1877"></td> <td data-bbox="347 1843 683 1877">Total outputs</td> <td data-bbox="683 1843 884 1877"><b>5</b></td> <td data-bbox="884 1843 1198 1877"><b>100%</b></td> </tr> </tbody> </table> <p>Non-implementation of planned activities implies that the expected services were not fully attained.</p> <p>Management explained that the pandemic affected Government</p>	S/n	Reporting	Outputs	Performance in %	1	Fully Implemented	0	0	2	Partially Implemented	5	100%	3	Not Implemented	0	0%		Total outputs	<b>5</b>	<b>100%</b>	<p>I advised the Accounting Officer to initiate strategies to ensure that all the partially implemented activities are rolled over to the next financial year and subsequently implemented.</p>				
S/n	Reporting	Outputs	Performance in %																							
1	Fully Implemented	0	0																							
2	Partially Implemented	5	100%																							
3	Not Implemented	0	0%																							
	Total outputs	<b>5</b>	<b>100%</b>																							

No	Observation	Recommendation																																										
	revenue performance due to the economic slowdown. Due to the limited resource envelope and cash flow constraints, MoFPED could not fully finance the Authority's budget as approved.																																											
1.4	<p><b><u>Over expenditure on Domestic Arrears</u></b></p> <p>Paragraph 8.5.2 of the Treasury Instructions 2017, states that the implementation of the budget shall strictly follow the work plans, procurements and recruitment plans as approved by Parliament.</p> <p>On the contrary, I noted that although the budget for Domestic arrears was UGX.42,407,000, funds amounting to UGX.432,579,009 were spent on domestic arrears for the FY 2020/21, implying an over expenditure of UGX.390,172,009 on this item. I did not obtain evidence that management sought and obtained the necessary approvals in form of a virement or reallocation.</p> <p>Over expenditure on budget items contravenes the requirements under the Act, and also negatively affects the delivery of services.</p> <p>Management noted that they were guided by a circular from the PSST, which required prioritisation of Domestic Arrears.</p>	<p>I advised Management to always seek for the necessary approvals in case situations warrant a need to incur expenditure beyond the amounts budgeted.</p>																																										
1.5	<p><b><u>Under absorption of funds</u></b></p> <p>Out of the total receipts for the financial year of UGX.18.698Bn, UGX.18.59Bn was spent by the Authority, resulting into an unspent balance of UGX.0.108Bn representing an absorption level of 99%. The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account. Refer to the table below;</p> <table border="1" data-bbox="280 1384 1230 1883"> <thead> <tr> <th></th> <th>Approved Budget</th> <th>Cash Release</th> <th>Actual Spend</th> <th>Variance</th> <th>%Absorption</th> </tr> <tr> <th>GOU Budget</th> <th>UGX (Bn)</th> <th>UGX (Bn)</th> <th>UGX (Bn)</th> <th>UGX (Bn)</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Wage</td> <td>6.969</td> <td>6.969</td> <td>6.863</td> <td>0.106</td> <td>98%</td> </tr> <tr> <td>Gratuity</td> <td>1.662</td> <td>1.662</td> <td>1.662</td> <td>0</td> <td>100%</td> </tr> <tr> <td>Non-Wage Recurrent</td> <td>5.237</td> <td>3.386</td> <td>3.384</td> <td>0.002</td> <td>100%</td> </tr> <tr> <td>Development Budget</td> <td>10.994</td> <td>6.681</td> <td>6.680</td> <td>0</td> <td>100%</td> </tr> <tr> <td><b>Total</b></td> <td><b>24.862</b></td> <td><b>18.698</b></td> <td><b>18.590</b></td> <td><b>0.108</b></td> <td><b>99%</b></td> </tr> </tbody> </table> <p>The under absorption of funds implies that some services were not delivered.</p> <p>Management explained that the funds were not absorbed due to</p>		Approved Budget	Cash Release	Actual Spend	Variance	%Absorption	GOU Budget	UGX (Bn)	UGX (Bn)	UGX (Bn)	UGX (Bn)	%	Wage	6.969	6.969	6.863	0.106	98%	Gratuity	1.662	1.662	1.662	0	100%	Non-Wage Recurrent	5.237	3.386	3.384	0.002	100%	Development Budget	10.994	6.681	6.680	0	100%	<b>Total</b>	<b>24.862</b>	<b>18.698</b>	<b>18.590</b>	<b>0.108</b>	<b>99%</b>	<p>I advised the Accounting Officer to ensure that all released funds are always absorbed accordingly.</p>
	Approved Budget	Cash Release	Actual Spend	Variance	%Absorption																																							
GOU Budget	UGX (Bn)	UGX (Bn)	UGX (Bn)	UGX (Bn)	%																																							
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No	Observation	Recommendation																				
	unfilled/vacant positions at the year-end.																					
1.6	<p><b>Performance of the UN Women Project</b></p> <p>The PPDA, with support from UN WOMEN partnered with Uganda Women Entrepreneurs Association Limited (UWEAL) to enhance women's participation in public procurement. This activity sought to increase capacity and technical assistance for women-owned businesses to access national and international trading opportunities on a level playing field.</p> <p>The audit reviewed the performance of the above project and noted that much as most of the key planned activities had been implemented, there were few that were still pending, as summarised in the table below;</p> <table border="1" data-bbox="244 786 1193 987"> <thead> <tr> <th>S/n</th> <th>Reporting</th> <th>Outputs</th> <th>Performance in %</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Fully Implemented</td> <td>3</td> <td>33%</td> </tr> <tr> <td>2</td> <td>Partially Implemented</td> <td>2</td> <td>22%</td> </tr> <tr> <td>3</td> <td>Not Implemented</td> <td>4</td> <td>44%</td> </tr> <tr> <td></td> <td>Total outputs</td> <td>9</td> <td>100%</td> </tr> </tbody> </table> <p>Failure to fully implement all planned activities affects service delivery to the intended beneficiaries.</p> <p>Management explained that most of the incomplete activities are being undertaken in the subsequent period.</p>	S/n	Reporting	Outputs	Performance in %	1	Fully Implemented	3	33%	2	Partially Implemented	2	22%	3	Not Implemented	4	44%		Total outputs	9	100%	<p>I advised Management to institute measures to monitor and fast track implementation of activities so as to fully deliver the intended services.</p>
S/n	Reporting	Outputs	Performance in %																			
1	Fully Implemented	3	33%																			
2	Partially Implemented	2	22%																			
3	Not Implemented	4	44%																			
	Total outputs	9	100%																			
1.7	<p><b>Performance of the European Union Project</b></p> <p>During the financial year under review, a budget of <b>UGX.1.324Bn</b> was approved for the project, and all funds were received during the Financial Year. The audit reviewed the work plan for the year under review and noted that, out of the 14 quantified outputs/activities assessed, 4 outputs/activities representing 29% were fully implemented; 6 output/activity representing 42% was partially implemented, and 4 outputs/activities representing 29% were not implemented at all. Below is a <b>table</b> showing a summary of the status of implementation;</p> <p><b>Table Showing the level of implementation</b></p> <table border="1" data-bbox="244 1697 1193 1944"> <thead> <tr> <th>S/N</th> <th>Reporting</th> <th>Outputs</th> <th>Performance in %</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Fully Implemented</td> <td>4</td> <td>29%</td> </tr> <tr> <td>2</td> <td>Partially Implemented</td> <td>6</td> <td>42%</td> </tr> <tr> <td>3</td> <td>Not Implemented</td> <td>4</td> <td>29%</td> </tr> <tr> <td></td> <td>Total outputs</td> <td>14</td> <td>100%</td> </tr> </tbody> </table> <p>Non-Implementation of the planned activities negatively impacts service delivery to the intended beneficiaries.</p>	S/N	Reporting	Outputs	Performance in %	1	Fully Implemented	4	29%	2	Partially Implemented	6	42%	3	Not Implemented	4	29%		Total outputs	14	100%	<p>I advised the Accounting Officer to ensure that activities are subsequently implemented.</p>
S/N	Reporting	Outputs	Performance in %																			
1	Fully Implemented	4	29%																			
2	Partially Implemented	6	42%																			
3	Not Implemented	4	29%																			
	Total outputs	14	100%																			

No	Observation	Recommendation																				
	Management explained that the incomplete activities were delayed due to COVID-19 restrictions.																					
1.8	<p><b><u>Performance of the Department For International Development (DFID) Project</u></b></p> <p>The Authority received funding from the Department for International Development (DFID), totalling USD.837,800 to be used over a period of 3 years to support the implementation of the electronic Government Procurement system (e-GP) and facilitate the development of a five-year strategic plan for the Authority. USD.281,374 was released, of which USD.279,441, representing 99% had been spent by the end of June 2021.</p> <p>The audit reviewed the work plan for the year under review and noted that, out of the 11 quantified outputs/activities assessed, 1 output/activities representing 9% were fully implemented; 4 outputs/activity representing 36% was partially implemented and 6 outputs/activities representing 54.5% were not implemented at all. Below is a table showing a summary of the status of implementation;</p> <table border="1"> <thead> <tr> <th>S/N</th> <th>Reporting</th> <th>Outputs</th> <th>Performance in %</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Fully Implemented</td> <td>1</td> <td>9%</td> </tr> <tr> <td>2</td> <td>Partially Implemented</td> <td>4</td> <td>36.3%</td> </tr> <tr> <td>3</td> <td>Not Implemented</td> <td>6</td> <td>54.5%</td> </tr> <tr> <td></td> <td>Total outputs</td> <td>11</td> <td></td> </tr> </tbody> </table> <p>Non-implementation of the planned activities negatively impacts service delivery to the intended beneficiaries and may result into costly project extensions.</p> <p>Management noted that the incomplete activities were delayed due to COVID-19 restrictions</p>	S/N	Reporting	Outputs	Performance in %	1	Fully Implemented	1	9%	2	Partially Implemented	4	36.3%	3	Not Implemented	6	54.5%		Total outputs	11		I advised the Accounting Officer to ensure that activities are implemented in the subsequent period.
S/N	Reporting	Outputs	Performance in %																			
1	Fully Implemented	1	9%																			
2	Partially Implemented	4	36.3%																			
3	Not Implemented	6	54.5%																			
	Total outputs	11																				

### **Other Matter**

In addition to the matters raised above, 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 Ministry of Public Service to determine the structure, terms and conditions of service in Government entities. In addition, 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 to enable it to achieve strategic objectives.

I observed that the entity has a staff establishment of 140 positions, out of which only 116 were filled, leaving 24 positions vacant, representing 17% of the workforce of the entity. In addition, seven staff exited the Authority during the year, due to various reasons. The unfilled positions negatively impact the achievement of the entity's objectives and planned activities.

Management explained that filling the vacant position requires an increase in the MTEF to cater to the wage of the recruited staff. Currently, the Authority's MTEF is still low.

I advised the Accounting Officer to liaise with the responsible stakeholders with a view of obtaining an enhancement in the Authority's MTEF to enable filling of the vacant positions.

### **Other Information**

The Accounting Officer of PPDA 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 the 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.

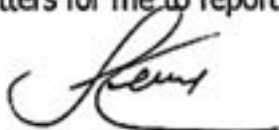
### **Other Reporting Responsibilities**

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, 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.

There were no material findings in respect of the compliance criteria for the applicable subject matters for me to report.



John F. S. Muwanga  
**AUDITOR GENERAL**

20<sup>th</sup> December, 2021



**GOVERNMENT OF THE REPUBLIC OF UGANDA**



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

**12 Months Reports and Financial Statements  
for the Year Ended 30<sup>th</sup> June 2021.**

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

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 7 to 38 have been prepared in compliance with the provisions of the Public Finance Management Act, 2015 (the Act) and the generally accepted accounting practice for the public sector. They have been prepared on the modified accrual basis of accounting where revenue from exchange transactions is recognized when earned while revenue from non-exchange transactions is recognized when received. Expenditures on the other hand are recognized 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 money appropriated to the vote to which I am the Accounting Officer. I am also responsible for authorizing any commitments made by the vote and for controlling resources received, held or disposed of by or on account of the vote. Finally, I am responsible for putting in place effective systems of risk management and internal control in respect to all resources and transactions of the vote.

Section 45 (3) of the Act 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 respectively require me to prepare and submit half-yearly financial statements of my vote to the Secretary to the Treasury, and also to prepare and submit annual financial statements of my vote to the Auditor General for audit and to the Accountant General within two months after the end of each financial year.

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 Turamy.....  
Accounting Officer

2/12/21.....  
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:**

Public Procurement & Disposal of Public Assets Authority (PPDA)  
Plot 37, Nakasero Road, 5<sup>th</sup> Floor  
UEDCL Tower  
P.O.Box 3925, Kampala

**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.

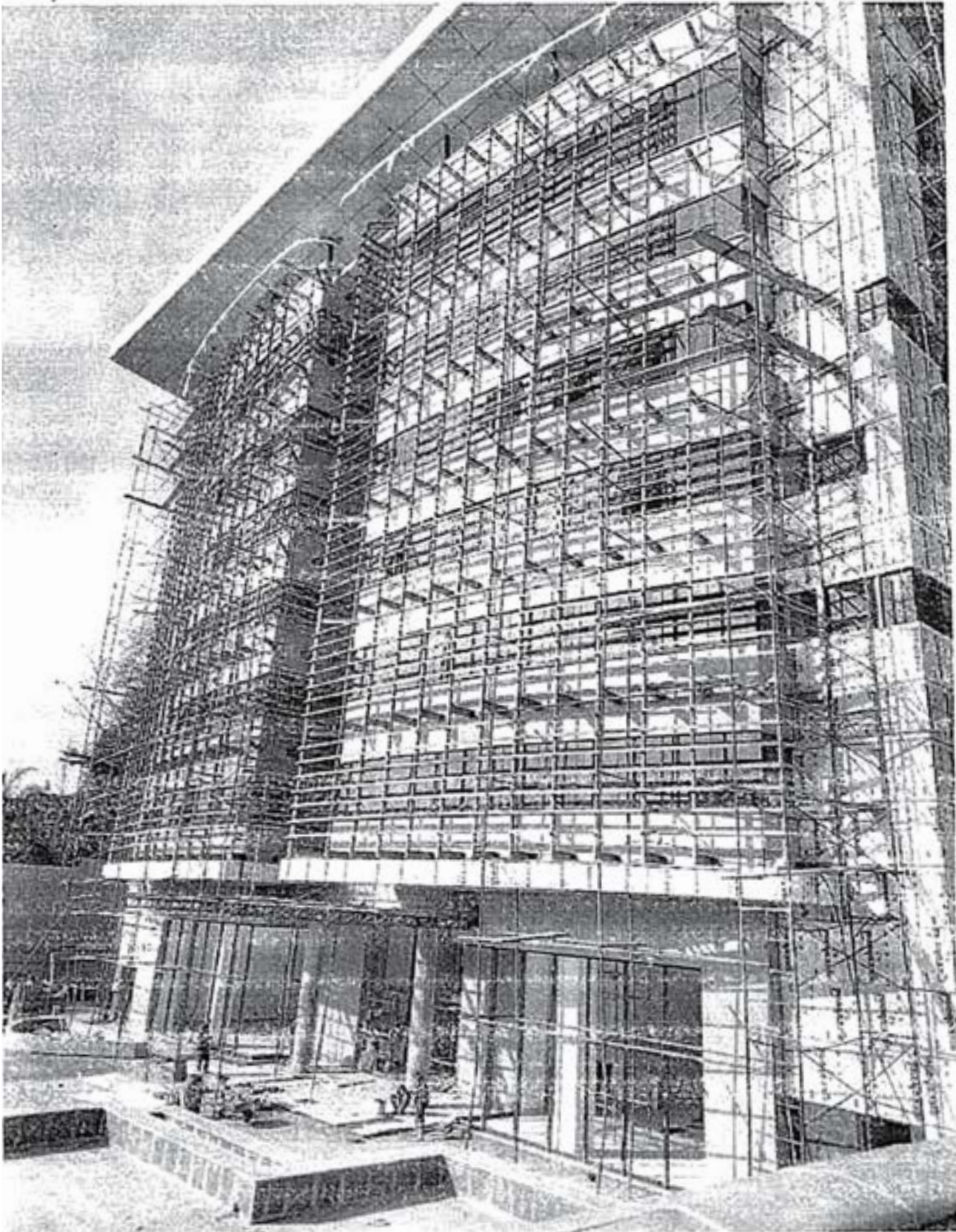
**PPDA's main responsibilities**

- 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 at 30<sup>th</sup> June 2021 the PPDA/URF Project is at 95% physical progress against a planned progress of 98%. The actual cost wise progress was 77.9% and a time progress of 95.62% based on the completion date of 30<sup>th</sup> June, 2021. The Super Structure walling is complete. Preliminary finishes are at 98% while as the external finishes (curtain, walling, windows, and cladding) are at 90% and the final finish at 95%. The Expected completion date is 30<sup>th</sup> Aug 2021.

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 is in the process of establishing a Risk Management Function for effective risk coordination and monitoring. 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, management and internal controls process.
2. Management Reviews, verifications, and approval of transactions are done.
3. Segregation of duties thus minimizing the risk of errors and abuse.
4. Safeguard of assets and stores consumables and periodic physical verifications.
5. Bi-Weekly management reviews of budget performance.
6. General controls and safeguards over information systems; backups and recovery procedures.
7. Specific internal policies and procedure embedded in approved manuals

**Achievements of the Audit and Risk Committee and Internal Audit function for F/Y 2021**

1. The Committee Approved the Internal Audit work plan for FY 2020-2021 and the additional staff to the Internal Audit Unit needed to fulfil the plan.
2. The Audit Committee discharged its oversight responsibilities during the Quarter 1,2,3 & 4 through review of reports from the Internal Audit Section and Auditor General reports
3. Reviewed audit findings on internal control design and effectiveness specifically in financial management, Board support, suspension and investigations, procurement, and regional operation
4. Reviewed management responses to the report of the Internal Auditor General for the year ended June 2020
5. The Committee also reviewed progress by management in implementing Board decision.

Benson Turamy.....  
Accounting Officer

2/12/21.....  
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, 30<sup>th</sup> 2021 was as follows:

The approved budget of the Authority for the Financial Year 2020/2021 under Government of Uganda funding was UGX 24,861,877,232. At the end of the fourth quarter, the Authority had received warrants totaling to UGX 18,697,557,325 representing 75.20% of the approved budget. Out of the approved cash warrants, UGX 18,588,295,464 were the actual funds utilized by the Authority representing 99.42% of the cash warrants.

On the other hand, Non-Tax Revenues (NTR) totaling to UGX 1,016,096,107 were collected during the period and remitted to Uganda Consolidated Fund (UCF) as required. Ninety-Seven percent of the NTR collected was from registration fees on the Register of Providers (ROP), three percent was attributed to income from miscellaneous receipts to which UGX 22,936,000 were the disposal proceeds from the sale of fixed assets.

### Fixed Assets Management.

During the year, the Authority acquired fixed assets worth UGX 6,328,441,789 through GoU funding of which 98% was capital work in process on the construction project of the office block. Assets worth UGX 591M were acquired with support from the development partners i.e., UGX 226.5M from DFID and 364.5M from EU-JAR

As at 30<sup>th</sup> June 2021, the value of land held by the Authority was UGX 3,020,000,000.

### Movement of Cash & Cash Equivalents

During the Financial years the Authority had a net increase of payables worth UGX 595,049,809 and an increase in the opening figure of understated payable worth UGX 9,821,479. These are all detailed in the financials here attached.

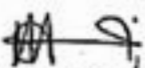
### Funding Source other than Government of Uganda

In addition to funds received from Government of Uganda, the Authority received UGX 234,023,558 from the European Union (EU) to the Opening Balance of UGX 705,988,877. Funds worth UGX 778,082,028 were spent by the end of the fourth quarter of the FY 2020/21.

The Authority further received UGX 268,010,193 from the UN Women against opening balance of UGX 6,570,193. Funds worth UGX 159,526,174 were spent as at 30<sup>th</sup> June, 2021.

In the same period, the Authority received funding from the Department for International Development (DFID) totaling to USD 837,800 to support the Implementation of the electronic Government Procurement system (e-GP) and facilitate the development of a five-year strategic plan for the Authority. USD 281,374 was released of which USD 279,441 representing 99% has been spent by the end of June 2021

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 30<sup>th</sup> June 2021 are attached.

  
Richard Obasoni .....  
Head of Accounts

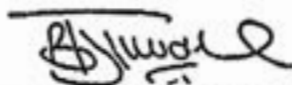
Government of the Republic of Uganda  
Financial Statements for the Year Ended 30<sup>th</sup> June 2021

Public Procurement and Disposal of Public Assets Authority

Statement of Financial Performance

[Based on classification of expenditures by nature]

	Note	Actual 30-Jun-21 (Shs)	Actual 30-Jun-20 (Shs)
<b>OPERATING REVENUE</b>			
Taxes	2		
External Assistance	3		
Transfers received from Treasury- UCF	4	18,588,295,464	16,569,848,212
Transfers received from Other Government units	5		
Non Tax revenue	6	1,016,096,107	703,429,104
<b>Total operating revenue</b>		<b>19,604,391,571</b>	<b>17,273,277,316</b>
<b>OPERATING EXPENSES</b>			
Employee costs	7	9,895,827,813	9,797,710,772
Goods and services consumed	8	2,016,619,334	2,954,213,181
Consumption of property, plant & equipment	9	6,908,005,852	3,489,875,796
Subsidies	10		
Transfers to other Organisations	11		
Social benefits	12		
Other operating expenses	13	353,070,795	531,626,612
<b>Total operating expenses</b>		<b>19,173,523,794</b>	<b>16,773,426,361</b>
<b>Excess of revenue over expenditure from operating activities</b>		<b>430,867,777</b>	<b>499,850,955</b>
Foreign exchange loss /Gain	14		
Finance costs	15		
Bad Debts expense	16		
Transfers to Treasury	17(a)	1,016,096,107	703,429,104
<b>Excess of Revenue over expenditure for the year</b>		<b>(585,228,330)</b>	<b>(203,578,149)</b>



Benson Turamy.....  
Accounting Officer

## Public Procurement and Disposal of Public Assets Authority

## Statement of Financial Position

	Notes	30-Jun-21 (UGX)	30-Jun-20 (UGX)
<b>ASSETS</b>			
Cash and cash equivalents	18	-	0
Receivables	19	-	0
Investments	20	0	0
Investment Properties	21	0	0
Non Produced Assets	22		
<b>Total Assets</b>		-	0
<b>LIABILITIES</b>			
Borrowings	23	- 0	
Payables	24	1,027,628,818	432,579,009
Deposits	25	0	0
Pension	26	0	0
<b>Total Liabilities</b>		1,027,628,818	432,579,009
<b>Net assets (liabilities)</b>		<b>(1,027,628,818)</b>	<b>(432,579,009)</b>
<b>REPRESENTED BY:-</b>			
<b>Net Worth</b>		<b>(1,027,628,818)</b>	<b>(432,579,009)</b>

## Statement of Changes in Equity (Net Worth)

	Schedule	31-Mar-21 (Shs)	30-Jun-20 (Shs)
At 1 July - Net worth Last Year (B/I)		(432,579,009)	(228,995,860)
Less: Transfers to the UCF account	Note 17(b)		
+/- Balance sheet adjustments	Note 27	(9,821,479)	(5,000)
Revaluation reserves			
Add: Excess of revenue over expenditure for the Year		(585,228,330)	(203,578,149)
<b>Closing Net Financial Worth</b>		<b>(1,027,628,818)</b>	<b>(432,579,009)</b>

  
 Benson Turanye.....  
 Accounting Officer

Public Procurement and Disposal of Public Assets Authority

Cash flow Statement for the year ended [Direct Method]

Cash flow Statement for the year ended [Direct Method]

	30-Jun-21 (Shs)	30-Jun-20 (Shs)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Revenue from Operating activities ( <i>see below</i> )	18,588,295,464	16,569,848,212
<b>PAYMENTS FOR OPERATING EXPENSES</b>		
Employee costs	9,895,827,813	9,797,710,772
Goods and services consumed	1,421,569,525	2,954,213,181
Subsidies		
Transfers to Other Organisations		
Social benefits		
Other expenses	353,070,795	531,626,612
Foreign exchange loss/gain		
Net Advances paid	0	
Domestic arrears paid during the year	0	0
Deposits paid		
Pension Arrears paid during the Year		
Losses of cash		
Letters of Credit receivable		
<b>Total payments for operating activities</b>	<b>11,680,289,612</b>	<b>13,283,550,565</b>
<b>Net cash inflows/(outflows) from operating activities</b>	<b>6,917,827,331</b>	<b>9,325,520,980</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	6,908,005,852	3,489,875,796
Purchase of non-produced assets		
Proceeds from sale of property, plant and equipment		
Purchase of investments		
Proceeds from sale of investments		
<b>Net cash inflows/(outflows) from investing activities</b>	<b>6,908,005,852</b>	<b>9,325,515,980</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from external borrowings		
Repayments of external borrowings		
Proceeds from other domestic borrowings		
Repayments of other domestic borrowings		
<b>Net cash flows from financing activities</b>		
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>9,821,479</b>	<b>5,000</b>

Public Procurement and Disposal of Public Assets Authority

Cash flow Statement for the year ended (continued)

	Notes	30-Jun-21 UGX.	30-Jun-20 UGX
Total Revenue as per Statement of Financial Performance		19,604,391,571	17,273,277,316
Add: Advances recovered during the year			
: Revenue receivable collected during the period			
: Deposits received			
Total Revenue		19,604,391,571	17,273,277,316
Less: Grants received in Kind			
Revenue in Kind (Tax waivers)			
Transfers to Treasury (17a)		1,016,096,107	703,429,104
Revenue Receivable for the reporting period			
Total revenue received for Cash flow statement purposes		18,588,295,464	16,569,848,212

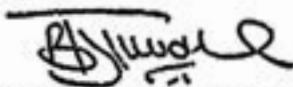
Reconciliation of movement of cash during the year

	Notes	30-Jun-21 UGX.	30-Jun-20 UGX
At the beginning of the year		0	5,000
Less: Transfers to the UCF account (Previous Year Balances)	17(b)		
Add/ (Less): Adjustments in cash and cash equivalents	27	(9,821,479)	(5,000)
Net increase (decrease) of cash from the <i>Cash flow Statement</i>		9,821,479	-
At the end of the year		0	-

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

	Notes	30-Jun-21 (UGX)	30-Jun-20 (UGX)
Cash and bank balances	18	0	5,000
Cash and bank balances		0	5,000

Benson Turamy.....  
Accounting Officer

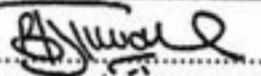


Public Procurement and Disposal of Public Assets Authority

Statement of Appropriation Account [Based on  
Services Voted]

	Initial Approved Budget 30th Jun 2021 (UGX) (a)	Revised Approved Budget 30th Jun 2021 (UGX) (b)	Warrants 30th Jun 2021 (UGX) (c)	Actual 30th Jun 2021 (UGX) (d)	Variance Revised Vs Actual 30th Jun 2021 (UGX) (b-d)	Variance Warrants Vs Actual 30th Jun 2021 (UGX) (c-d)
<b>RECEIPTS</b>						
Taxes						
External Assistance						
Transfers received from Treasury- UCF	24,861,777,232	24,861,777,232	18,697,557,325	18,588,295,464	6,273,481,768	109,261,861
Transfers received from Other Government units						
Non Tax revenue – Exchange transactions (actual collected)	719,000,000	719,000,000		1,016,096,107	(297,096,107)	(1,016,096,107)
Non Tax revenue – Non-Exchange transactions						
<b>Total receipts</b>	<b>25,580,777,232</b>	<b>25,580,777,232</b>	<b>18,697,557,325</b>	<b>19,604,391,571</b>	<b>5,976,385,661</b>	<b>(906,834,246)</b>
<b>EXPENDITURE- by services as per appropriation</b>						
Performance Monitoring	3,232,037,372	3,232,037,372	3,048,423,350	2,808,062,965	423,974,407	240,360,385
Capacity Building & Advisory Services	1,428,780,634	1,428,780,634	1,309,950,000	1,309,950,000	118,830,634	0
Legal & Investigation	1,359,460,000	1,359,460,000	1,289,450,000	1,289,450,000	70,010,000	0
E - Government	1,144,628,102	1,144,628,102	597,900,959	597,900,960	546,727,142	(1)
Corporate Affairs	2,615,200,203	2,615,200,203	2,207,382,925	2,350,169,908	265,030,295	(142,786,983)
Operations	4,087,670,921	4,087,670,921	3,563,567,091	3,556,913,314	530,757,607	6,653,777
Development	10,994,000,000	10,994,000,000	6,680,883,000	7,261,076,647	3,732,923,353	(580,193,647)
<b>Total Expenditure</b>	<b>24,861,777,232</b>	<b>24,861,777,232</b>	<b>18,697,557,325</b>	<b>19,173,523,794</b>	<b>5,688,253,438</b>	<b>(475,966,469)</b>
NTR transferred to the UCF Account (16a)	719,000,000	719,000,000		1,016,096,107		
<b>Net Receipts/Payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(585,228,330)</b>		

Benson Turanye.....  
Accounting Officer.




Government of the Republic of Uganda  
Financial Statements for the Year Ended 30<sup>th</sup> June 2021

Public Procurement and Disposal of Public Assets Authority

Statement of Appropriation Account [based on nature of expenditure]

	Initial Approved Budget 30-Jun-21 (UGX) (a)	Revised Approved Budget 30-Jun-21 (UGX) (b)	Warrants 30-Jun-21 (UGX) (c)	Actual 30-Jun-21 (UGX) (d)	Variance Revised Vs Actual 30-Jun-21 (UGX) (b-d)	Variance Warrants Vs Actual 30-Jun-21 (UGX) (c-d)
<b>RECEIPTS</b>						
Taxes						
External Assistance						
Transfers received from Treasury- UCF	24,861,777,232	24,861,777,232	18,697,557,325	18,588,295,464	6,273,481,768	109,261,861
Non Tax revenue – Exchange transactions ( <i>actual collected</i> )	719,000,000	719,000,000	0	1,016,096,107	(297,096,107)	(1,016,096,107)
Non Tax revenue – Non-Exchange transactions						
<b>Total receipts</b>	<b>25,580,777,232</b>	<b>25,580,777,232</b>	<b>18,697,557,325</b>	<b>19,604,391,571</b>	<b>5,976,385,661</b>	<b>(906,834,246)</b>
<b>EXPENDITURE- by nature of expenditure</b>						
Employee costs	10,197,655,100	10,197,655,100	10,035,774,735	9,895,827,813	301,827,287	139,946,922
Goods and services consumed	3,600,403,661	3,600,403,661	1,912,181,120	2,016,619,334	- 1,583,784,327	(104,438,214)
Consumption of property, plant & equipment	10,425,000,000	10,425,000,000	6,329,051,798	6,908,005,852	3,516,994,148	(578,954,054)
Transfers to other Organizations	0	0	0	0	0	0
Social benefits	0	0	0	0	0	0
Other expenses	570,000,000	570,000,000	351,831,202	353,070,795	216,929,205	(1,239,593)
Domestic arrears paid	68,718,471	68,718,471	68,718,470	0	68,718,471	68,718,470
Finance costs	0	0	0	0	0	0
<b>Total expenditure</b>	<b>24,861,777,232</b>	<b>24,861,777,232</b>	<b>18,697,557,325</b>	<b>19,173,523,794</b>	<b>5,688,253,438</b>	<b>(478,966,469)</b>
NTR transferred to the UCF Account((16a)	719,000,000	719,000,000	0	1,016,096,107		
<b>Net Receipts/Payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(585,228,330)</b>		



Benson Turanye.....  
Accounting Officer

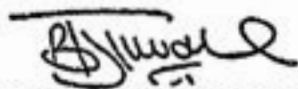
Government of the Republic of Uganda  
 Financial Statements for the Year Ended 30<sup>th</sup> June 2021

Public Procurement and Disposal of Public Assets Authority

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

	Actual 30-Jun-21 (UGX)	Actual 30-Jun-20 (UGX)
Total expenditure per Appropriation Account	19,173,523,794	16,568,828,514
Add:		
Letters of credit receivable prior year but delivered during the year		
Accrued expenditure		204,597,847
Prepayments performed		
Less:		
Letters of credit receivable at year-end		
Domestic Arrears paid	0	
Non produced assets for the period		
Prepayments for the period		
<b>Total Expenditure per Statement of Financial Performance</b>	<b>19,173,523,794</b>	<b>16,773,426,361</b>

Benson Turamyie.....  
 Accounting Officer











**PUBLIC PROCUREMENT & DISPOSAL  
OF PUBLIC ASSETS AUTHORITY (PPDA)**

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