

Vote: 153 PPDA

QUARTER 3: Highlights of Vote Performance

VI: Summary of Issues in Budget Execution

This section provides an overview of Vote expenditure

(i) Snapshot of Vote Releases and Expenditures

Table V1.1 below summarises cumulative releases and expenditures by the end of the quarter:

Table V1.1: Overview of Vote Expenditures (UShs Billion)

<i>(i) Excluding Arrears, Taxes</i>	Approved Budget	Cashlimits by End	Released by End	Spent by End Mar	% Budget Released	% Budget Spent	% Releases Spent
Recurrent Wage	3.677	2.758	2.758	2.553	75.0%	69.4%	92.6%
Recurrent Non Wage	4.788	3.417	3.417	2.950	71.4%	61.6%	86.3%
Development GoU	2.220	0.608	0.568	0.128	25.6%	5.8%	22.5%
Development Donor*	0.000	N/A	0.000	0.000	N/A	N/A	N/A
GoU Total	10.685	6.783	6.743	5.631	63.1%	52.7%	83.5%
Total GoU+Donor (MTEF)	10.685	N/A	6.743	5.631	63.1%	52.7%	83.5%
<i>(ii) Arrears and Taxes</i> Arrears	0.000	N/A	0.000	0.000	N/A	N/A	N/A
Taxes**	0.081	N/A	0.081	0.046	100.0%	57.0%	57.0%
Total Budget	10.766	6.783	6.824	5.677	63.4%	52.7%	83.2%
<i>(iii) Non Tax Revenue</i>	0.000	N/A	0.000	0.000	N/A	N/A	N/A
Grand Total	10.766	6.783	6.824	5.677	63.4%	52.7%	83.2%
Excluding Taxes, Arrears	10.685	6.783	6.743	5.631	63.1%	52.7%	83.5%

* Donor expenditure information available

** Non VAT on capital expenditure

The table below shows cumulative releases and expenditures to the Vote by Vote Function :

Table V1.2: Releases and Expenditure by Vote Function*

<i>Billion Uganda Shillings</i>	Approved Budget	Released	Spent	% Budget Released	% Budget Spent	% Releases Spent
VF: 1456 Regulation of the Procurement and Disposal System	10.69	6.74	5.63	63.1%	52.7%	83.5%
Total For Vote	10.69	6.74	5.63	63.1%	52.7%	83.5%

* Excluding Taxes and Arrears

(ii) Matters to note in budget execution

A) Staff Resignation: Two senior members of staff resigned from the services of the Authority in search of better remuneration since the Authority is not in position to raise their salaries from the current MTEF. The total number of staff resigned since the beginning of this financial year is three.

b) Mandate Interference: This has been common with procurements involving large sums of money which sometimes appear to undermine the independence of the Authority. The recent cases are: the political directives on the UNRA Roads of Mubende Kakumiro-Kagadi (170 kms); and the electronic Government procurement implementation.

c) Slow Implementation of the PPDA/URF Office Project: The pace at which the implementation of the

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project activities is moving will result into poor absorption of project funds. This is occasioned by the slow response by the Uganda Roads Fund leadership to joint decisions to enable the project move forward.

Table V1.3: High Unspent Balances and Over-Expenditure in the Domestic Budget (Ushs Bn)

<i>(i) Major unspent balances</i>	
Programs , Projects and Items	
0.67 Bn Shs	Programme/Project: 01 Headquarters
Reason: The procurement process is still ongoing especially for the activities that require consultancies.	
<i>(ii) Expenditures in excess of the original approved budget</i>	
* Excluding Taxes and Arrears	

V2: Performance Highlights

This section provides highlights of output performance, focusing on key outputs and actions implemented to improve section performance.

Table V2.1: Key Vote Output Indicators and Expenditures*

<i>Vote, Vote Function Key Output</i>	Approved Budget and Planned outputs	Cumulative Expenditure and Performance	Status and Reasons for any Variation from Plans
Vote Function: 1456 Regulation of the Procurement and Disposal System			
Output: 145601	Procurement Audit and Monitoring		
<i>Description of Performance:</i>	Increase in the inspections due to more staff recruited by the Authority	72 procurement audits completed	There are no variations in the planned output. The remaining follow up activities will be conducted in Q4
<i>Performance Indicators:</i>			
No. of procurement audits completed	80	72	
No. of follow-up procurement audits and investigations recommendations	80	49	
<i>Output Cost:</i>	UShs Bn: 1.558	UShs Bn: 1.105	% Budget Spent: 70.9%
Output: 145603	Legal and Advisory services		
<i>Description of Performance:</i>	Increase in the inspections due to more staff recruited by the Authority and a combined team of compliance checks and PPMS verifications	46 compliance check inspections/ PPMS verifications carried out	The remaining compliance checks will be conducted in Q4 since compliance checks can only be carried out after a considerable amount of data has been inputted into the Procurement Performance Measurement System
<i>Performance Indicators:</i>			
Level of adherence to service standards (Number of MDAs inspected)	150	46	
<i>Output Cost:</i>	UShs Bn: 1.160	UShs Bn: 0.537	% Budget Spent: 46.3%
Vote Function Cost	UShs Bn: 10.685	UShs Bn: 5.631	% Budget Spent: 52.7%
Cost of Vote Services:	UShs Bn: 10.685	UShs Bn: 5.631	% Budget Spent: 52.7%

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* *Excluding Taxes and Arrears*

- a) **Procurement Audits:** The Authority handled 72 audits and issued reports for 18 audits in Q3. The Authority completed field work activities for 10 audits, fieldwork was ongoing for the 7 entities in addition to the 20 FINMAP audits and the 13 GAP funded Audits. The audit findings revealed the following: there were still a number of PDEs conducting procurements outside the procurement plans and/or did not have consolidated procurement plans leading to emergency procurements. The findings also showed continued delays at the User Department level to initiate procurements leading to delayed contracting of providers which affected the budget absorption rate of the PDEs. Further, the Entities were not utilising the Tender Portal set up by the Authority to publish tender opportunities including lack of evidence of invitation to bid where the selective procurement method was used. The Audit findings further showed that Entities especially those in the Local Government were not displaying the Best Evaluated Bidder Notice to allow those bidders who may want to challenge the award decisions an opportunity to complain.
- b) **Investigations:** 58 investigations were handled during Q3. The Authority completed 11 investigations; one case were referred to respective Accounting Officer, one case was referred to the IGG while 25 cases were still ongoing. Three investigations were halted due to various reasons. Investigations related to unfair award of contracts, lack of confidentiality of information at bidding and evaluation and the Authority has found merit in the majority of complaints.
- c) **Handling Applications for Administrative Reviews:** a total of 12 applications for Administrative Review were handled by the Authority. The majority of the applications were on procurement for revenue management centers. Out of the applications received, 2 were upheld and 10 rejected indicating an improvement in handling of procurement processes by the Entities. However, a gap was noted in the communication to bidders by the Entities which is more often done late thus raising issues of transparency.
- d) **Suspension of Providers:** The Authority suspended 10 providers for breach of the ethical code of providers emanating from submission of unauthentic certificate of completion and income clearance certificates. The Authority completed investigations for suspension of 15 providers and these were pending Board consideration. Investigations for 23 providers were ongoing by end of Q3. Suspension of the companies which were debarred by the World Bank were pending the determination of a court case where an injunction was granted against the Authority from proceeding with suspending such comp There were less recommendations for suspension on grounds of forged income tax clearance certificates, bid securities and completion certificates compared to the previous periods.
- e) **Advocating for the use of the Independent Parallel Bid Evaluation (IPBE) to stakeholders:** The Authority had a meeting with officials from Crown Agents to discuss various issues with regard to the use of the Independent Parallel Bid Evaluation by UNRA. Following the meeting, the Authority requested Crown Agents for information with regard to the lessons learnt/observations during its conduct of the Independent Parallel Bid Evaluation in UNRA. This information will assist the Authority in conducting increased sensitisation of Entities and policy makers about the benefits of the use of Independent Parallel Bid Evaluation and how it can be applied to other Entities.
- f) **PPDA Appeals Tribunal:** In Q3, the Authority filed one application to the PPDA Appeals Tribunal. It arose from a recommendation made by the Authority upon conclusion of an Administrative Review decision by the Authority where the Accounting Officer of Mbarara Municipal Council disregarded the provisions of the law and proceeded to sign a contract. The Authority forwarded the matter to the Tribunal for serious breach of the law.

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- g) Court Cases: The Authority handled nine cases in Q3. Of these, three were new cases filed against the Authority arising from the implementation of its mandate while six cases were ongoing matters earlier filed against the Authority. One case was dismissed for want of prosecution, in one case the Authority's decision was quashed and the Authority ordered to pay costs while seven are still on-going.
- h) Register of Providers: The Register of Providers (ROP) offers reliable and updated information to Entities and the general public on the competencies of Providers. In Q3, 415 new providers were registered on the ROP while 1,211 existing providers renewed their subscription. A total of UGX 172 million was generated from the ROP during Q3.
- i) Tender Portal: All Entities where audits were conducted received training on the use of the tender portal. The Authority contracted a consultant to upgrade the tender portal and merge it with other systems like the PPMS and Register of Providers.
- j) Amendments to the PPDA Local Government Regulations, SBDs and Guidelines: The Authority held a meeting with representatives from the Ministry of Local Government to discuss the review process of the amendment of the Local Government Regulations. It was resolved that a Technical Working Group be set up to guide on the way forward and work to be undertaken for the Local Government Regulations.
- k) Procurement Plans and Review of Reports: Procurement Plans and Review of Reports: A total of 29 procurement plans were received by the Authority during Q3 from 11 Central Government Entities and 18 Local Government Entities. With regard to procurement and disposal reports, the Authority received 93 quarterly reports and 153 monthly reports (average of 52%) from the Local Government and Central Government Entities respectively. From the 66 reports reviewed, it was noted that most of the Procuring and Disposing Entities do not report on disposals. This implies that the majority of the PDEs do not identify the assets to be disposed of annually.
- l) Accreditations: The Authority handled 4 applications for accreditation of an alternative procurement system. The application from the Hotel Tourism Training Institute was rejected for non-submission of additional information required. The application by the National Social Security Fund on major works projects was granted. Two applications were pending Board consideration.
- m) Procurement Performance Measurement System (PPMS Procurement Performance Measurement System (PPMS): Verification of data entered into PPMS for the FY 2014/15 was conducted in 36 Entities. The verification findings indicate that record keeping remains a challenge to PDEs. Most of the Entities whose data was verified had no contract management records on file. The Authority continues to carry out training for staff in the PDEs on PPMS who have not previously interfaced with the system. The Authority shall continue to advise Accounting Officers to promptly communicate changes in PDU staff to enable the Authority organize training to avoid disruption of data entry.
- n) Implementation of the e-Government Procurement Strategy: The Authority secured an extension from the World Bank of the Trust Fund grant. The Trust Fund which was scheduled to end in February 2015 has been extended up to end of June 2015. As part of the Trust Fund activities, the consultant (PwC) submitted the e-procurement As - Is report for clearance by the Authority. The Authority also conducted an e-procurement baseline survey as well as e-procurement benchmarking tours to Italy, India and Bangladesh.

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- o) **Circulars:** The Authority continues to issue guidelines and circular to guide Entities on contentious issues in public procurement. Four circulars were issued by the Authority on: Procurements under donor funded projects; Procedure for Administrative Review by Accounting Officers; Procurement Performance Measurement System and how to proceed in case of unavailability of the Secretary to the Contracts Committee.
- p) **Recognizing the Best Performing Entities:** During the 10th Procurement Sector Review Workshop, the Authority identified and recognized the best performing Entities for FY 2013/14 for Central Government (awarded to National Water and Sewerage Corporation); and for Local Government (awarded to Entebbe Municipal Council).
- q) **List and Prices of Common User Items:** The Authority updated the list of common user items and posted it to the website.
- r) **The Authority conducted training targeting different stakeholders bringing the total number of participants trained during the period under review to 581.** The Authority conducted two procurement Barazas in Gulu and Tororo, Training clinics for Contracts Committee members from Local Government PDEs in Mbarara, one Procurement Cadre Forum for CG Entities, Induction for CG Contracts Committee Members and Demand driven training in 6 Entities.
- s) **Financial Budget Performance:** By the end of the Third Quarter of FY 2014/15 the Government of Uganda released UGX 6.8 Billion of which the Authority utilised 5.6 Billion representing 82%. The Authority also received funding from FINMAP III, GIZ, GAP and the World Bank Trust Fund. (p.35)
- t) **PPDA Regional Offices in Gulu:** The Authority opened its first regional office in Gulu on 16th March 2015 to cater for 31 Entities located in northern Uganda. The opening up of regional offices is a deliberate strategy by the Authority to move its services closer to the stakeholders and serve them better in terms of providing the Authority's oversight functions to ensure efficient and accountable use of public resources as a basis for improved service delivery. (p.39)
- u) **Update of the Risk Register:** The risk register was updated to align it with the new Strategic Plan. The register provides the Authority with a high level overview of the organisation's risk status at any particular point in time and is a dynamic tool for monitoring actions to be taken to mitigate risks.
- v) **World Bank Appraisal Mission:** The Authority hosted a delegation from the World Bank that was on a pre-appraisal mission of the proposed USD75 Million Regional Communications Infrastructure Programme (RCIP) for Uganda where e-Government Procurement is one of the Components of the Programme. The team was accompanied by officials from the National Information Technology Authority – Uganda (NITA-U). The NITA-U is the main implementing agency of the programme.
- w) **10th Procurement Review Workshop**
The Authority convened the 10th Public Procurement Review Workshop under the theme “Strengthening Procurement Capacity for Effective Service Delivery”. The main objective of the workshop was to give highlights of the performance of the public procurement and disposal system in Uganda, the outstanding challenges and to set targets for the next review period. Some of the major resolutions of the workshop included among others: Operationalise the provisions in the law on preference and reservation schemes, Undertake spend analysis in selected PDEs, acquisition of E-GP solution, and advocacy for the finalization of the contractors registration and classification system.
- x) **Partnership Agreement in Promoting of Accountability and Transparency Programme:** The implementing

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agreement was signed between the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) who is the project sponsor and the Office of the Auditor General (OAG), Inspectorate of Government (IG) and the Authority on 20th February 2015 at the Serena Kampala Hotel.

Table V2.2: Implementing Actions to Improve Vote Performance

Planned Actions:	Actual Actions:	Reasons for Variation
Vote: 153 PPDA		
Vote Function: 14 56 Regulation of the Procurement and Disposal System		
Continued engagement of accounting officers on emphasis to equip PDUs	The Authority continues to engage Accounting Officers to adequately equip their PDUs. The Authority also highlights issues of under equipped PDUs in the procurement audit reports.	No variation

V3: Details of Releases and Expenditure

This section provides a comprehensive summary of the outputs delivered by the Vote and further details of Vote expenditures by Vote Function and Expenditure Item.

Table V3.1: GoU Releases and Expenditure by Output*

Billion Uganda Shillings	Approved Budget	Released	Spent	% GoU Budget Released	% GoU Budget Spent	% GoU Releases Spent
VF:1456 Regulation of the Procurement and Disposal System	10.69	6.74	5.63	63.1%	52.7%	83.5%
<i>Class: Outputs Provided</i>	8.47	6.23	5.50	73.6%	65.0%	88.3%
145601 Procurement Audits and Investigations	1.56	1.12	1.11	72.0%	70.9%	98.5%
145602 Stakeholder sensitisation in Proc. & Disp systems	0.86	0.70	0.66	80.7%	76.2%	94.5%
145603 Monitoring Compliance with the PPDA Law	1.16	0.67	0.54	57.6%	46.3%	80.3%
145604 PPDA Support services	3.27	2.37	2.07	72.4%	63.3%	87.4%
145605 PPDA strategic partnerships and Corporate relations	1.61	1.38	1.13	85.3%	70.2%	82.3%
<i>Class: Capital Purchases</i>	2.22	0.51	0.13	23.0%	5.8%	25.0%
145672 Government Buildings and Administrative Infrastructure	1.90	0.00	0.00	0.0%	0.0%	N/A
145675 Purchase of Motor Vehicles and Other Transport Equipment	0.15	0.32	0.11	214.0%	71.5%	33.4%
145676 Purchase of Office and ICT Equipment, including Software	0.14	0.15	0.01	107.5%	9.4%	8.7%
145678 Purchase of Office and Residential Furniture and Fittings	0.03	0.04	0.01	131.7%	25.0%	19.0%
Total For Vote	10.69	6.74	5.63	63.1%	52.7%	83.5%

* Excluding Taxes and Arrears

Table V3.2: 2014/15 GoU Expenditure by Item

Billion Uganda Shillings	Approved Budget	Releases	Expenditure	% Budget Released	% Budget Spent	% Releases Spent
Output Class: Outputs Provided	8.47	6.17	5.50	72.9%	65.0%	89.1%
211102 Contract Staff Salaries (Incl. Casuals, Temporary)	3.68	2.76	2.55	75.0%	69.4%	92.6%
211103 Allowances	0.25	0.18	0.15	74.0%	60.0%	81.1%
212101 Social Security Contributions	0.41	0.33	0.33	80.4%	79.5%	98.9%
213001 Medical expenses (To employees)	0.12	0.12	0.10	97.5%	87.0%	89.2%
213002 Incapacity, death benefits and funeral expenses	0.01	0.00	0.00	0.0%	0.0%	N/A
213004 Gratuity Expenses	0.74	0.60	0.60	80.9%	80.6%	99.6%
221001 Advertising and Public Relations	0.05	0.06	0.04	136.7%	98.4%	72.0%
221002 Workshops and Seminars	0.30	0.17	0.11	57.4%	37.9%	66.1%
221003 Staff Training	0.08	0.10	0.09	127.6%	116.5%	91.3%
221004 Recruitment Expenses	0.07	0.04	0.04	66.4%	65.1%	98.0%
221006 Commissions and related charges	0.05	0.01	0.00	18.0%	3.2%	17.8%
221007 Books, Periodicals & Newspapers	0.02	0.01	0.01	68.4%	51.3%	75.0%

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<i>Billion Uganda Shillings</i>	Approved Budget	Releases	Expenditure	% Budget Released	% Budget Spent	% Releases Spent
221009 Welfare and Entertainment	0.20	0.14	0.13	69.0%	65.6%	95.1%
221011 Printing, Stationery, Photocopying and Binding	0.14	0.10	0.08	71.7%	54.6%	76.2%
221012 Small Office Equipment	0.00	0.00	0.00	66.7%	66.7%	100.0%
221016 IFMS Recurrent costs	0.01	0.00	0.00	50.0%	0.0%	0.0%
221017 Subscriptions	0.03	0.03	0.03	100.0%	98.7%	98.7%
222001 Telecommunications	0.18	0.10	0.09	57.0%	47.5%	83.3%
222002 Postage and Courier	0.04	0.02	0.02	56.3%	40.2%	71.5%
223002 Rates	0.00	0.00	0.00	84.4%	83.2%	98.5%
223003 Rent – (Produced Assets) to private entities	0.49	0.30	0.30	62.2%	60.6%	97.4%
223004 Guard and Security services	0.04	0.03	0.02	65.0%	44.4%	68.3%
223005 Electricity	0.07	0.04	0.04	63.6%	63.6%	100.0%
223006 Water	0.01	0.01	0.00	74.5%	29.7%	39.8%
224004 Cleaning and Sanitation	0.04	0.03	0.02	79.5%	53.8%	67.6%
224005 Uniforms, Beddings and Protective Gear	0.00	0.00	0.00	99.2%	10.0%	10.1%
225001 Consultancy Services- Short term	0.30	0.16	0.10	54.0%	33.1%	61.3%
226001 Insurances	0.07	0.09	0.01	120.2%	11.1%	9.2%
226002 Licenses	0.04	0.02	0.01	43.9%	37.8%	86.3%
227001 Travel inland	0.53	0.28	0.27	51.9%	51.0%	98.3%
227002 Travel abroad	0.27	0.28	0.26	103.0%	96.4%	93.6%
227004 Fuel, Lubricants and Oils	0.09	0.03	0.01	38.1%	11.4%	30.0%
228001 Maintenance - Civil	0.01	0.01	0.00	100.0%	12.0%	12.0%
228002 Maintenance - Vehicles	0.11	0.09	0.06	79.9%	59.0%	73.8%
228003 Maintenance – Machinery, Equipment & Furniture	0.04	0.03	0.02	76.1%	55.7%	73.2%
Output Class: Capital Purchases	2.30	0.65	0.17	28.2%	7.6%	26.8%
231001 Non Residential buildings (Depreciation)	1.90	0.00	0.00	0.0%	0.0%	N/A
231004 Transport equipment	0.15	0.37	0.11	244.0%	71.5%	29.3%
231005 Machinery and equipment	0.14	0.16	0.01	112.5%	9.4%	8.3%
231006 Furniture and fittings (Depreciation)	0.03	0.04	0.01	148.3%	25.0%	16.9%
312204 Taxes on Machinery, Furniture & Vehicles	0.08	0.08	0.05	100.0%	57.0%	57.0%
Grand Total:	10.77	6.82	5.68	63.4%	52.7%	83.2%
Total Excluding Taxes and Arrears:	10.69	6.74	5.63	63.1%	52.7%	83.5%

Table V3.3: GoU Releases and Expenditure by Project and Programme*

<i>Billion Uganda Shillings</i>	Approved Budget	Released	Spent	% GoU Budget Released	% GoU Budget Spent	% GoU Releases Spent
VF:1456 Regulation of the Procurement and Disposal System	10.69	6.74	5.63	63.1%	52.7%	83.5%
<i>Recurrent Programmes</i>						
01 Headquarters	8.47	6.17	5.50	72.9%	65.0%	89.1%
<i>Development Projects</i>						
1225 Support to PPDA	2.22	0.57	0.13	25.6%	5.8%	22.5%
Total For Vote	10.69	6.74	5.63	63.1%	52.7%	83.5%

* Excluding Taxes and Arrears

Table V3.4: Donor Releases and Expenditure by Project and Programme*