

# Vote: 153 PPDA

## Vote Summary

### VI: Vote Overview

This section sets out the Vote Mission, Strategic Objectives, and provides a description of the vote's services

#### (i) Snapshot of Medium Term Budget Allocations

Table V1 below summarises the Medium Term Budget allocations for the Vote:

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

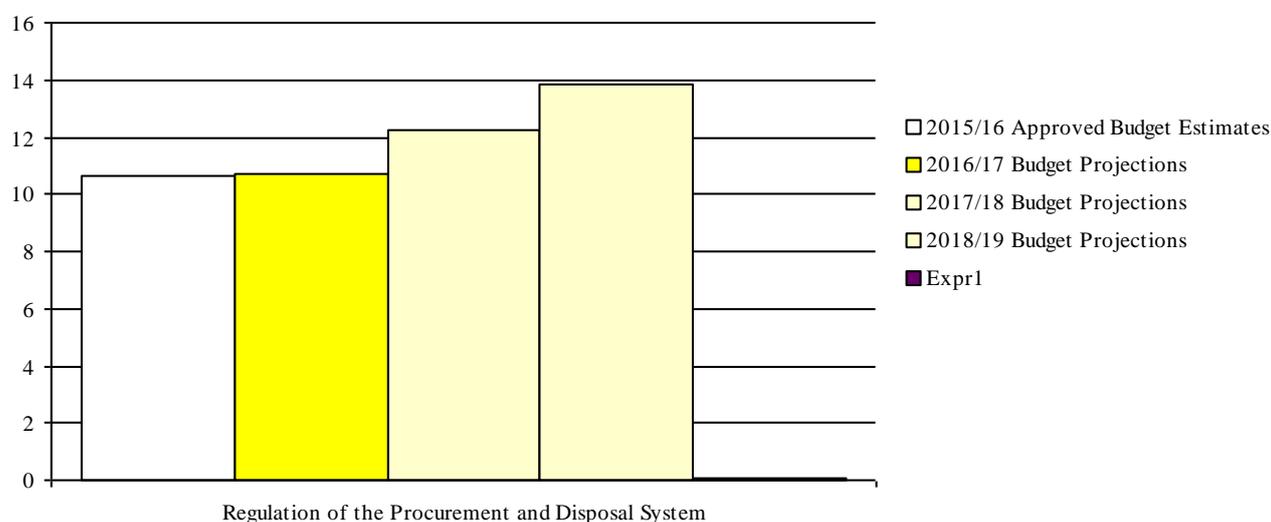
	2014/15 Outturn	2015/16		MTEF Budget Projections		
		Approved Budget	Spent by End Sept	2016/17	2017/18	2018/19
<i>(i) Excluding Arrears, Taxes</i>						
Recurrent Wage	0.000	3.677	0.898	3.677	3.861	4.054
Recurrent Non Wage	7.875	4.788	0.857	4.788	5.697	6.723
Development GoU	0.321	2.220	0.000	2.220	2.664	3.064
Development Ext.Fin	0.000	0.000	0.000	0.000	0.000	0.000
<b>GoU Total</b>	<b>8.115</b>	<b>10.685</b>	<b>1.754</b>	<b>10.685</b>	<b>12.223</b>	<b>13.841</b>
<b>Total GoU+Donor (MTEF)</b>	<b>8.115</b>	<b>10.685</b>	<b>1.754</b>	<b>10.685</b>	<b>12.223</b>	<b>13.841</b>
<i>(ii) Arrears and Taxes</i>						
Arrears	0.000	0.000	0.000	0.000	N/A	N/A
Taxes**	0.081	0.038	0.000	0.000	N/A	N/A
<b>Total Budget</b>	<b>8.196</b>	<b>10.723</b>	<b>1.754</b>	<b>10.685</b>	<b>N/A</b>	<b>N/A</b>
<i>(iii) Non Tax Revenue</i>	0.000	0.000	0.000	0.000	0.000	0.000
<b>Grand Total</b>	<b>8.196</b>	<b>10.723</b>	<b>1.754</b>	<b>10.685</b>	<b>N/A</b>	<b>N/A</b>
Excluding Taxes, Arrears	8.115	10.685	1.754	10.685	12.223	13.841

\* Donor expenditure data unavailable

\*\* Non VAT taxes on capital expenditure

The chart below shows total funding allocations to the Vote by Vote Function over the medium term:

**Chart V1.1: Medium Term Budget Projections by Vote Function (UShs Bn, Excluding Taxes, Arrears)**



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### (ii) Vote Mission Statement

The Vote's Mission Statement is:

*To promote the achievement of value for money in public procurement so as to contribute to National development.*

### (iii) Vote Outputs which Contribute to Priority Sector Outcomes

The table below sets out the vote functions and outputs delivered by the vote which the sector considers as contributing most to priority sector outcomes.

**Table V1.2: Sector Outcomes, Vote Functions and Key Outputs**

Sector Outcome 1:	Sector Outcome 2:	Sector Outcome 3:
<i>Efficient service delivery through formulation and monitoring of credible budgets.</i>	<i>Compliance to accountability policies, service delivery standards and regulations.</i>	<i>Accountability Sector's contribution to economic growth and development enhanced</i>
<b>Vote Function: 14 56 Regulation of the Procurement and Disposal System</b>		
<i>Outputs Contributing to Outcome 1:</i>	<i>Outputs Contributing to Outcome 2:</i>	<i>Outputs Contributing to Outcome 3:</i>
None	<i>Outputs Provided</i> 145601 Procurement Audits and Investigations 145603 Monitoring Compliance with the PPDA Law	None

## V2: Past Vote Performance and Medium Term Plans

*This section describes past and future vote performance, in terms of key vote outputs and plans to address sector policy implementation issues.*

### (i) Past and Future Planned Vote Outputs

#### 2014/15 Performance

1. Strengthening Transparency and Accountability in Public Procurement
  - a) Procurement and Disposal Audits: The procurement audits conducted increased from 107 audits in FY 2013/2014 to 121 audits conducted in FY 2014/15. The overall performance of the entities indicated that only 3 (3%) entities were highly satisfactory, 23 (20%) were satisfactory, 41 (35%) were moderately satisfactory, 38 (32%) were unsatisfactory and 12 (10%) were highly unsatisfactory. The audit findings also revealed that (62%) improved in performance compared to their last Audit performance while 38% declined in performance.
  - b) Investigations: The Authority handled 79 complaints for investigation. 46% of these complaints were in respect of local governments while 54% of the complaints were in respect of central government entities.
  - c) Follow-up of Audits & Investigations Recommendations: During the Financial Year 2014/2015, the Authority conducted follow up activities in 79 Procuring and Disposing Entities (PDEs) to assess the status of implementation of recommendations made in the audit and investigation reports that were issued in FY 2013/14. A total of 590 audit and investigation recommendations were reviewed and of these 57% (336) were found to have been implemented while 43% (254) of the recommendations were not implemented.
  - d) Applications for Administrative Reviews: The Authority handled a total of 40 applications for Administrative Review in the year under review. 12(30%) were upheld while 28(70%) were rejected which indicates an improvement in handling of procurement processes by the Entities.
  - e) Suspension of Providers: The Authority handled 164 suspension cases during the period under review. These cases were majorly due to submission of forged documents and for being debarred by International

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Organizations to which Uganda is a member.

f) National Integrity Survey: The Authority contracted Reev Consultants to conduct the National Integrity Survey which is sequel to the earlier editions conducted in 2007 (Baseline) and 2009. The survey aims to gauge the public perspectives on the impact of corruption on the outcomes of public procurement and come up with remedial solutions to public procurement related corruption. The consultant for the survey submitted the inception report which was approved, the final report is expected by September 2015.

g) Update of the Audit Manual: The Audit Manual was reviewed and updated to strengthen the Authority's procurement audit function. The objective of the exercise was to review the existing procurement audit practices and identify areas for strengthening in the context of the strategic plan. The exercise was completed and the manual shall be in use in the next financial year.

### 2. Increasing Competition and Hence Contributing to Domestic Industry Development

a) Participation in Government Tenders by the Private Sector: PPMS records for FY 2014/2015 indicate that the average number of bids submitted has stagnated at an average of 3 submitted bids. There is still low participation of bidders from the private sector and hence low competition for Government tenders as potential bidders cite several challenges such as the lengthy procurement processes involved, the unreliable payments, unreasonably high bidding requirements

b) Contracts Subjected to Open Competition: There was a significant drop in the value of procurements that were subjected to open competition from 87.6% in FY 2013/2014 to 49.9% in FY 2014/2015. This drop in performance is attributed to the fact that the thresholds for open competition in the Central Government PDEs were significantly raised under the amendments to the PPDA Act.

c) Contracts Awarded to Local Providers: 99.3% of the total number of contracts was awarded to local providers. However in terms of value of contracts, there was a significant improvement from 40% reported in FY 2013/2014 to 68% reported in FY 2014/2015.

d) Preference and Reservation Schemes: The Authority reviewed and granted an application by KCCA to have Kampala City Cleaning Contracts reserved for the vulnerable communities organized in SACCOs. The Authority also granted the Electoral Commission approval to use a reservation scheme for printing/publishing ballot papers.

### 3. Enhancing the Efficiency of the Public Procurement Process

a) Review of Procurement Plans and Reports: 72.7% of entities submitted their monthly and quarterly reports as compared to 65.6% in FY 13/14. There was a marked improvement in performance in submission of procurement plans from 62.7% in FY 2013/14 to 89.7% in FY 14/15. Performance under this indicator should improve with the roll out of the Government procurement portal as it will create a platform for PDEs to post their procurement plans.

b) Procurement Performance Measurement System (PPMS): The Authority conducted a verification exercise among Central and Local Government PDEs. The exercise entailed verification of records for the various procurements undertaken in the financial year and entered into the PPMS by the PDEs. In the FY 2014/15, the Authority verified a total of 3,452 contracts accounting for UGX 560,361,980,739.

c) Average procurement lead time: There was an improvement in the average time taken to complete the procurement cycle with the open competitive bidding methods taking less time compared to the previous year. The average time taken to complete the procurement cycle for Open International Bidding dropped

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from an average of 218 days in FY 13/14 to 181 in FY 14/15 while the average time for open domestic bidding dropped from 158 days in FY 13/14 to 151 days in FY 14/15.

d) Monitoring of Progress of Implementation of Procurement Plans for High Spend Entities: The Authority has constituted a committee to monitor the progress of implementation of procurement plans for High Spend Entities (HSEs). This committee has identified 15 HSEs and allocated relationship managers to support these entities.

e) Accreditations: The Authority received fourteen (14) Applications for Accreditation of an alternative procurement system. Of the applications received, two (2) applications were granted.

f) Register of Providers: 1,415 new providers were registered on the ROP and 1,296 existing providers renewed their subscription. A total of UGX 433,001,300 was generated from the Register of Providers.

### 4. Strengthening Contracts Management and Performance

a) Contracts rated satisfactory from Procurement Audits: The Authority noted that of the sampled 4,692 procurements worth UGX 2,504,795,516,282, UGX 299,465,568,176 (12%) were high risk by value, UGX 789,498,767,971 (32%) were medium risk, UGX 1,007,782,406,512 (40%) were low risk by value while UGX 408,048,773,623 (16%) were satisfactory by value.

b) Contracts completed within contractual value: There was an improvement in performance of this indicator from 75% in the FY 2013/14 to 80.5% of the value of procurements in FY 2014/15 being implemented according to planned money value. In terms of numbers 48.6% of the total number of procurement contracts in FY 2014/15 got implemented within the planned money value compared to 20.9% reported in FY 2013/14.

c) Proportion of Contracts with complete records: There was a decline in performance on this indicator related to contracts with complete records in FY 2014/15. The percentage of contracts with complete records was 23.4% as compared to 29.9% in the Financial Year 2013/14. The record that continues to cause the poor performance is the contract implementation plan.

### 5. Leveraging Technology to Improve Procurement Outcomes

a) Implementation of the e-Government Procurement Strategy: The Authority, through the Trust fund grant completed the start-up activities of e- government procurement as spelt out in the e-government procurement strategy that included the finalization of the e- bidding document, the completion of the business reengineering process, developing the standard catalogue for common procurement items of goods, works, and services and sensitization of stakeholders nationwide. The redevelopment of the Tender Portal was completed into an integrated Government Portal which was launched and sensitization workshops for the entities were held in Mbale, Mbarara and Kampala.

### 6. Enhancing the Performance of Public Procurement beyond Compliance

The Authority conducted an assessment to establish entities with the best practices. This assessment is based on various parameters that include the entity's performance in Audits, PPMS, compliance to the reporting standards. These entities were recognized and awarded at the 10th Procurement Review Workshop in February 2015.

### 7. Enhancing the Effectiveness of Capacity Building, Research and Knowledge Management

The Authority conducted training targeting different stakeholders bringing the total number of participants trained to 2071. Capacity building programmes include Hands on support to 100 staff from PDEs, 3 regional procurement barazas in Jinja and Gulu district, 2 Procurement Cadre Forums in Masaka, Tororo

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and Gulu district and specialized training for teachers and Accounting Officers.

8. Strengthening the Internal PPDA Capacity to Deliver Improved Performance of Public Procurement

a) Financial Budget Performance: The Government of Uganda had approved and released UGX 10,270,632,657 to fund the activities of the Authority, and UGX 8,596,797,910 was utilized by the end of the year representing 84%. The unutilised funds were meant for the construction of the PPDA Home. The Authority also received funding from FINMAP III, GIZ, GAPP and the World Bank Trust Fund.

b) Capacity Building of PPDA Staff: During the period, the Authority sponsored training of 14 staff in foreign institutions and Thirty-nine (39) staff were locally trained in Microsoft Advanced Excel 2010 at APTECH Computer Education Centre under the GIZ funding.

c) Launch of the PPDA Regional Offices in Gulu: The official opening of the Gulu Regional Offices took place in May 2015. The Regional Office offers support to 31 Entities located in northern Uganda which 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 for improved service delivery.

9.  Leveraging and Enhancing PPDA's Partnerships and Collaborations

Participation in the 7th East African Procurement Forum: The Authority coordinated and led a 49-man Ugandan delegation to the 7th edition of the East African Procurement Forum held in Nairobi, Kenya on 19-21 November 2014.

*Preliminary 2015/16 Performance*

a) Procurement Audits

The Authority planned to conduct 30 procurement audits. The Authority launched audits in 34 Entities during the Quarter and the Audit processes are at various stages of completion and the reports will be issued during the second Quarter.

b) Investigations

The Authority received 19 requests for investigation during the Quarter. The Authority completed nine investigations and issued reports while 10 investigations are ongoing and will be completed within the second Quarter of the Financial Year 2015/16.

c) Follow Ups on Audit and Investigation Recommendations

The Authority conducted follow up activities on recommendations issued by the Authority in 18 Entities. Out of the 208 recommendations followed up, 120 recommendations representing 57% were implemented and 88 recommendations representing 43 % were not implemented by the Entities. The majority of the recommendations that were not implemented are related to mismanagement of the evaluation process.

d) Application for Administrative Reviews

During the quarter under review, a total of twenty (21) applications for Administrative Review were handled by the Authority. Out of these, four (4) were upheld and seventeen (17) were rejected.

e) Accreditations for Alternative Procurement Systems

The Authority handled three (3) applications for Accreditation of an alternative procurement system.

f) Suspension of Providers

During this period, the Complaints Review Committee of the Board of Directors considered three (3)

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recommendations to suspend providers on various grounds. The Authority completed investigations for suspension of fifteen (15) providers which are due to be heard by the Board of Directors.

### g) Amendments to the PPDA Regulations

A technical Working Group comprising of officials from Ministry of Local Government, Wakiso District Local Government, Mukono District Local Government, PPDA, and Ministry of Justice and constitutional affairs was set up to review the Local Government (PPDA) Regulations with a purpose of harmonising them with the PPDA Regulations.

Finalization of the pending Standard Bidding Documents and Guidelines is on-going. The Department is still consulting various stakeholders before issuance of these SBDs and the Guidelines.

### h) Common User Items

In collaboration with the Makerere University School of Statistics and Planning, the list and average prices of Common User Items survey were reviewed and issued. The updated list has been uploaded onto the PPDA website.

### i) Register of Providers (RoP)

The Register of Providers (ROP) offers reliable and updated information to Entities and the general public on the competencies of Providers. In Q1, 436 new providers were registered on the ROP while 335 existing providers renewed their subscription profiles for the calendar year 2015. A total of UGX 101,787,500 was generated from the ROP during Q1.

### j) Monitoring Compliance with the PPDA Act

Procurement Plans and Review of Reports: One hundred thirty nine (139) procurement plans were received by the Authority during quarter one. Of these, 49 plans were received from Central Government Entities and 90 from Local Government Entities. With regard to procurement and disposal reports, the Authority received 90 monthly reports from Central Government PDEs. By the time of reporting, only one Local Government PDE had submitted its procurement report for quarter one as the deadline for receipt of these reports was still days away. A total of 46 reports and plans were reviewed in the quarter.

From the review of reports, it was noted that many of the PDEs are still not reporting on the disposals carried out. The Authority has written to the PDEs urging them to report on the disposals carried out. With regards to the procurement plans, the Authority noted that a number of the plans reviewed were not in the right format. For the plans published for the public, many PDEs are not revealing their estimated prices. It was also noted from the review of the reports that a number of PDEs were not strictly following their plans for example in regards to time for requisition among others. This may lead to delays in procurement with its resultant consequences such as delayed service delivery. The Authority wrote to these PDEs to follow their plans.

### k) Government Procurement Portal (GPP)

During the quarter, the Authority rolled out the Government Procurement Portal to a total of 89 PDEs. The Government Portal will ease access of bidders to bid opportunities as it will create a one stop centre where bid opportunities can be accessed. The portal also captures information on procurement that the Entities can use for their reporting requirements to the Authority.

The Authority finalised the annual procurement performance measurement system report as well as 159 Entity specific reports. The report shows an improvement in performance across a number of indicators such as: time taken to complete a procurement process; procurements implemented according to budget; contracts awarded to local providers. It should be noted that though there is improvement, performance is still below the desired targets. The performance regarding record keeping is still poor. The record on the contract implementation plan remains elusive and accounts for the poor performance on record keeping.

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The Authority will going forward emphasise contract management in its capacity building and compliance monitoring activities.

### l) Capacity Building

The Authority conducted training for 17 auditors from High Spend Entities and induction for 11 Central Government Entities.

### m) PPDA Home Development

The design consultant M/S Eco Shelter and Environmental Consultants submitted the preliminary designs to the project management committee for review. The designs were also discussed by the joint committee of the boards of URF and PPDA

### n) Court Cases

During this period, the Department handled seven (7) court cases. Five (5) cases were ongoing matters earlier filed against the Authority while two (2) of the cases were new cases filed against the Authority. All seven (7) cases are still on-going.

### o) PPDA Appeals Tribunal

During this period, the Authority handled five (5) applications to the PPDA Appeals Tribunal. They arose from various administrative review decisions of the Authority. The Tribunal set aside all the decisions of the Authority and the Authority has initiated Appeals arising from four (4) of the applications.

**Table V2.1: Past and 2016/17 Key Vote Outputs\***

<i>Vote, Vote Function Key Output</i>	<b>Approved Budget and Planned outputs</b>	<b>2015/16 Spending and Outputs Achieved by End Sept</b>	<b>2016/17 Proposed Budget and Planned Outputs</b>
<b>Vote: 153 PPDA</b>			
<i>Vote Function: 1456 Regulation of the Procurement and Disposal System</i>			
<b>Output: 145601</b>	<b>Procurement Audit and Monitoring</b>		
<i>Description of Outputs:</i>	An increase in the numbers of audits and followup activities conducted due to recruitment of more staff by the Authority, conducting all the GoU funded audits inhouse and opening up of regional offices.	34 procurement and disposal audits conducted. Follow up activities to establish the status of implementation of Audit and Investigation recommendations conducted in 18 Entities	An increase in the numbers of audits and followup activities conducted due to recruitment of more staff by the Authority, conducting all the GoU funded audits inhouse and opening up of regional offices.
<i>Performance Indicators:</i>			
Proportion of procurement audits and investigation recommendations implemented	82	57	85
Percentage of contracts by value rated satisfactory	50	0	55
Number of procurement investigations conducted	60	9	60
Number of procurement audits conducted	102	34	120
Number of follow-ups undertaken on procurement audits and investigations recommendations	120	18	120
<i>Output Cost: UShs Bn:</i>	<i>1.611</i>	<i>UShs Bn:</i>	<i>1.287</i>
			<i>UShs Bn: 1.631</i>
<b>Output: 145603</b>	<b>Legal and Advisory services</b>		

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<i>Vote, Vote Function Key Output</i>	<b>Approved Budget and Planned outputs</b>	<b>2015/16 Spending and Outputs Achieved by End Sept</b>	<b>2016/17 Proposed Budget and Planned Outputs</b>
<i>Description of Outputs:</i>	Increase in the inspections due to more staff recruited by the Authority and a combined team of compliance checks and PPMS verifications and the opening up of regional offices	No inspections were conducted during the Quarter.	Increase in the inspections due to more staff recruited by the Authority and a combined team of compliance checks and PPMS verifications and the opening up of regional offices
<i>Performance Indicators:</i>			
Number of entities rated satisfactory	40	0	45
Level of adherence to service standards (Number of MDAs inspected)	120	0	130
<i>Output Cost: US\$ Bn:</i>	<i>1.157</i>	<i>US\$ Bn: 0.030</i>	<i>US\$ Bn: 1.247</i>
<b>Vote Function Cost</b>	<b>US\$ Bn: 10.723</b>	<b>US\$ Bn: 1.754</b>	<b>US\$ Bn: 10.685</b>
<b>Cost of Vote Services:</b>	<b>US\$ Bn: 10.685</b>	<b>US\$ Bn: 10.685</b>	<b>US\$ Bn: 10.685</b>

\* Excluding Taxes and Arrears

### 2016/17 Planned Outputs

#### Ensuring Transparency, Value for Money in Procurement and Disposal Practices

##### a) Procurement Reviews/Audits

The objective of procurement reviews and audits is to determine whether procurements were carried out in a fair and transparent process in accordance with the amended PPDA Act 2003 and come up with corrective recommendations where deviations are identified with focus on value for money and efficiency in resource use.

The Authority plans to undertake a total of 160 procurement and disposal audits. A total of 140 procurement and disposal audits will be under GOU funding while 20 audits will be covered under FINMAP funding.

The sample of the one hundred sixty (160) Entities will be analyzed in an Annual Audit Report prepared by the Department.

##### b) Investigations

The Authority conducts investigations into procurements to detect cases of flouting of the public procurement principles of efficiency, effectiveness, fairness and value for money. The Authority handles investigations as and when they arise with a plan of sixty (60) investigations this financial year. The outcome of investigations and follow-ups will lead to increased compliance with the law and identification of weaknesses that need to be addressed.

##### c) Follow ups

Follow up activities are conducted to establish the level of implementation of recommendations issued by PPDA during procurement and disposal audits, investigations and PPMS verifications with an aim of mitigating the risk of non implementation. The Authority will undertake 140 follow - ups with 120 under GOU funding and 20 under FINMAP funding. Audit and investigation recommendations are followed up within six months of issuance of the reports.

##### d) Strengthen PPDA's strategic partnerships

The Authority envisions partnerships with both state and non state actors as imperative to achieving the objectives of its current strategic plan and its contribution to the ASSIP and the NDP II. The Authority in partnership with FINMAP III and Governance, Accountability, Participation and Performance Program

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(GAPP) under USAID will undertake procurement and disposal audits. The Authority is also in partnership with GIZ, OAG, Uganda Road Fund (URF) and CSOs.

The Authority will participate in the 9th East African Procurement Forum that will be hosted by Rwanda Public procurement Authority. The Authority will lead the Ugandan Delegation to the Forum that brings together all the procurement practitioners in the East African Region.

The Authority will continue to work with the non state actor who have running Memoranda of Association with the Authority as well as entering into MoUs with other interested actors like Academic institutions, professional Associations and the Civil Society Organisations in order to achieve the objectives of the Authority.

e) Survey to update list of common user items and average prices

The list of common user items and their prices provides an indicative guide to Entities on the prices of commonly procured items for efficient and optimal allocation of resources during procurement planning. There is a periodical need to update the price list quarterly due to the frequent changes in the market place. The Authority will conduct quarterly surveys to update the list and average prices of common user items.

f) Implementation of the Public Relations and Communications strategy

The PPDA public relations and communications strategy is aimed at creating public awareness about the activities of the authority and to provide a platform for engagement of the general public to demand for accountability from Public Office bearers. The Authority will implement aspects of the PPDA communications strategy such as newspaper pull outs and briefings on pertinent issues in public procurement. The PPDA website and tender portal will continue to be used as a medium to disseminate information from the Authority including the quarterly News letter.

### Monitoring Compliance of Procuring and Disposing Entities

The Authority will continue the roll out of the Government Procurement Portal to additional 79 Central Government Entities and 5 Local Government Entities. The Government Procurement Portal combines the previously independent platforms of the RoP, the Tender Portal and the Procurement Performance Measurement System.

### Building Procurement and Disposal Capacity

The Authority will implement the performance focussed capacity building strategy by maintaining institutional collaboration with professional bodies, government and training institutions for sustainable capacity building and development. The Authority, using various approaches of sensitization, through workshops, hands on support to staff of PDEs; consultation meetings and forums, will continue to provide training to several stakeholders in various categories including, providers, Accounting Officers, Procurement and Disposal Units staff, Contracts Committee members and members of the user departments, in both the Central and local government entities.

The training will mainly be based on the amendments to the PPDA Act 2003 and the attendant Regulations 2013, including the Guidelines and the SBDs. In addition, the Authority plans to create awareness within civil society organizations & the media to enable them promote best public procurement and disposal practices and accountability. The capacity building activities will also bring together stakeholders in public procurement to share experiences and best practices.

### Strengthening the Internal Organization

a) Implementation of the Strategic Plan and Organization Structure

Following the adoption of the FY 2014/15 – 2018/19 Strategic Plan, the Authority will continue to implement the strategic plan and the approved organization structure.

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### b) Human Resources:

The Authority will continue to implement aspects of the revised structure to ensure that the strategic objectives are achieved. The Human Resources section plans to facilitate regular staff performance appraisals; implement the new induction policy; carry out staff attitude surveys, organize regular staff meetings as well as advise management on the staff training needs.

### c) Information Technology

The Authority will develop and implement a backup plan for systems and user data, develop and set up EDMS as well as enhance the use of ICT within PPDA to achieve key strategic objectives. More up-to-date software and equipment will be procured to aid in systems integration and maintenance. In addition to the above, ICT unit will continue to carry out system administrative functions including management of active directory, administration of all servers and network points, email management, ICT equipment maintenance, installation and configuration of new equipment.

### d) Internal Audit

Internal Audit will focus on areas that are critical to the PPDA objectives, areas of high risks, monitoring of internal controls over financial management and performance of other strategic functions of the Authority. Other areas of focus will be assessment of implementation of the FY 2014/15 – 18/19 strategic plan and risk management strategy, budget performance, financial statements, procurements and contract management and the human resource function.

**Table V2.2: Past and Medium Term Key Vote Output Indicators\***

Vote Function Key Output Indicators and Costs:	2014/15 Outturn	2015/16		MTEF Projections		
		Approved Plan	Outturn by End Sept	2016/17	2017/18	2018/19
<b>Vote: 153 PPDA</b>						
<b>Vote Function: 1456 Regulation of the Procurement and Disposal System</b>						
Number of follow-ups undertaken on procurement audits and investigations recommendations		120	18	120	120	130
Number of procurement audits conducted		102	34	120	130	150
Number of procurement investigations conducted		60	9	60	80	80
Percentage of contracts by value rated satisfactory		50	0	55	60	65
Proportion of procurement audits and investigation recommendations implemented		82	57	85	85	85
Level of adherence to service standards (Number of MDAs inspected)		120	0	130	140	150
Number of entities rated satisfactory		40	0	45	50	55
<b>Vote Function Cost (US\$ bn)</b>	<b>8.196</b>	<b>10.685</b>	<b>1.754</b>	<b>10.685</b>	<b>12.223</b>	<b>13.841</b>
<b>Cost of Vote Services (US\$ Bn)</b>	<b>8.196</b>	<b>10.685</b>	<b>1.754</b>	<b>10.685</b>	<b>12.223</b>	<b>13.841</b>

### Medium Term Plans

The Authority will develop and roll out the e- government procurement which will solve the limitations of manual based public procurement system that Uganda currently operates. The system is also projected to improve on the efficiency and effectiveness of the public procurement system.

The Authority plans to advocate for the use of independent Parallel bid evaluation for all the big

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procurements and the critical projects for the implementation of the second national development plan.

The Authority will work with the Civil Society and other non state actors in the monitoring of government procurements. These will help to increase of the demand for accountability by the Public.

The Authority plans to start construction of its headquarters in Nakasero, expand the Audit and Compliance assessment programme.

The Authority will develop and implement the national local content policy aimed at increasing the participation of local providers in public procurement and to foster the growth of SMEs in Uganda.

### (ii) Efficiency of Vote Budget Allocations

The Authority will recruit more staff during the Financial Year to augment its current staff. Some of these these staff will be posted at the Regional Offices. This will help to increase the coverage of the activities of the Authority like procurement Audits, Investigations and GPP Verifications.

**Table V2.3: Allocations to Key Sector and Service Delivery Outputs over the Medium Term**

Billion Uganda Shillings	(i) Allocation (Shs Bn)				(ii) % Vote Budget			
	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19
Key Sector	2.8	2.9	3.8	3.8	25.9%	26.9%	30.7%	27.1%
Service Delivery	2.8	2.9	3.8	3.8	25.9%	26.9%	30.7%	27.1%

a) Macro economic stability in the country. Inflation and depreciation of the Shilling against all major currencies will be kept at the minimum.

b) Timely release of the funds as per the quarterly cash limits provided and the release of 100% of the budget.

**Table V2.4: Key Unit Costs of Services Provided and Services Funded (Shs '000)**

Unit Cost Description	Actual 2014/15	Planned 2015/16	Actual by Sept	Proposed 2016/17	Costing Assumptions and Reasons for any Changes and Variations from Plan
<i>Vote Function: 1456 Regulation of the Procurement and Disposal System</i>					
Procurement audits		3,005,800	0		The unit cost has reduced as a result of doing all the audits inhouse. The Authority has phased out the use of consultants in GoU funded procurement audits.
Monitoring compliance of Procurement and Disposal Entities		671,428			The unit cost has reduced as a result of using PPDA staff as compared to using consultants
investigations and Audits follow-ups		346,667	0		More follow ups done in nearby Central Government entities and for those in far to reach PDEs, done in combined teams. Investigations are now conducted by calling the documents from the Entities and reviewing the documents from the Authority.
Administrative reviews and Deviations		100,000	0		N/A

### (iii) Vote Investment Plans

The Authority has allocated 2.26 Billion in FY 15/16, 2.22 Billion in FY 16/17 and 2.6 Billion in FY 2017/18 for the capital purchases.

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**Table V2.5: Allocations to Capital Investment over the Medium Term**

Billion Uganda Shillings	(i) Allocation (Shs Bn)				(ii) % Vote Budget			
	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19
Consumption Expenditure(Outputs Provided)	8.5	8.5	10.4	11.0	79.2%	79.2%	85.3%	79.8%
Investment (Capital Purchases)	2.2	2.2	1.8	2.8	20.8%	20.8%	14.7%	20.2%
<b>Grand Total</b>	<b>10.7</b>	<b>10.7</b>	<b>12.2</b>	<b>13.8</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

The Authority has allocated 1.9 Billion in the FY 2016/17 for the construction of its Headquarters on plot 39, Nakasero Road. The project will be undertaken jointly with the Uganda Road Fund.

**Table V2.6: Major Capital Investments**

Project, Programme Vote Function Output <i>UShs Thousand</i>	2015/16		2016/17
	Approved Budget, Planned Outputs (Quantity and Location)	Actual Expenditure and Outputs by September (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
<b>Project 1225 Support to PPDA</b>			
<b>145672 Government Buildings and Administrative Infrastructure</b>	Site preparation, construction and supervision	The detailed designs have been submitted by the consultant and the task team is in the process of reviewing the designs.	Site preparation, construction and supervision
<b>Total</b>	<b>1,900,000</b>	<b>0</b>	<b>1,900,000</b>
<i>GoU Development</i>	<i>1,900,000</i>	<i>0</i>	<i>1,900,000</i>
<i>External Financing</i>	<i>0</i>	<i>0</i>	<i>0</i>

### (iv) Vote Actions to improve Priority Sector Outcomes

The Authority plans to open up two more regional Offices in Mbale and Mbarara as well as strengthen the existing regional office in Gulu by recruiting additional staff to undertake more audits and compliance monitoring activities in house.

The Authority will roll out e- government procurement which will start with piloting of the solution in selected Entities in the FY 2016/17. The solution will go a long way in solving the limitations of the manual based public procurement system that is currently being used.

The Authority will continue advocating for the use of preference and reservation schemes to enhance the implementation of the local content policy.

The Authority will continue improving the procurement and disposal audit tool and GPP to enhance compliance, value for money and timeliness of public procurement and disposal processes.

The Authority will study the outcomes of the Procurement Integrity Survey report to address key concerns on the perceptions of the various stakeholders regarding public procurement in Uganda.

The Authority will undertake research in the thematic areas of public procurement in order to come up with practical recommendations on how to improve the public procurement system and practices.

**Table V2.7: Priority Vote Actions to Improve Sector Performance**

2015/16 Planned Actions:	2015/16 Actions by Sept:	2016/17 Planned Actions:	MT Strategy:
<b>Sector Outcome 2: Compliance to accountability policies, service delivery standards and regulations.</b>			
Vote Function: 14 56 Regulation of the Procurement and Disposal System			
VF Performance Issue:			

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2015/16 Planned Actions:	2015/16 Actions by Sept:	2016/17 Planned Actions:	MT Strategy:
<i>VF Performance Issue:</i> Inadequate staff numbers to fulfill the PPDA mandate Increase staff numbers and open regional offices	Recruitment Process for 15 additional staff being undertaken to strengthen the Authority.	Recruitment of additional staff by the Authority	Implement e - Procurement to avail more staff time for strategic issues that affect public procurement in Uganda.
<i>VF Performance Issue:</i> Lack of basic tools and equipment to facilitate PDEs in their compliance to the Law. Continued engagement of accounting officers on emphasis to equip PDUs	The Authority continues to engage the accounting officers of various Entities during different forums to provide working tools and adequate storage space for the PDUs	Continued engagement of accounting officers on emphasis to equip PDUs	Continue highlighting the issues of under-equipped PDEs in the annual procurement Audit report and the annual PPMS report.
<i>VF Performance Issue:</i> Lack of capacity of technical officers in the public procurement Capacity building activities will be undertaken for stakeholders especially on the Amended Act and contract management.	Capacity building activities undertaken for stakeholders especially on the Amended Act and contract management.	Capacity building activities will be undertaken. The Authority will work with Accredited training Institutions in training of stakeholders in the ammended act and contract management	Partnering with the Civil Service College to build the capacity of the procurement cadres in Uganda

## V3 Proposed Budget Allocations for 2016/17 and the Medium Term

This section sets out the proposed vote budget allocations for 2016/17 and the medium term, including major areas of expenditures and any notable changes in allocations.

**Table V3.1: Past Outturns and Medium Term Projections by Vote Function\***

	2014/15 Outturn	2015/16		MTEF Budget Projections		
		Appr. Budget	Spent by End Sept	2016/17	2017/18	2018/19
<b>Vote: 153 PPDA</b>						
1456 Regulation of the Procurement and Disposal System	8.196	10.685	1.754	10.685	12.223	13.841
<b>Total for Vote:</b>	<b>8.196</b>	<b>10.685</b>	<b>1.754</b>	<b>10.685</b>	<b>12.223</b>	<b>13.841</b>

### (i) The Total Budget over the Medium Term

The Medium term expenditure frame work for the Authority has been maintained at the 2015/16 level of 10.77 Billion. In The FY 2015/16, PPDA was allocated 3.68 Billion for wages, 4.79 Billion for non wages recurrent and 2.22 Billion for development. In the FY 2016/17, PPDA has been allocated 3.68 Billion for wages, 4.79 Billion for non wages recurrent and 2.22 Billion for development. In FY 2017/18 it is projected that PPDA will be allocated 3.86 Billion in wages, 5.70 Billion in non wages and 2.66 billion in capital Development expenditure. The allocation in FY 17/18 is expected to rise from the current level of 10.69 Billion to 12.22 Billion in FY 17/18.

### (ii) The major expenditure allocations in the Vote for 2016/17

Procurement and Disposal Audits; The Authority has allocated UGX 285 Million to undertake procurement audits to monitor compliance by PDEs.

Capacity building activities; The Authority has allocated 140 Million to undertake capacity building activities to transfer knowledge and skills on public procurement procedures to various stakeholders including providers, contracts committees members, user departments, procurement cadres, CSOs etc. The Authority will also hold procurement barazas to interact with all the stakeholders in different categories to discuss various issues regarding public procurement.

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Legal and Advisory services; The Authority has allocated UGX 247 million to facilitate the development and improvement of Regulations, Standard Bidding Documents and Guidelines to streamline public procurement and disposal practices. Included in the allocation to legal and advisory services budgetary allocation is the management advisory committee activities which include administrative reviews that focus on enhancing transparency of the procurement process.

Operations; The Authority has allocated UGX 2 Billion to facilitate the operational needs incidental to the expansion of the Authority's presence at regional level and recruitment of more staff.

### (iii) The major planned changes in resource allocations within the Vote for 2016/17

The Authority has increased resource allocation in operations expenses of FY 16/17 in comparison to FY15/16 from UGX 1.8 Billion to UGX 2.1 Billion to facilitate the opening up of Mbarara Regional Office and the recruitment of 15 additional staff to strengthen the staffing level of the Authority.

The Authority has increased resource allocation for furniture and fittings by UGX 72 Million to provide for the additional staff.

The Authority has reduced resource allocation in program activities of FY 16/17 in comparison to FY 15/16 from UGX 1.2 Billion to 970 Million due to opening up of regional Offices and recruitment of more staff which has reduced the cost of inland travel and reliance on consultants for audits, compliance checks and capacity building.

The Authority has reduced the resource allocation in IT expenditure by UGX 72 million due to support from donors on IT related investment.

**Table V3.2: Key Changes in Vote Resource Allocation**

Changes in Budget Allocations and Outputs from 2015/16 Planned Levels:				Justification for proposed Changes in Expenditure and Outputs
2016/17	2017/18	2018/19		
<i>Vote Function: 1402 Regulation of the Procurement and Disposal System</i>				
<b>Output: 1456 02 Capacity Building and Research</b>				
<i>UShs Bn:</i> -0.161	<i>UShs Bn:</i> -0.109	<i>UShs Bn:</i> 0.191		<p>The opening up of regional Offices has reduced on the cost of capacity building in the Northern Region since staff do not require to travel long distances.</p> <p>The Authority uses donor funding to facilitate training and capacity building activities.</p> <p>The Authority is jointly implementing capacity building and sensitisation activities with the OAG and Inspectorate of Government.</p>
There is a reduction in the allocation to the training of stakeholders in public procurement				
<b>Output: 1456 76 Purchase of Office and ICT Equipment, including Software</b>				
<i>UShs Bn:</i> -0.072	<i>UShs Bn:</i> -0.215	<i>UShs Bn:</i> 0.000		<p>The need was achieved in the last financial Year. The existing IT equipment is still in good condition and only minor replacements will be made.</p>
There is a planned reduction in the IT related Equipment that will be procured.				
<b>Output: 1456 78 Purchase of Office and Residential Furniture and Fittings</b>				
<i>UShs Bn:</i> 0.072	<i>UShs Bn:</i> 0.082	<i>UShs Bn:</i> 0.072		<p>There is need to replace the existing furniture at the Authority which is not in good working condition.</p>
There is an increase in the allocation for furniture.				

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### V4: Vote Challenges for 2016/17 and the Medium Term

*This section sets out the major challenges the vote faces in 2016/17 and the medium term which the vote has been unable to address in its spending plans.*

Low levels of implementation of recommendations issued by the Entities. The implementation status of Entities in the last financial Year fell from 77% to 57% . The failure of Entities to implement the issued recommendations has continuously frustrated the Efforts of the Authority to improve performance of the Entities which also retards the performance of the Entire public procurement system in Uganda.

Limited audit coverage. The current audit coverage stands at 33% of the total Entities. This has been exacerbated by the limitation in the MTEF of the Authority which has been maintained at its current level of 10.69 Billion for the past 2 Financial Years yet PDEs have been growing.

Staffing Level. The current staffing level of the Authority is 86 staff which is not sufficient to cover all the PDEs in the country.

**Table V4.1: Additional Output Funding Requests**

Additional Requirements for Funding and Outputs in 2016/17:	Justification of Requirement for Additional Outputs and Funding
<i>Vote Function: 1402 Regulation of the Procurement and Disposal System</i>	
<b>Output: 1456 02 Capacity Building and Research</b>	
<i>US\$ Bn: 0.054</i> Training for CC members and User departments on preference and reservation schemes	<i>The training will impart knowledge and skills on the procurement stakeholders on how to manage preference and reservation schemes. It will also boost the local content policy.</i>
<b>Output: 1456 03 Legal and Advisory services</b>	
<i>US\$ Bn: 0.000</i>	
<b>Output: 1456 04 Finance and Administration</b>	
<i>US\$ Bn: 1.199</i> Remuneration of the 15 additional staff recruited under FINMAP funding, staff training and development, retooling of the Authority staff	<i>The additional staff will lead to more coverage of the PDEs in terms of audits, compliance monitoring and follow up of recommendations, The training will impart more skills and knowledge to the existing staff on how to undertake audits, compliance reviews, the retooling will aid the Authority staff to do their work better.</i>
<b>Output: 1456 05 Corporate Office</b>	
<i>US\$ Bn: 0.733</i> Funding for the Regional Communications Infrastructure Program, Implementation of the local content policy, strategic partnerships meetings	<i>The Authority requires additional funds for implementing e-procurement ( change management, retooling, project car), regional centres and conducting research on thematic areas in public procurement to inform policy, completion of the local content policy among others.</i>
<b>Output: 1456 72 Government Buildings and Administrative Infrastructure</b>	
<i>US\$ Bn: 2.000</i>	<i>The current offices of PPDA are small and cannot accommodate all PPDA staff thus requiring the Authority to rent extra space which is unsustainable in the long run.</i>

*This section discusses how the vote's plans will address and respond to the cross-cutting policy, issues of gender and equity; HIV/AIDS; and the Environment, and other budgetary issues such as Arrears and NTR..*

#### (i) Cross-cutting Policy Issues

##### (i) Gender and Equity

**Objective:** To ensure that the marginalised groups participate in public procurement

**Issue of Concern :** Limited Participation of Marginalised groups like women and youth in public procurement

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### *Proposed Interventions*

Enforcing the use of preference and reservation schemes in Entities to ensure that the marginalised groups are given priority and some contracts are preserved for the marginalised groups.

*Budget Allocations* UGX billion      0.05

*Performance Indicators*    Number of contracts awarded on the basis of preference and reservation schemes

### (ii) HIV/AIDS

**Objective:** To sensitise the staff of the Authority on how to avoid contracting the HIV/AIDS as well as taking care for the sick through medical insurance.

*Issue of Concern* : To avoid the staff contracting HIV/AIDS

### *Proposed Interventions*

Contracting medical practitioners for sensitisation talks and care/ treatment of the sick staff.

*Budget Allocations* UGX billion      0.13

*Performance Indicators*    Number of sensitisation meetings conducted and staff treated

### (iii) Environment

**Objective:** To ensure that public procurement is conducted in an environmentally friendly and sustainable way by adopting green procurement practices.

*Issue of Concern* : Public procurement practices facilitating purchase of non recycleable materials and poor disposal of boarded off hazardous items

### *Proposed Interventions*

Capacity building sessions on environment protection issues in public procurement and disposal

*Budget Allocations* UGX billion      0.015

*Performance Indicators*    Number of sessions focussing on environmental protection in public procurement and disposal

### (ii) Payment Arrears

The table below shows all the payment arrears outstanding for the Vote:

### (ii) Non Tax Revenue Collections

The table below shows Non-Tax Revenues that will be collected under the Vote: