



**PUBLIC PROCUREMENT AND
DISPOSAL OF ASSETS AUTHORITY**

**ANNUAL
REPORT
2022/2023**

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Abbreviations and Acronyms

ACB	Anti-Corruption Bureau
AfDB	African Development Bank
DoDMA	Department of Disaster and Management Affairs
e-GM	Electronic Government Marketplace
e-GP	Electronic Government Procurement
IPDC	Internal Procurement and Disposal Committee
MDA	Ministries, Departments and Agencies
MSME	Micro, Small and Medium Enterprises
NCIC	National Construction Industry Council
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Assets Authority
PPR	Procurement Post Review
WB	World Bank

Message from the Chairperson

I am pleased to present the Annual Report of the Public Procurement and Disposal of Assets Authority (“the Authority”) for the 2022/23 Financial Year. As the Board Chairperson, I am privileged to share with you the significant achievements made by the Authority in fulfilling our mandate and challenges encountered.

Over the past year, the Authority has remained steadfast in its commitment to promoting transparency, fairness, and efficiency in public procurement and asset disposal processes. Our tireless efforts are aimed at maximizing value for money. Some of the key highlights of the Financial Year include:

- 1. Strengthening Regulatory Framework:** The Authority has continued to work closely with relevant stakeholders to refine and update the public procurement regulatory framework. The Authority aims at ensuring that public procurement and disposal processes are aligned with best practices, international standards, and the evolving needs of our nation.
- 2. Capacity Building:** Recognizing the crucial role of human resources, the Authority has conducted specialized training programs for PPDA staff, as well as procurement professionals in various Procuring and Disposing Entities.



This investment in knowledge and skills has resulted in improved understanding and implementation of the public procurement legal framework which has led to more efficient processes.

3. Digital Transformation: The Authority has made substantial progress in adopting innovative technologies and digital solutions. One notable innovation has been the development and implementation of the e-Services Platform which is aimed at streamlining procurement and asset disposal processes. This has reduced paperwork, enhanced transparency, and facilitated better data management and reporting.

4. Collaboration and Stakeholder Engagement: The Authority continued to foster collaboration in its work and actively engaged with stakeholders, including Procuring and Disposing Entities (PDEs), suppliers, civil society organizations, and the public. These engagements have allowed the Authority to be responsive to the concerns of stakeholders in its operations thereby fostering stronger relationships to drive continuous improvement in our operations.

5. Promoting Micro, Small and Medium Enterprise participation in Public Procurement: The Authority continued with the promotion of inclusion of MSMEs in public procurement opportunities.

We have implemented measures to encourage their participation, such as e-services and capacity building support.

The Authority remains committed to further enhancing the public procurement and asset disposal landscape in Malawi. We will continue to explore innovative approaches, leverage technology, and strengthen partnerships to ensure that our processes are efficient, transparent, and in line with international standards.

I would like to express my sincere gratitude to the Board of Directors, the dedicated staff of the Authority and all our stakeholders for their unwavering support and contributions in the 2022/23 Financial Year. Together, we will continue to make a positive impact and drive the transformation of public procurement and asset disposal in our nation.

I invite you to delve into this Annual Report to gain a comprehensive understanding of our plans, achievements, challenges. Your feedback and suggestions are invaluable to us as we strive for excellence.

Thank you once again for your continued support.

Innocentia Ottober
BOARD CHAIRPERSON

Message from the Director General

It is a privilege to be leading the Public Procurement and Disposal of Assets Authority, a purpose-driven, and diverse organization mandated to raise the standard of public procurement and asset disposal in Malawi to be transparent and efficient.

The role we play in helping build an 'inclusively wealthy and self-reliant nation' cannot be overemphasized. With over 70% of the national budget going into procurement, our mandate to provide monitoring, regulatory and oversight service has become ever more central and strategic.

During the 2022/23 Financial Year, the Authority revised its 2019-2024 Strategic Plan to align with the Malawi 2063 First Ten-year Implementation Plan which underscores the national need for an effective and efficient public procurement and disposal of assets system. The Authority revised its Strategic Plan to cover the 2022-2024 Financial Years.

The Authority significantly increased thresholds for prior reviews which determines the value a PDE can handle without requiring approval from the Authority. This is done as a drive towards full decentralization of public procurement.



In addition, the Authority conducted monitoring activities which include Procurement Post Reviews (PPRs) aimed at monitoring assessing the performance of PDEs in the conduct of procurement activities.

Further, the Authority took heed of the Presidential call to strengthen the procurement legal framework and commenced internal review of the PPD Act.

The review commenced with internal consultations to bring together all gaps identified in the year of implementation. Stakeholder consultations also commenced. While this is being done, development of Disposal Regulations is at an advanced stage, and review of Standard Bidding Documents (SBDs) and Desk Instructions is also in its final stage.

Furthermore, the Authority received some petitions challenging procurement decisions. Subsequently, Administrative Reviews were carried out, decisions made, and parties were communicated of the decisions.

Similarly, there were some reports of misconduct against some suppliers which were acted upon with speed and led to debarment of some suppliers. The list of debarred suppliers was published in the newspapers of nationwide circulation as well as the Authority's website.

The Authority continued to work towards full digitalization. In this regard, the e-services platform developed in 2021-2022 Financial Year underwent further improvements to ensure seamless working environment.

The PPDA e-Services among others allow electronic submission of applications for prior reviews as well as remote processing of the same. The system also enables electronic supplier registration which has seen the manual certificate replaced with an electronically generated certificate with an enhanced security feature like QR Code.

During the year, the procurement process for the electronic-Government Procurement (e-GP) system restarted following setbacks in supplier identification, and the process is now at an advanced stage.

To strengthen professionalism in public procurement, the Authority conducted trainings for public officers to address gaps identified during our monitoring activities. Additionally, the Authority trained Micro, Small, and Medium Enterprises (MSMEs) on preparation of competitive bids and conducted a Media Masterclass.

On financial performance of the Authority saw a 122% increase in revenue collection in the 2022/23 Financial Year which enabled the Authority to remit surplus to the Government.

From the governance perspective, the Authority in 2022/23 managed to conduct all the four Ordinary Board Meetings and Committee Meetings where various strategic decisions were made including those relating to general operation, human and financial resources. In this respect, the Board reviewed Staff Terms and Conditions of Service and the Salary Structure.

In addition, the Board held six extraordinary meetings to respond to emerging issues and review submissions for prior review.

Regarding collaboration with stakeholders, there were several engagement meetings with various stakeholders including Parliamentary Committees aimed at sharing information and clarifying matters. Overall, the year 2022/2023 has been a successful year.

It is also important to note that the Authority's offices moved from Petroda House in Area 14 to Jireh Bible House in Area 3, Lilongwe.

Lastly, I would like to thank the Board, Management, Staff, and stakeholders, for their continued support and commitment to the realization of much anticipated efficient public procurement system in Malawi.

Edington Chilapondwa (PhD)
DIRECTOR GENERAL

ABOUT US

Our Mandate

The mandate of the Authority is to regulate, monitor and oversee public procurement and disposal of assets in Malawi.

Our Vision

A public procurement and asset disposal system that is transparent, fair, efficient, corrupt-free and instills public confidence.

Our Mission

To provide a regulatory, monitoring and oversight service on public procurement and asset disposal matters in a professional, efficient and effective manner with a view to realise value for money.

Our Core Values

- Transparency
- Integrity
- Teamwork
- Professionalism
- Impartiality

Our Thematic Areas

- Digitalization of public procurement systems
- A strong regulatory framework
- Promotion of MSMEs
- Stakeholder management
- Human resources capacity development
- Enterprise resources planning

Executive Summary

The Authority which was established under the Public Procurement and Disposal of Public Asset Act of 2017 (PPD Act) is a public institution whose mandate is to regulate, monitor, and oversee public procurement and disposal of assets in Malawi is aimed at developing and enhancing the efficiency and effectiveness of public procurement and disposal of assets to realize value for money. The 2022/23 Annual Report presents some of the plans, major achievements, and challenges which the Authority encountered during the year.

The Authority's revised Strategic Plan 2022-24 sets the five thematic areas for the Authority namely Digitalization of public procurement systems; a strong regulatory framework; Promotion of MSMEs; Stakeholder management; Human resources capacity development and Enterprise resources planning.

In the year, the Authority continued with its drive of capacity building of its staff members and the personnel in various Procuring and Disposing Entities (PDEs). In addition, the Authority, in collaboration with other regulatory agencies jointly built capacity of suppliers to enable them competitively to participate in public procurement opportunities.

In fulfilment of its mandate in the year under review, the Authority conducted and concluded four Administrative Reviews which led to the determination that PDEs acted fairly in three of the four cases. One case was withdrawn by the complainant.

In the year under review, seven bidders were debarred from participating in public procurement for submitting false information during the bidding process and breach of contractual obligations.

The Authority enhanced public relations activities and responsiveness to stakeholders which included responding to over 45 media inquiries; publication of two e-newsletters; and recording and airing of 10 radio and TV programs addressing various aspects of public procurement and disposal of public assets. Some of the programs focused on the promotion of MSMEs, and promotion of transparency in public procurement and disposal of public assets.

The Authority continued with the implementation of digitalization activities for the introduction of electronic Government Procurement (e-GP) for use in public procurement and e-Government Marketplace (e-GM) which seeks to promote participation of MSMEs through digital platforms.

In the year under review, the Authority financed 94% of its Annual Budget using internally generated revenue. In total, the Authority's revenue increased by 122% from the prior year (2021/22).

The Authority held its planned Ordinary Meetings for the Board of Directors and Committees of the Board. In addition, six extraordinary meetings were held to deal with emerging issues.

In response to the Cyclone Freddy that affected the country in the reporting year, the Authority donated MK20,000,000.00 (Twenty Million Kwacha) to the Department of Disaster Management Affairs (DoDMA) for use towards resource mobilization for the alleviation of the effects of the Cyclone Freddy.

The operations of the Authority were exposed to various risks which include legal, financial, regulatory compliance, employee retention, and ICT. The Authority implemented mitigation measures to avert the risks highlighted as such, none of the risks had a negative impact on its operations.

The Authority realizes that the journey towards ensuring the realization of an efficient and effective public procurement and disposal of assets in Malawi is not easy. However, the Authority is convinced that it is on the right path towards achieving the objective of maximizing the utilization of the limited financial resources against competing demands for public service delivery.

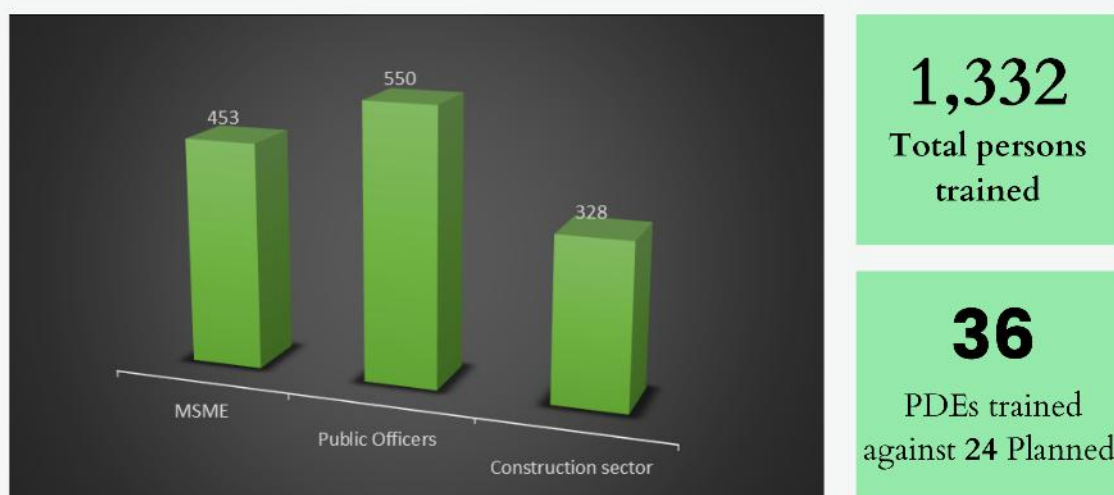
Therefore, the Authority will ensure that its mandate of regulating, monitoring, and overseeing public procurement and disposal of public assets contributes to the creation of an inclusively wealthy and self-reliant nation as envisaged by the Malawi Agenda 2063.

PERFORMANCE HIGHLIGHTS



CAPACITY DEVELOPMENT

The Authority carried out capacity development for PDEs, suppliers and relevant stakeholders to ensure that public procurement and disposal of assets activities are carried out in a transparent, efficient, and effective manner as required by the PPD Act. Capacity development of stakeholders helps to ensure that all personnel involved in public procurement and disposal activities are aware of, and adhere to relevant Acts, regulations, policies, and procedures. This aims at reducing the risk of non-compliance, which can lead to loss of government resources and legal consequences.



- From the Figures summarized above, the Authority trained 453 MSMEs as one way of ensuring the implementation of the Public Procurement (Micro Small and Medium Enterprises) Order of 2020 (MSME Order) under the “Tikweze’ Business Clinic- a partnership between the Authority and other stakeholders such as Times Group, Eco Bank and SMEDI.
- In addition, 550 public officials from 36 PDEs, who are involved in procurement and disposal matters, were trained to enhance efficiency and effectiveness of public procurement processes in the PDEs.
- Further, 50 procurement personnel were trained under the Training of Trainers (ToT) Program which was sponsored by the European Union under the Chuma cha Dziko Program.
- Furthermore, a total of 328 contractors and consultants were trained in public procurement in collaboration with the National Construction Industry (NCIC).
- The Authority trained 49 newly recruited officers at the Anti-Corruption Bureau (ACB) in public procurement to equip them with public procurement knowledge to complement their investigative skills considering that public procurement and disposal matters is one of the high-risk areas of corruption and fraud.



Director of Capacity Development, Timothy Kalembo during one training session for EGENCO staff in Mangochi.

The Authority conducted demand driven trainings for the following institutions:

1. Lilongwe Handling Company.
2. Electricity Generation Company
3. Central Medical Stores Trust.
4. National Economic Empowerment Fund.
5. National Construction Industry Council.

MONITORING & COMPLIANCE

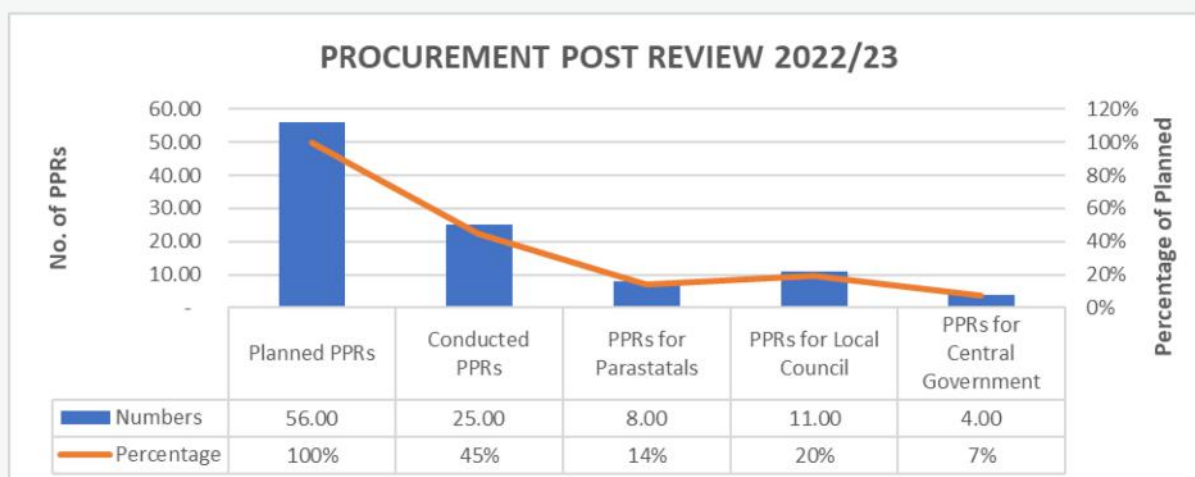
Section 25 of the PPD Act requires PDEs to submit annual procurement and disposal plans and quarterly reports to enhance transparency and accountability in public procurement and disposal matters. During the year, PDEs were largely non-compliant with the reporting requirement despite the Authority issuing Circulars and reminders. The compliance rate is illustrated below.

Submission of Procurement and Disposal Plans and Quarterly Reports



Post Procurement Reviews

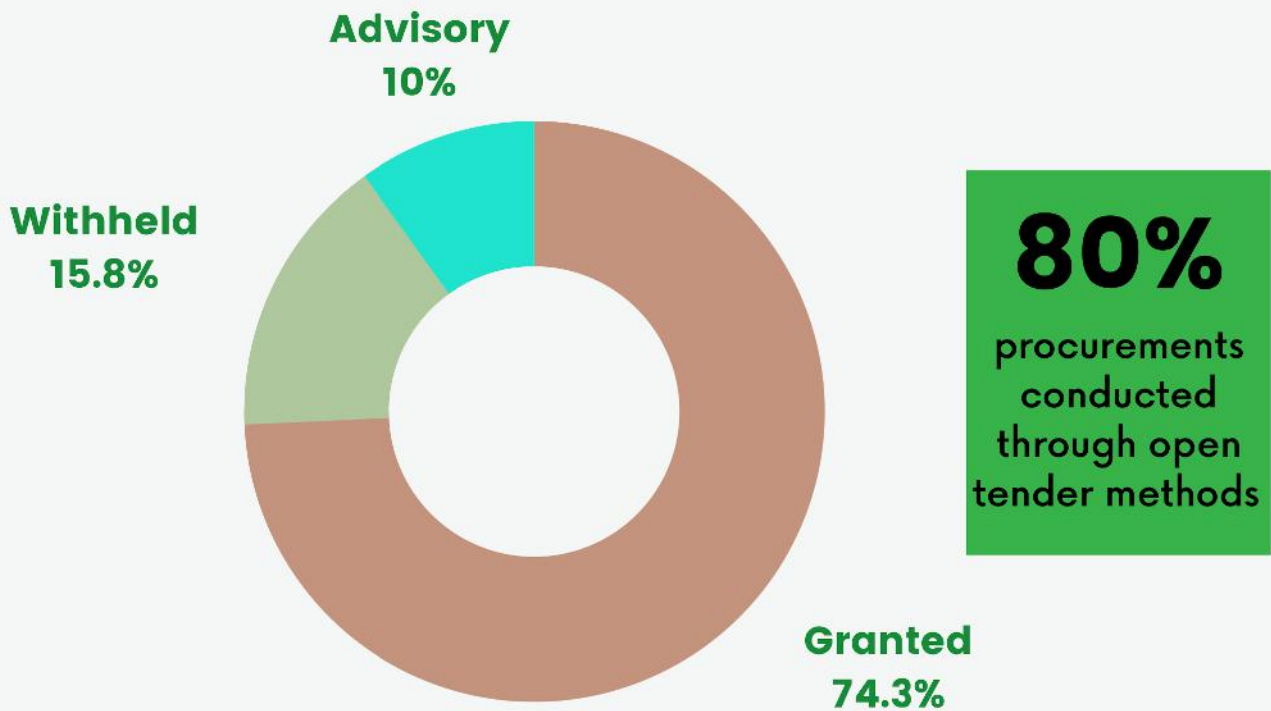
During the year, the Authority planned to carry out 58 Procurement Post Reviews (PPRs) but managed to carry out 24 PPRs representing 41% achievement. The focus of the PPRs was assessment of the capacity of procurement function, record keeping, procurement and disposal planning, evaluation, and contract management by PDEs.



Prior Reviews

During the year, the Authority planned to carry out 58 Procurement Post Reviews (PPRs) but managed to carry out 24 PPRs representing 41% achievement. The focus of the PPRs was assessment of the capacity of procurement function, record keeping, procurement and disposal planning, evaluation, and contract management by PDEs.

No	Procurement Method	Number
1	Single Sourcing	62
2	National Competitive Bidding	1056
3	Restricted Tendering	150
4	International Competitive Bidding	89
5	Other	76



Average LEAD time for clearances lowered to 22 days from 150 days.

171
contracts
awarded to
MSMEs

These are contracts awarded based on submissions to PPDA for No Objection. Total contract value awarded to MSMEs in 2022/2023 was MK16,416,757,102.23. This represent 25% of all procurements submitted to PPDA for No Objection.

REGULATORY & REVIEW

Administrative Reviews

The Authority as provided under s.59 and s.60 of the PPD Act conducts Administrative Reviews. The Reviews are among the dispute resolution mechanisms where a bidder alleges to have been injured in a procurement process. In the year under review, a total of 4 Administrative Reviews were conducted. The table below presents a summary of the cases.

PDE	COMPLAINANT	ISSUE	DETERMINATION
Malawi Revenue Authority (MRA)	Kulinda Consortium	Unfair disqualification in the procurement of tax stamps	The PDE did not unfairly disqualify the bidder.
Malawi Revenue Authority (MRA)	De La Rue Internatinal Limited	Unfair disqualification in the procurement of tax stamps	The PDE did not unfairly disqualify the bidder.
Reserve Bank of Malawi (RBM)	ICT Networks (2009) Limited	Unfair disqualification in the procurement of upgrading of local area network.	The PDE did not unfairly disqualify the bidder.
Smallholders Farmers Fertilizer Revolving Fund of Malawi	Lonjani Investment and Others	Cancellation of an Intention to Award contract for supply, delivery and retailing of Affordable Input Programme fertilizer.	The case was withdrawn by the complainant upon agreement to resolve the matter amicably.

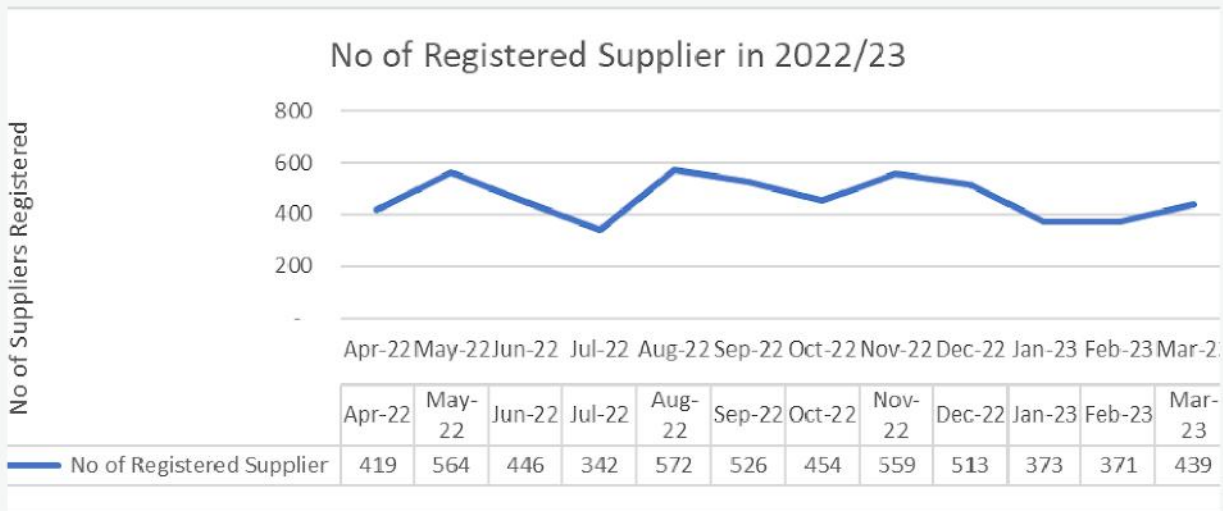
Debarment of Suppliers

The Authority is empowered to debar bidders, suppliers, consultants, and contractors as provided under s.56 of the PPD Act . The list of debarred suppliers is presented in the Table below.

Name of Bidder	Debarment Period	Effective Date	Expiry Date
Planet Computer Systems	2 Years	Tuesday, May 18, 2021	Friday, May 19, 2023
Niya Enterprises	4 years	Tuesday, May 25, 2021	Friday, May 26, 2023
Starmile General Dealers	3 years	Wednesday, May 26, 2021	Monday, May 27, 2024
Mrs. Memory Mhango	2 years	Wednesday, May 26, 2021	Saturday, May 27, 2023
Firstmark Group of Companies	2 years	Wednesday, July 28, 2021	Saturday, July 29, 2023
Flytech Investments	2 years	Thursday, July 29, 2021	Sunday, July 30, 2023
Care Plus Pharmacy	1 year	Wednesday, July 13, 2022	Wednesday, July 12, 2023
Tamara Surgical and Medical Suppliers	1 Year	Wednesday, July 13, 2022	Wednesday, July 12, 2023
Thuphiemed	5 years	Wednesday, July 13, 2022	Monday, July 12, 2027
Aeon Pharma	1½ Years	Wednesday, July 13, 2022	Friday, January 12, 2024
MBM Drilling Solutions	6 months	Monday, October 17,2022	Monday, April 17, 2023
Mzamathu Investment	1 Year	Monday, October 17,2022	Wednesday, April 17, 2024
Dawn Investment	2 Years	Monday, October 17,2022	Thursday, October 17,2024

Supplier Registration

The Authority registered a total of 5578 suppliers with an improved turnaround time of three days from the date of submission of application for registration. The certificate of registration has been upgraded to include security features which include a Quick Response Code which will enable PDEs to verify the authenticity of the certificate online. This has in effect reduced the number of fake certificates used in the bidding process, thus curbing fraud.



- Supplier registration forms available on www.ppda.mw
- Email forms to e-services@ppda.mw
- Electronic direct bank payment
- Electronic notifications and receipts

Strengthening Legal Framework

During the reporting year, the Authority continued with initiatives aimed at strengthening the public procurement and disposal legal framework. Some of the activities include the following-

1. Revision of Standard Bidding Documents which are being finalized for publication in the Gazette.
2. Drafting of Public Procurement and Disposal of Public Assets (Disposal of Public Assets) Regulations which are also being finalized for publication.
3. Commencement of the review of the PPD Act. Internal consultations were done and areas for review were identified. The external consultations will continue in the 2023/24 Financial Year.

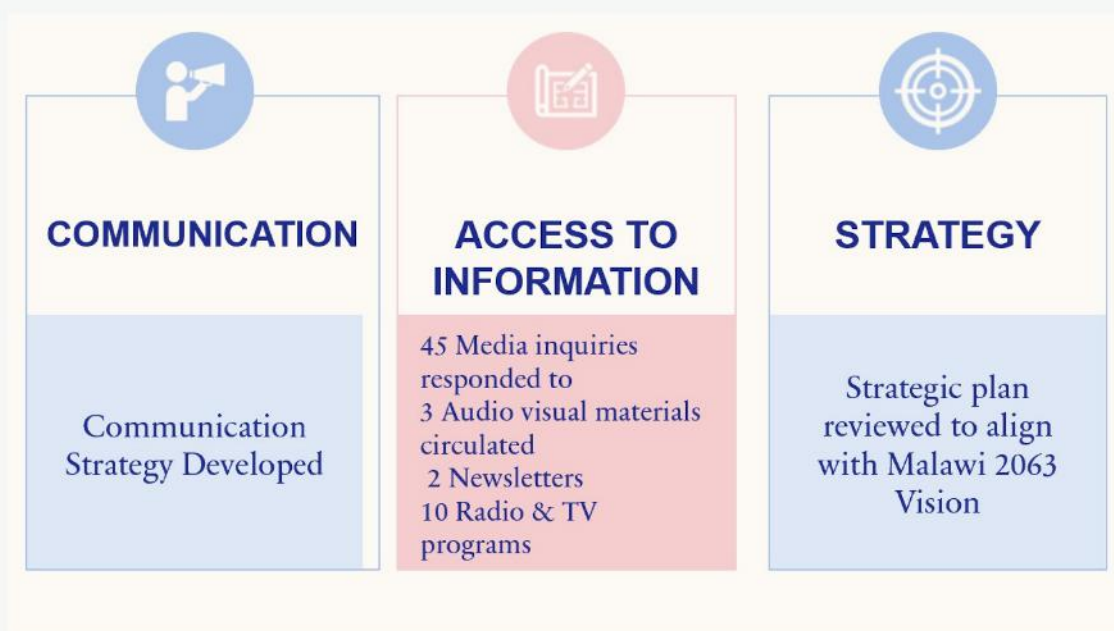


Stakeholders who were part of the law review launch at Ufulu Gardens in Lilongwe where the Guest of honor was the Secretary to Treasury (ST) Dr. McDonald Mwale.

CORPORATE SERVICES

Corporate Governance

The Authority held the planned four Ordinary Meetings of the Board of the Authority and Committee Meetings. Six extraordinary meetings were held to deal with emerging issues.



The general stakeholder outlook remains favorable as evidenced by improved online engagement and general stakeholder feedback. The implementation of the e-services remains a game changer in enhancing transparency and efficiency of procurement systems leading to increased stakeholder satisfaction and confidence.

100%
Board meetings

8
Stakeholder engagement meetings done

There has been increased media engagement in the year 2022/23. 33 members of the media participated in the Public Procurement Master Class whose aim was to enhance their understanding of public procurement legal framework and system for improved accuracy reporting of procurement issues.

PPDA moves to curb misprocurement

STEVEN PEMBAMOYO
STAFF REPORTER

The Public Procurement and Disposal of Assets Authority (PPDA) has embarked on training of ministries, departments and agencies (MDAs) procurement officers on procurement procedures.

During the first cohort training which started yesterday at Crossroads Hotel in Lilongwe, PPDA director general Edington Chilapondwa said the training is aimed at ironing out misprocurement in the MDAs.

He said: "We identified gaps



Chilapondwa: There were some gaps in the system in public procurement and this training designed to...

that we should help to protect public resources." Chilapondwa said the public procurement and disposal of government assets is marred by lack of transparency and poor record to lack of up-to-date legislation. "Corruption of the

regarded as non-procurement as such responsible officers are required to refund the funds used in such procurement apart from facing disciplinary action. "In short, a misprocurement is any procurement which the Act is clear that such procurement is not recognised meaning that any funds involved are regarded as not 'used at all," he said. "The training comes as reports of corruption in the life of contracts for supply services as well as procurement systems in public

PPDA moves to reduce corruption in procurement

BRENDA BULIYANI
STAFF REPORTER

Public Procurement and Disposal of Assets Authority (PPDA) has stepped up efforts to curb corruption by partnering Deloitte's Tip Offs Anonymous, an ethics hotline where informants can report malpractices.



PHOTOGRAPH: BRENDA BULIYANI

Speaking on Thursday in Lilongwe during the strategic launch of the partnership, PPDA director general Edington Chilapondwa acknowledged his role that his institution has to ensure the practice of procurement. He said that they have been offering the service for over 13 years and their stronghold is the ability to keep informants' identity anonymous. She also said Tip-offs anonymous is one of the most effective ways of detecting fraud and corruption. Kulemeka said they follow up tip-offs with a report sent to the institution concerned so that they investigate the matter. "We do not monitor the conclusion of the cases, but we just submit the reports to the organisations concerned for them to do the investigations on their own," she said. Through the partnership, PPDA will look at reports on floating interest, conflict of information and privileged kickbacks and collusion, contract and procurement and fast-tracking of procurement processes and policies.

PPDA unveils Tip Offs Anonymous facility

By Taonga Sabola

The Public Procurement and Disposal of Assets Authority (PPDA) has launched the Tip Offs Anonymous Hotline facility for the public to report fraudulent and corrupt activities in the public procurement in Malawi.

Speaking during the launch, PPDA Director General Edington Chilapondwa said Malawi's desire to be an inclusive wealthy and self-reliant industrialised upper-middle-income country rests on effective procurement. "Effective public procurement policy can be achieved, if it is premised on basic procurement principles of transparency, accountability, fairness and value for money and competition.



TEAMED UP—Chilapondwa and other officials on the sidelines of the launch—Pictures by Taonga Sabola

"Transparency always be the principle governing all. Embracing these principles will not only bring efficacy but also accelerate the delivery of the country's development agenda," Chilapondwa said. He said public procurement consumes

confidence and trust as the government converts the public purse into public works, goods, and services. "Hence this strategic partnership with Deloitte to establish a platform for reporting malpractices that infest the desired public procurement processes," Chilapondwa said. Deloitte Tip Offs Manager, Barbara Kulemeka, said the facility has proven to be effective in curbing acts of fraud and corruption in organisations. Kulemeka said through Tip Offs Anonymous, people are comfortable to report acts of fraud because they are confident that their identities would remain anonymous. She expressed hope that PPDA would act on the tips that would be gathered through the facility to curb corruption.

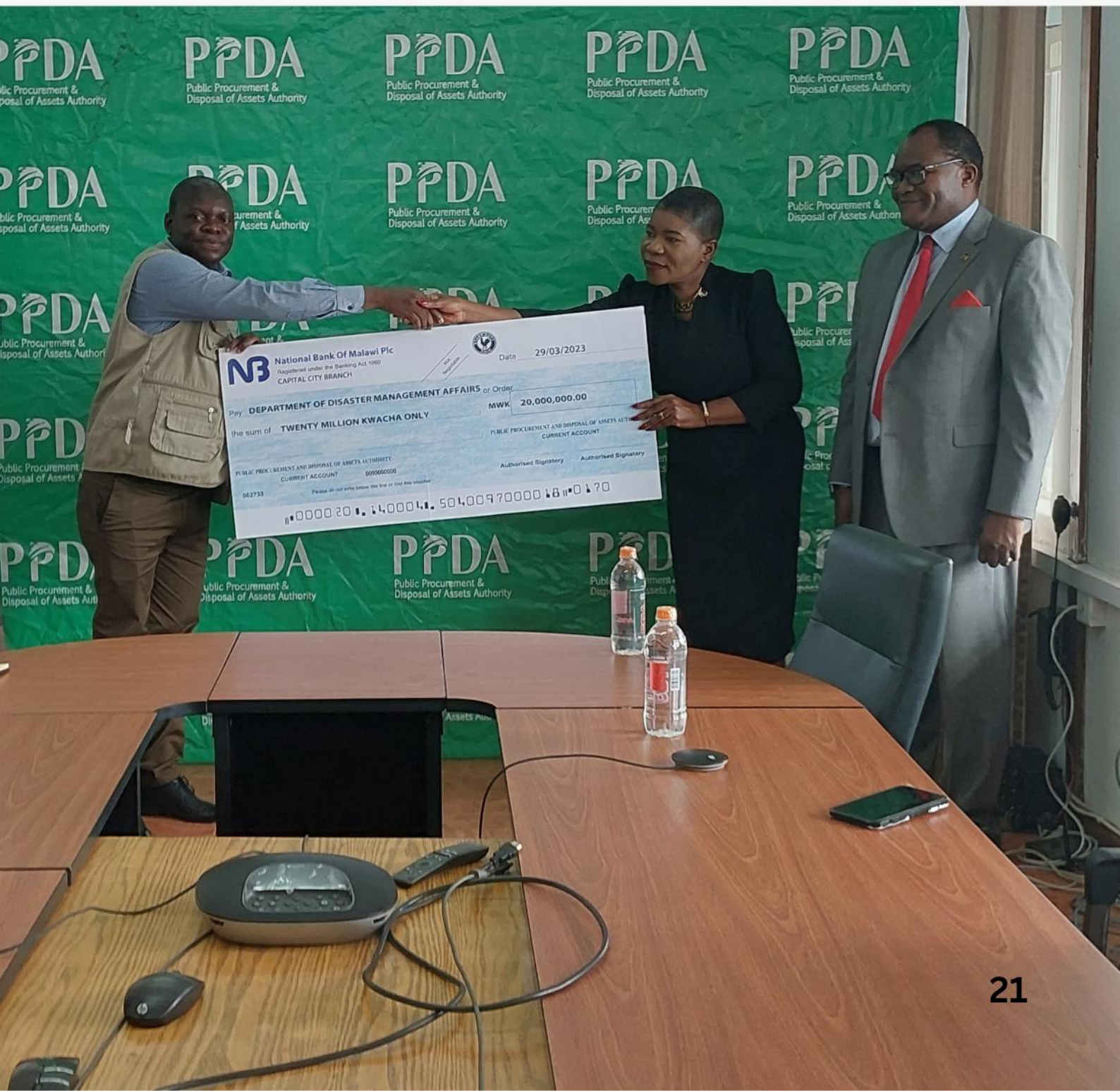
We have a duty to do

development plan, but also key to the successful implementation of the national budget. Effective public policies can be implemented if it is premised on transparency, fairness, integrity and accountability. Through the partnership, PPDA will look at reports on floating interest, conflict of information and privileged kickbacks and collusion, contract and procurement and fast-tracking of procurement processes and policies.

Corporate Social Responsibility

As part of Corporate Social Responsibility, the Authority donated MK20,000,000.00 (Twenty Million Kwacha) to DoDMA to support Cyclone Freddy relief efforts.

The picture below shows the Board Chairperson Innocentia Ottober handing over a cheque to DoDMA representative, Deputy Director of Disaster Response Fyawupi Mwafongo flanked by the Authority's Director General, Edington Chilapondwa.

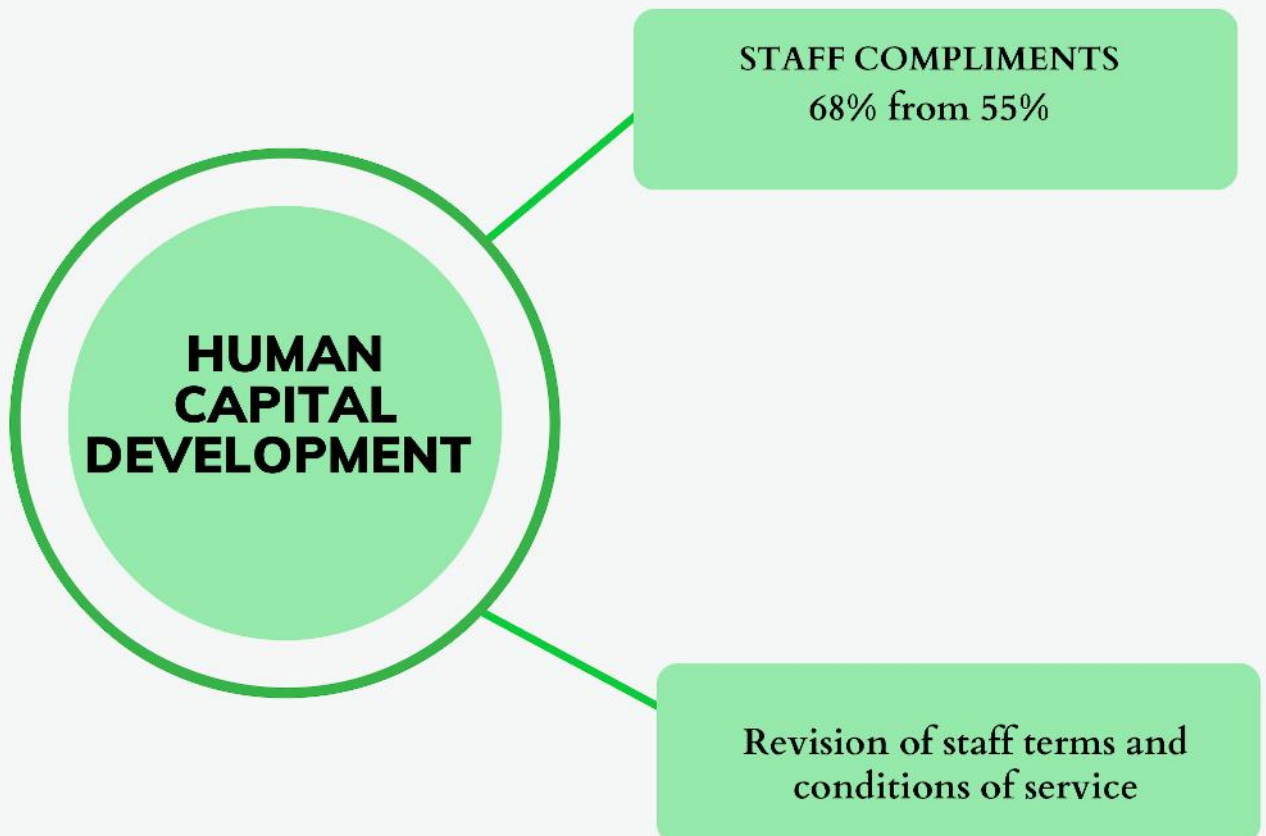




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reportqm@tip-offs.com**

HUMAN RESOURCE MANAGEMENT

The staff complement increased from 55% to 68%, which has contributed to timely delivery of services by the Authority. The Staff Terms and Conditions of Service were revised to create a better working environment for Staff. The Performance Management Policy was revised to introduce a performance by management appraisal system. The Authority's offices moved from Petroda House in area 14 to Jireh Bible House in Area 3, Lilongwe.





The PPDA team during an annual staff team building exercise in Salima.

e-PROCUREMENT



DIGITALIZATION OF PUBLIC PROCUREMENT SYSTEMS



e-Services Platform

The Authority developed an e-Services Platform which is aimed at reducing the turnaround time for procurement reviews, supplier registration, traceability of files and audit trail. The Platform was launched on 30th May 2022 at Bingu International Convention Centre, and was graced by the Minister of Finance, Honourable Sosten Gwengwe, MP.

100 PDEs are currently online and can submit their procurements through the e-Services Platform. Over 3300 suppliers were registered through the Platform and currently all supplier registration certificates are being approved and issued through the System. 750 procurement submissions have been submitted and reviewed online through the System. With the implementation of the e-Services, the Authority is taking an average of ten days to complete the review process.

Electronic Government Procurement

The Authority developed an e-Services Platform which is aimed at reducing the turnaround time for procurement reviews, supplier registration, traceability of files and audit trail. The Platform was launched on 30th May 2022 at Bingu International Convention Centre, and was graced by the Minister of Finance, Honourable Sosten Gwengwe, MP. 100 PDEs are currently online and can submit their procurements through the e-Services Platform. Over 3300 suppliers were registered through the Platform and currently all supplier registration certificates are being approved and issued through the System. 750 procurement submissions have been submitted and reviewed online through the System. With the implementation of the e-Services, the Authority is taking an average of ten days to complete the review process.

Activities undertaken in the year on the e-Projects

Electronic Government Procurement e-GP



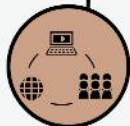
e-GP is the automation of the whole procurement process, from requisition to contract award and payment.



System Vendor Identification and Selection in progress



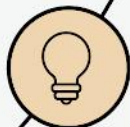
Development of e-GP Regulations in progress



Procurement process of Training Room Equipment initiated



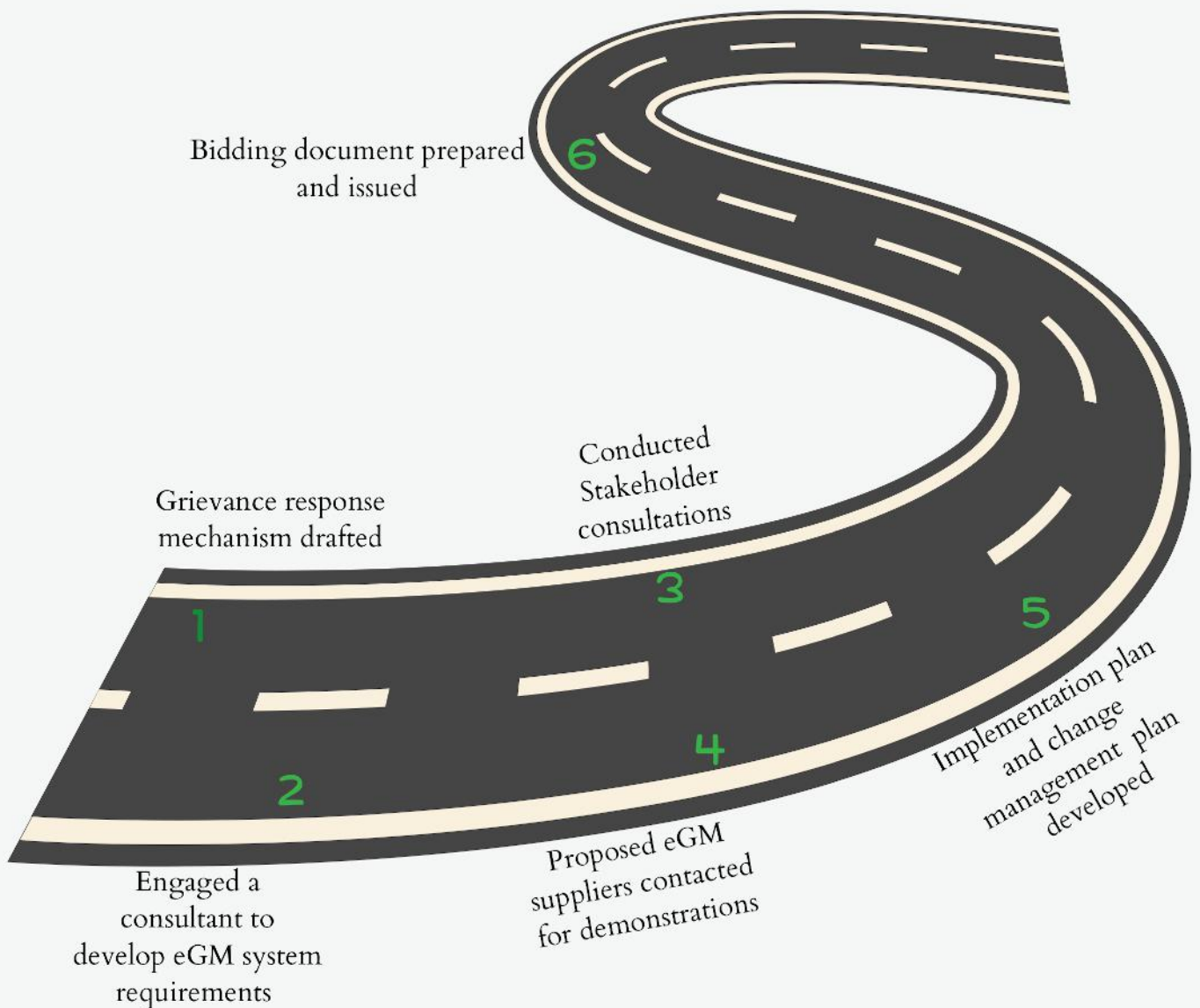
Risk Management Plan developed



LAPE Consultants Limited Consult conducting a baseline survey on the system

Electronic Government Marketplace (e-GM)

e-GM is a project under the e-Government Procurement aimed at promoting the participation of MSMEs, Women, Youth and Persons with Disabilities in public procurement through digital platforms.





OPEN CONTRACTING



Open Contracting	Open contracting is a concept or framework that promotes transparency and accountability in public procurement processes by making procurement data and documents available in a timely and accessible manner
Main Goal	Enable public procurement stakeholders to easily track procurement processes and to provide opportunities for public participation in the procurement process
Tech & Tools	Open Contracting Data Standards (OCDS) - provides a generic format for publishing procurement data that can be easily shared and analyzed This standard promotes the extensibility of the use of procurement data
Data Formats	CSV, JSON, PDF, XML The platform can also feature data visualization techniques for easy analysis



Design and development of the website has been done

FINANCIAL STATEMENTS



OVERVIEW OF THE AUTHORITY'S UNAUDITED SUMMARY FINANCIAL RESULTS FOR THE TWELVE (12) MONTHS PERIOD ENDED 31ST MARCH 2023.

During the year, the Authority increased its property, plant, and equipment (PPE) from MK554.92million to MK1.2billion representing 118% increase in assets. As clearly shown below, Authority's net assets grew from K1.4 billion to K2.7 billion representing an increase of 92.86% as compared to the previous financial year ending 31st March 2022.

Summary Statements of Financial Position		
	Unaudited 12 Months Ended 31 2023	Audited 12 Months Ended March 31 2022
	MK'000	MK'000
FIXED ASSETS		
Plant, Property and Equipment	1,204,994	554,927
Right of Use (ROU)	436,471	-
TOTAL FIXED ASSETS	1,641,465	554,927
CURRENT ASSETS		
Procurement Levy Receivables	628,986	318,426
Short term Investment	0	225,604
Deposits & Prepayments	66,850	20,203
Staff Loans - GPA	115,177	42,121
Staff Loans - Education	3,926	4,591
Staff Loans - Emergency	4,445	1,052
Agricultural Input Staff Loan	3,919	1,009
Govt Subvention Receivable	12,500	0
Bank Balances (Operating Account)	227,765	209,001
RBM Holding Account	351,236	0
E-Marketplace Current Account	39,509	0
E-Marketplace USD Account	10,255	0
Bank Balances (Advances)	837	2,256
Petty Cash	500	500
TOTAL CURRENT ASSETS	1,465,905	824,763
TOTAL ASSETS	2,670,899	1,379,690
EQUITY & LIABILITIES		
Capital Funds	244,125	244,125
Retained Earnings	1,609,497	954,399
Trade Payables	66,057	159,791
Lease Liabilities	493,800	0
Grant Payable e-Govt Marketplace	49,764	0
Withholding Tax Payable	1,532	951
Value Added Tax Payable	0	6,801
Pay As You Earn	104,964	0
Salaries Control Account	65,232	0
Fringe Benefits Tax Payable	9,317	1,080
Gratuity Payable	17,601	0
Tevet Levy Payable	9,010	3,543
TOTAL EQUITY & LIABILITIES	2,670,899	1,370,690

Summary Statement Of Changes In Equity			
	Share Capital	Retained Earnings	Total
	MK'000	MK'000	MK'000
Balance as at 1 April 2022	244,125	954,399	1,198,524
Net Surplus for the Year	-	655,006	655,006
			-
			-
			-
31 March 2023	244,125	1,609,405	1,853,530

During the period, the Authority generated MK3.7billion as compared against a prior year figure of K2.1billion representing an increase of 122% mainly due to the increase in procurement levy and supplier registration fees. The Authority has registered a surplus of MK655million which represents an increase of 60% from prior year's figure of MK411million.

Summary Statements of Comprehensive Income		
	Unaudited 12 Months Ended 31 March 2023	Audited 12 Months Ended 31 March 2022
	MK'000'	MK'000'
Revenue		
Government Subvention - PPDA	506,310	520,210
Government Subvention - MIPS Allocation	150,000	150,000
Procurement Levy	2,443,883	1,101,099
Suppliers Registration Fees	500,680	313,400
Other Revenue	98,507	40,119
Grants Income	1,941	-
Total Revenue	3,701,321	2,124,828
Expenses		
Staff Costs	1,449,807	682,572
Board Expenses	105,930	77,003
Administration Expenses	473,734	368,261
Operational Expenses	325,764	174,011
Malawi Institute of Procurement and Supply - Funding	150,000	150,000
Training & Facilitation Expenses	-	17,769
Remittances to Government	-	37,993
Total Expenses	2,505,235	1,507,609
Net Surplus / (Deficit) Before Depreciation & Finance Charges	1,196,086	617,219
Depreciation	470,771	204,575
Finance Charges	5,349	1,582
Lease Interest	64,806	-
e-Government Marketplace Finance Charges	154	-
	541,080	206,157
Net Surplus/Deficit	655,006	411,062

Summary Statements of Cash flows		
	Unaudited 12 Months Ended 31 March 2023	Audited 12 Months Ended 31 March 2022
Cash flows from Operating Activities	MK'000'	MK'000'
Surplus for the Year	655,006	411,062
Adjustments for:		
-Depreciation for Non-Current Assets	470,862	204,576
- Lease Interest	64,806	-
-Payment to Government	-	37,993
-Interest Receivable	(25,220)	(11,217)
Exchange Gain	-	-
Operating Surplus before changes in Working Capital	1,165,454	642,414
(Increase) / Decrease in Receivables	(448,401)	(340,372)
(Decrease) / Increase in Grant Payable:	49,764	-
(Decrease) / Increase in Trade Payables:	(93,734)	144,828
(Decrease) / Increase in PAYE:	104,964	-
(Decrease) / Increase in VAT:	(6,801)	1,901
(Decrease) / Increase in Salaries Control:	65,232	-
(Decrease) / Increase in WHT:	581	119
(Decrease) / Increase in FBT	(763)	10,080
(Decrease) / Increase in Tevet Levy	5,467	3,543
(Decrease) / Increase in Gratuity	17,601	-

Net Cash generated from Operating Activities	859,364	462,513
Cash flows from Investing Activities		
Purchase of Property, Plant and Equipment	(465,994)	(303,844)
Short-term Investments Interest Receivable	40,824	11,217
Levy Received	-	-
Short-term Investments	(350,000)	-
Short-Term Investments Principal Received	560,000	(71,217)
Net Cash used in Investing Activities	(215,170)	(363,844)
Cash flows from Financing Activities		
Lease Liabilities Capital & Interest Payments	(225,849)	-
Acquisition of ROU	(654,843)	-
Increase in Lease Liability	654,843	-
Transfers to Government	-	(37,993)
Net Cash generated from Financing Activities	(225,849)	(37,993)
(Decrease) / Increase in Cash and Cash Equivalents	418,345	60,676
Cash and Cash Equivalents at the beginning of the Year	211,757	151,081
Cash and Cash Equivalents at the End of the Year	630,102	211,757

RISK MANAGEMENT



Legal Risks

In the year there were nine cases the Authority was a party to. Some of the cases were disposed whilst others are on-going. The Authority continued to ensure that legal matters are addressed without the Authority incurring costs.

Financial Risks

The Authority was unable to collect all the estimated revenue for the 2022/23 Financial due to non-compliance by some PDEs of the legal requirement for remittance of the 1% Procurement Levy.

Corruption and Fraud Risk

Allegations of corruption and fraud against stakeholders in the public procurement were made through various platforms. To address this risk the Authority, launched the Tip-Off Anonymous Toll-Free Line on 20th October 2022. The Tip-Off Anonymous enables the public to report cases of fraud and corruption related to public procurement.

Compliance Risk

The rate of compliance by PDEs for several requirements remained low specifically on submission of procurement plans, statutory reports, establishment of properly constituted IPDCs and PDUs, among others. The Authority commenced enforcement of appropriate sanctions under the PPD Act.

LEVERAGING PARTNERSHIPS & COLLABORATION



OUR PARTNERS

The 2022/2023 year was possible because of the technical and financial support from our partners namely, African Development Bank, European Union and World Bank.



