

Vote: 153 PPDA

QUARTER 4: 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) Excluding Arrears, Taxes	Approved Budget	Cashlimits by End	Released by End	Spent by End Jun	% Budget Released	% Budget Spent	% Releases Spent
Recurrent Wage	3.677	3.497	2.758	2.553	75.0%	69.4%	92.6%
Recurrent Non Wage	4.788	5.418	3.417	2.950	71.4%	61.6%	86.3%
Development GoU	2.220	2.261	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	11.175	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%
(ii) Arrears and Taxes Arrears	0.000	N/A	0.000	0.000	N/A	N/A	N/A
(ii) Arrears and Taxes Taxes**	0.081	N/A	0.081	0.046	100.0%	57.0%	57.0%
Total Budget	10.766	11.175	6.824	5.677	63.4%	52.7%	83.2%
(iii) Non Tax Revenue	0.000	N/A	0.000	0.000	N/A	N/A	N/A
Grand Total	10.766	11.175	6.824	5.677	63.4%	52.7%	83.2%
Excluding Taxes, Arrears	10.685	11.175	6.743	5.631	63.1%	52.7%	83.5%

* Donor expenditure information available

** Non VAT taxes 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*

Billion Uganda Shillings	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

Slow progress in the PPDA/URF project implementation as a result of delayed delivery of designs by the consultants which has resulted into failure to absorb the funds meant for the project.

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

(i) Major unspent balances
Programs , Projects and Items
0.67 Bn Shs Programme/Project:01 Headquarters
Reason: No variations
(ii) Expenditures in excess of the original approved budget
* Excluding Taxes and Arrears

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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>	Increased numbers of audits due to more staff recruited by the Authority	83 audits completed in Central and Local Government Procuring and Disposing	The over performance in follow up activities was as a result of harmonisation of the activities at the Authority which resulted to a reduction in the unit cost of conducting a followup of PPDA recommendations
<i>Performance Indicators:</i>			
No. of procurement audits completed	80	83	
No. of follow-up procurement audits and investigations recommendations	80	97	
<i>Output Cost:</i>	US\$ Bn: 1.558	US\$ 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	117 compliance check/ Procurement Performance measurement System Verifications conducted.	The PPMS verification in all the Entities can only be undertaken in the last half of the year when Entities have entered a substantive amount of data into the PPMS system.
<i>Performance Indicators:</i>			
Level of adherence to service standards (Number of MDAs inspected)	150	117	
<i>Output Cost:</i>	US\$ Bn: 1.160	US\$ Bn: 0.537	% Budget Spent: 46.3%
Vote Function Cost	US\$ Bn: 10.685	US\$ Bn: 5.631	% Budget Spent: 52.7%
Cost of Vote Services:	US\$ Bn: 10.685	US\$ Bn: 5.631	% Budget Spent: 52.7%

* Excluding Taxes and Arrears

a) Procurement Audits: The Authority handled 8 procurement audits and issued reports for 21 audits in Q4 funded under GoU. The Authority also issued reports for 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: The Authority completed 14 investigations in the fourth quarter. One (1) case was referred to the Inspectorate of Government; three (3) cases were referred to the Accounting Officers for handling while seventeen (17) investigations were brought forward to Financial Year 2015/16. Investigations related to unfair

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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:** During the quarter under review, a total of nine (9) applications for Administrative Review were handled by the Authority. Out of these, three (3) were upheld and six (6) rejected. The Authority reviewed seven (7) decisions of the Accounting Officers and agreed with the decisions of the Entities involved. 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) **Suspensions:** The Authority suspended two (2) providers and did not find merit in the recommendation to suspend nine (9) providers during the period under review. The Authority completed investigations for suspension of fifteen (15) providers and these will be concluded in the next financial year. Investigations for thirty one (31) providers are ongoing.
- e) **Follow up on audit and investigation recommendations.** The Authority conducted follow up activities in 56 Entities. The findings show that out of the 316 recommendations that were followed up, only 175 recommendations were implemented by the Entities representing a 55% level of implementation. The commonly unimplemented recommendations relate to failure of Entities to conduct disposal of obsolete items, mismanagement of the force on account mechanism and failure of entities to maintain complete procurement action files.
- f) **PPDA Appeals Tribunal:** During this period, one (1) application was made to the PPDA Appeals Tribunal against the Authority. The Authority filed two (2) applications to the PPDA Appeals Tribunal. They arose from the decisions of the Accounting Officers of Busembatia Town Council and Mbarara Municipal Council to sign a contract during the Administrative Review period. The Authority filed the matters seeking declarations that there had been serious breach of the law by Busembatia Town Council and Mbarara Municipal Council.
- g) **Court Cases:** During this period, the Authority handled seven (7) court cases. All (seven) cases were ongoing matters earlier filed against the Authority. There were no new cases filed against the Authority. One (1) case was dismissed while it was consented that one (1) case be withdrawn.
- 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 Q4, 434 new providers were registered on the ROP while 475 existing providers renewed their subscription. A total of UGX 122,001,300 was generated from the ROP during Q4.
- i) **Government Procurement Portal:** All Entities where audits were conducted received training on the use of the tender portal. The Authority launched the Government procurement portal which is a one stop solution for all the internet based databases managed by the Authority like the Procurement Performance measurement system, the tender portal and the 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. A Technical Working Group was set up to guide on the way forward and work to be undertaken for the Local Government Regulations.
- k) **Submission of Procurement Plans and Review of Reports:** Ten procurement plans were received by the Authority during Q4. With regard to procurement and disposal reports, the Authority received 96 quarterly reports and 285 monthly reports. During this period, 49 reports alongside procurement plans were reviewed. From the review of reports, 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 which

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has resulted in dilapidation of assets at PDE premises. It is also noted that many Entities are not extracting monthly reports from the PPMS mainly because; the Entities have not yet entered sufficient data in the PPMS.

l) Accreditations: The Authority handled five (5) applications for Accreditation of an alternative procurement system. Of the applications handled, all the five (5) were pending consideration by board.

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 81 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) List and Average Prices of Common User Items: The Authority updated the list and average prices of common user items in collaboration with the school of statistics and planning of Makerere University. Field work was completed and the report will be completed during Q1 of FY 2015/16 and posted it to the website.

o) Stakeholder Training: The Authority conducted training targeting different stakeholders bringing the total number of participants trained during the period under review to 885. The Authority conducted the Local Government Procurement Cadre Forum in Gulu, training for SMEs, training for the technical staff in the health sector, Hands on training for 10 Higher Local Governments in Northern Uganda and demand driven training in 18 Entities.

p) 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 Official opening of the Offices took place in May 2015.

q) 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.

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	Continued engagement of accounting officers on emphasis to equip PDUs	no variations

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%

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<i>Billion Uganda Shillings</i>	Approved Budget	Released	Spent	% GoU Budget Released	% GoU Budget Spent	% GoU Releases Spent
<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

<i>Billion Uganda Shillings</i>	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%
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%

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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*