



Annual Report 2010



Adjudication



Grading

Registering

CORPORATE STATEMENTS

OUR VISION

“To be the centre of excellence for public procurement and asset disposal by 2018”

OUR MISSION

“To lead the effective implementation of a devolved, efficient, cost effective and transparent public procurement and asset disposal system through an appropriate regulatory environment”

OUR VALUES

Fairness and Equity

The Board shall treat all its customers in a fair, consistent and non discriminatory manner.

Integrity

The activities of the Board shall be characterized by honesty, trustworthiness and shall be above reproach in accordance with best international practice and recognized standards of corporate governance.

Customer service

The Board shall at all times serve its customers efficiently, effectively and with respect.

Partnerships

The Board shall ensure that the strategy and modalities for the achievement of its mandate are based on a solid foundation through collaborative efforts involving all stakeholders

Communication

The Board shall actively seek to establish and maintain an effective communication channel with all stakeholders and staff.

Transparency

The Board shall ensure, at all times that the entire procurement system is transparent and meets expectations of all its customers

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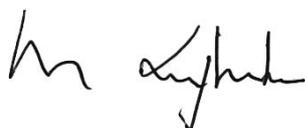
31st March 2010

Honourable O. K. Matambo, M.P
Minister of Finance & Development Planning
P/ Bag 008
GABORONE

Dear Sir,

In accordance with section 60 (b) of the Public Procurement & Asset Disposal Act [CAP 42:08], I have the honour Sir, to submit the Annual Performance Report of the Public Procurement & Asset Disposal Board for the Financial Year ended 31 March 2010.

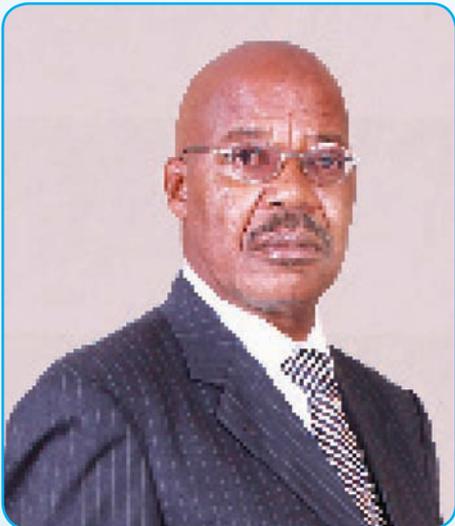
I have the honour, to submit this report Sir.



Mosimolodi. B. Lefhoko
Acting Executive Chairman



Board of Directors



Executive Chairman
Armando V. Lionjanga



Executive Director Works
Mosimolodi B. Lefhoko



Executive Director Services
Ishmael Joseph



Board Member
Alex L. Monchusi



Board Member
Nelson D. Mokgethi



Executive Director Supplies
Idah M. Marumo



Board Secretary &
Legal Advisor
Moffat R. Lubinda



Board Member
Keitumetse Morolong

Management Team



General Manager
Corporate Services
Tshireletso C. Modukanele



Board Secretary
Moffat R. Lubinda



Legal and Compliance
Manager
Dudu J. Boshwaen'



Chief Accountant
Batho Linchwe



Management Accountant
Banabotlhe Mbayi



Human Resource
And Admin Manager
Mompoti M. Baleseng



Divisional Manager Supplies
Kgakgamalo Ketshajwang



Divisional Manager Works
Elijah T. Motshedi



Divisional Manager Services
Joyce Mokobi



Information Technology
Manager
Nkata Seleka



Public Relations & Public
Education Manager
Ditapole Chibua- Tsheboeng

Executive Chairman's Statement

It is with great pleasure that on behalf of the PPADB I have the honor to present a report for the financial year 2009/2010. During the period under review PPADB continued on its drive for public procurement reform initiatives as was envisaged at its inception with the coming into force of the PPAD Act in 2002.

The reporting period was characterized by commendable progress as PPADB continued to fulfill its mandate of managing a public procurement and asset disposal system for the central government that is aimed at attaining value for money and steering away from cost overruns through employing efficient processes and systems that are above reproach. To this end, and pursuant to the spirit of the applicable provisions of the PPAD Act, the Board has embarked on some ambitious but realizable initiatives to devolve significant authority to Procuring Entities (PEs) in the interest of enhancing efficiency in project and service delivery. Complimenting this initiative was the capacity building activities which included training of staff in the Ministerial Tender Committees and District Administration Tender Committees (MTCs & DATCs), Government Departments as well as other stakeholders including follow up visits to monitor adherence to basic procurement standard practices, procedures and guidelines. In our ongoing quest to build a robust and credible public procurement system and to further assist in compliance monitoring, Procuring Entities were encouraged to prepare procurement plans. Emphasis was placed on the importance of contract management once works, supplies and services were awarded to contractors by the Board and/ or its Committees.

On the corporate front, 2009/2010 ushered the second year in the implementation of the PPADB Strategic Plan that will guide the operations of the Board up to 2013. Implementation of the plan has improved significantly owing to the quarterly progress reports whose analysis is reported to the corporate structures along with recommendations on action to be taken to anchor on the successes as well as interventions needed to overcome implementation challenges.

The above achievements could not have been possible without the unwavering support from all Board Members who considerably provided the strategic guidance, advice and direction. In the same vein, my profound appreciation also extend to PPADB Executive Management, and staff for rallying behind the corporate leadership of PPADB in our quest towards the accomplishment of our Vision, Mission and Values.

Acknowledgement

On behalf of the Board, I would like to acknowledge the significant contributions made by the respective MTCs and DATCs who exercised their delegated powers with diligence on behalf of the Board. Without them the fulfillment of the role and mandate of the Board would have been an insurmountable challenge.

Executive Summary

The reporting period was characterized by some significant improvements in most of the areas. The Board made strides in establishing the Suspension and Delisting Committee for contractors registered with PPADB (Disciplinary Committee) during the period under review.

With regard to procurement management, the Board adjudicated 1636 submissions during 2009/10 as opposed to 2441 submissions adjudicated during the 2008/09 financial year. This might have been because of less projects going through public procurement due to the economic downturn. Closely related to this is the vetting of Invitations to Tender (ITT), whereby the Board managed to vet 85% of all ITTs submitted within the 14 days target. These shows an improvement from the previous year where the Board only managed to vet 70% of submitted ITTs within the two weeks period.

The PPADB experienced some significant achievements with regard to the Strategic Plan implementation. 90% of the targeted revenue generation from the cost recovery initiatives was realized. As regards devolution of authority to committees of the Board (MTCs and DATCs), the Board was able to review the financial thresholds as at the close of the 2009/10 financial year and these were ready for implementation during the following financial year.

Capacity building initiatives were also tackled intensively with workshops conducted across the spectrum of PPADB stakeholders. A total of 44 workshops were conducted and 1483 participants benefitted from the exercise. To improve on the initiative, the PPADB has set up a capacity building team which drives the initiative and works towards achieving the intended objectives of capacitating PEs, MTCs and DATCs.

The period under review also witnessed financial constraints which had a negative impact on the core activities such as publicity, thus affecting the Board desire to fully implement the leverage area on stakeholder relations and education. However PPADB continued to participate in several Radios, Television programs and other events which did not require notable financing.

Human Resources policies continued to play a key role in people development, motivation and retention. PPADB continued to experience staff turnover during the 2009/10 financial year. However this was at reduced magnitude compared to the previous year. PPADB also continued with the implementation of the Integrated Procurement Management System. Towards the end of the 2009/10 financial year, the requirement analysis and the To-be process exercises were carried out and documentation was completed.

Corporate governance

The overall control of Public Procurement and Asset Disposal Board lies with the Board members who are appointed by the Ministry of Finance and Development Planning (MDP). The Minister of Finance and Development Planning (MFDP) is empowered under section 12(1) of the Public Procurement and Asset Disposal Act (Cap 42:08) to appoint members of the Board.

The Board continues to strive towards the attainment of the highest Corporate Governance and legal compliance standards in its operations. The Board has, since its inception adopted as one of its values transparency and it aims at attaining the highest levels of accountability and transparency in its operations

The primary function and responsibility of the PPAD Board as per section 37 (1) of the PPAD Act (CAP 42:08) is to adjudicate on bid recommendations from the Government Ministries. The composition of the Board is seven (7) Members, comprising of the Executive Chairman, three Executive Directors and three Non-Executive Directors Members who are chosen from the various sector, for enhanced transparency. The tenure of office of the Board Members is four years, renewable only once for a further term not exceeding four (4) years.

The non-executive Board members are remunerated at rates prescribed by the Government of Botswana from time to time.

Internal sub-committees of the Board

The Board as an entity has internal structures and committees to carry out its administrative functions. The functions of these structures are detailed in the Administrative Manual and Financial Regulations, as the case may be.

1. Board of Directors Tender Committee

This committee comprises of the Executive Chairman (Chairman of the Committee)

- All Directors (full -time and part -time)
- Board Secretary (Legal advice)
- General Manager, Corporate Services, (Secretary).

Two full time Board members and one part time member form a quorum.

The responsibility of the Committee is to adjudicate internal tenders for procurement of goods and services at a value of more than P500 000.

2. Management Tender Committee

- Comprises of 2 Executive Directors, one of whom will act as Chairman.
- The Board Secretary.
- The General Manager Corporate Services.

The Committee is responsible for adjudicating tenders for procurement of goods and services at a value of P100 000 to P500 000.

The Chief Accountant, acts as the Secretary to the Committee

3. Audit Committee

The Audit Committee comprises of five (5) members, three of whom are Board members whilst the other two members are members of the executive management.

The main function of the Audit Committee is to assist the Board in discharging its duties under the PPAD Act for prudent management of financial matters and reporting thereon. The Committee continuously reviews reports on the management of internal controls, and management accounts. It also reviews the audited annual financial statements and makes recommendations for their approval by the Board.

The committee reviews accounting policies and recommends for amendments in accordance with international accounting standards and other regulating bodies.

During the year, the following comprised the audit committees:

Mr. A.L. Monchusi	Non-Executive Director, Works- Chairperson
Mr. I. Joseph	Executive Director, Services- Vice Chairperson
Mrs. S. Dimbungu	Executive Director, Services- Vice Chairperson
Ms K. Morolong	Non-Executive Director, Supplies
Mrs. T.C Modukanele	General Manager - Corporate Services – Member
Mr. B. Linchwe	Chief Accountant- Member - Secretary

Manpower and Remuneration Committee

The Manpower and Remuneration Committee has a complement of two members of the Board whilst the other two are members of the executive management, and the Human Resources and Administration Manager as a member and the secretariat of the Committee.

During the year, the following comprised the Committee:

Mr. Nelson D. Mokgethi	Non- Executive Director, Services - Chairperson
Ms. Ida Marumo	Executive Director- Supplies
Ms. Keitumetse Morolong	Non-Executive Director, Supplies
Mrs. Tshireletso C. Modukanele	General Manager-Corporate Services
Mrs. Mompoti M. Baleseng	Human Resources and Administration Manager
Mrs Dudu J. Boshwaen'	Legal and Compliance Manager, Secretary

The Manpower and Remuneration Committee assumes compliance and monitoring role to ensure adherence to Corporate Governance Standards, and that decisions in respect of Human Resources Management Policies, Terms and Conditions of Employment including Remuneration and Benefits Policies comply with relevant statutes or pieces of legislation. The main function of the Committee is to advise the Board on human resources policies and strategies, including remuneration and the appointment to senior management positions. It also assists with recruitment of senior staff members of PPADB.

The Committee is responsible for recruitment of middle management and professional staff of the Bands 6 and 5. During the year 2009/10 the Committee presented recommendations to the Board with regard to creation of new positions in the organization in order to improve service delivery.

However, the Committee experienced some challenges with recruitment into some of the vacancies that occurred in these levels despite the implementation of the Attraction and Retention Policy, however at a reduced magnitude than the previous year. There were instances where the positions had to be advertised more than once, in other instances the preferred candidates would turn down the offers on the basis of low remuneration packages.

FINANCIAL Highlights 2009/10

The Ministry of Finance and Development Planning approved a budget of P 26 357 300 Million for the Board' operational needs. PPADB does not generate enough funds to meet operational obligations; hence it has had to be dependent upon an annual grant from Government under a subvention of the MFDP, to finance its operation.

Finances of the Board

One of the leverage areas of the strategic plan is to reduce financial dependence on Government funding; including fees, charges and levies for services provided to all beneficiaries.

It is against this background that PPADB embarked on an exercise to develop a Cost Recovery Strategy. The strategy was developed and approved by the board during the period under review.

Financial Audit

Financial Audits of the operations of the Board were conducted by the Office of the Auditor General for the period 2009/10.

The Board has since made recommendations to the MFDP on a suggested/suitable amendment to the PPAD Act to among others;

- Empower the Board to appoint Auditors to carry out its audit functions.
- To expand the relevance of section 3 as read with section 8.

This will go a long way in conducting the financial audit on time.

Board Committees

In line with Section 61 of the PPAD Act which states that the Board shall appoint Committees to carry out devolved mandate. The Board has established statutory and internal committees;

Statutory Committees

Board

This committee was established to adjudicate and award tenders to the most compliant and responsive bids.

Mr. A.V Lionjanga	Executive Chairman
Mr. I. Joseph	Executive Director - Member
Mr. M. B. Lefhoko	Executive Director - Member
Mrs. I. M. Marumo	Executive Director - Member
Mr. D.N. Mokgethi	Non-Executive Director - Member
Mr. A. Monchusi	Non-Executive Director - Member
Ms. K. Morolong	Non-Executive Director - Member
Mr. M.R. Lubinda	Board Secretary

Ministerial Tender Committees (MTC s)

These comprise of officials from within Ministries to carry out duties as delegated to them by the Board from time to time. Currently MTCs adjudicate, on behalf of the Board, on tenders not exceeding P5, 000,000 in value, subject to biennial review. The members of these committees are appointed by the Board on recommendation from their respective Ministries.

By the end of 2009/10 financial year, 16 MTCs were operational. MTCs have now been established for all Ministries. The implementation of the PPADB Regulations (2006) is seen as a major step towards the implementation of reforms in the procurement system, this has improved in the administration and management of tenders especially at committees of the Board and Procuring Entities at large.

District Administration Tender Committees (DATCs)

Like all committees of the Board with delegated powers of adjudication to a limited spectrum, DATCs operate on powers delegated to them by the Board.

They comprise of officials based in Districts, and they currently adjudicate on tenders not exceeding P500, 000 in value, (and in the main deal with food commodity contracts for central government institutions). Members of these committees are appointed by the Board on recommendations from the District Officers or District Commissioners.

Special Procurement and Asset Disposal Committee (SPADC)

This is a special committee that adjudicates on sensitive tenders such as those of the Botswana Defence Force (BDF) and the Botswana Police Services. This committee comprises of two full- time PPAD Board Members, one part-time PPAD Board Member, a senior Member of the Public Service and it is chaired by the Executive Chairman of the Board.

Statistics indicates that from April 2009 to March 2010, SPADC considered 318 requests. Figure 1 below shows the breakdown of decisions reached by this committee. The committee meet once a week.

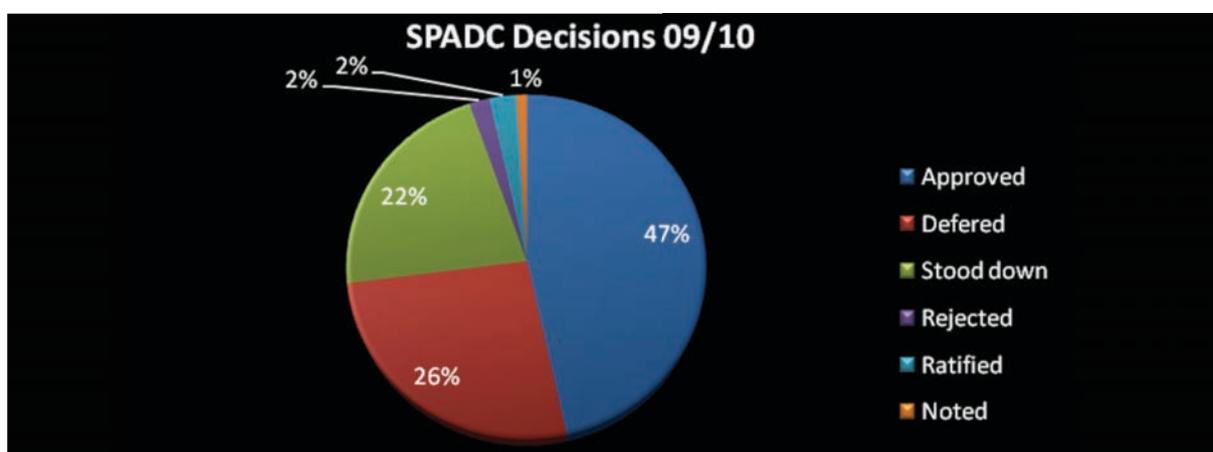


Figure 1 Distribution of decisions reached by SPADC between April 2009 and March 2010

This committee deferred decisions on only 26% of request made during this period.

Special Dedicated Committee for the Disciplined Forces

This Committee has been recently established in accordance with section 51 of the Public Procurement and Asset Disposal Act specifically to handle the non-sensitive procurement and asset disposal requirements of the disciplined forces.

Independent Complaints Review Committee (ICRC)

This is not a committee of the Board, but a committee established under the PPAD Act. Members of the Independent Committee are appointed by the Minister and are drawn from commerce, industry, academia and professions relevant to the work of the Independent Committee.

The Committee deals with disputes on the Board's decisions by contractors on the procurement and asset disposal process, the registration process, disciplinary process and others.

Advisory Committee on Public Procurement and Asset Disposal

This is not a committee of the Board, but a committee provided for under the PPAD Act. Members of this committee are appointed by the Minister from contractors' associations and professional bodies, ministries, public entities and the PPAD Board as outlined in section 111 of the PPAD Act.

The function of the advisory committee is to review the performance of the Board, its Committees, the procuring and asset disposal entities and the Independent Committee.

Suspension and Delisting of Contractors Disciplinary Committee

This committee was established in June 2009 in pursuance of the provisions of section 50 of the PPADB Act. The Disciplinary committee may be directed by the Board with respect to any aspect of its procedures. Any complaint that is lodged with the Board is then submitted to the Disciplinary Committee to be investigated. Once the investigations are complete, the disciplinary committee will then make recommendations to the Board which will then take a decision.

The committee comprises of one member from the Attorney General's Chambers, one member from the Directorate of Corruption and Economic Crime and three members from PPADB's three divisions.

Mr Keborapele B. Moesi	Attorney General's Chamber
Mr Edrick Letsapa	Directorate of Corruption and Economic Crime
Mr Elijah T. Motshedi	Divisional Manager (Works)
Mr Kgakgamalo K. Ketshajwang	Divisional Manager (Supplies)
Mrs Joyce Mokobi	Divisional Manager (Services)

Operations of the Board

PROCUREMENT MANAGEMENT

ADJUDICATION BY PPADB

The Board handled 1636 submissions which were brought before the Board for adjudication. This represents a 33% decline when compared to the previous financial year when 2441 submissions were adjudicated by the Board. The distribution of submissions for the year is shown in table 1.

Divisions	Number of Submissions	Approved	Deferred	Rejected
Services	636	313	297	26
Supplies	528	271	235	22
Works	434	189	213	32
Office of Board Secretary	38	12	18	8
Total	1636	785	763	88

Table 1: Submissions throughput of the Board during 2009/2010 financial year

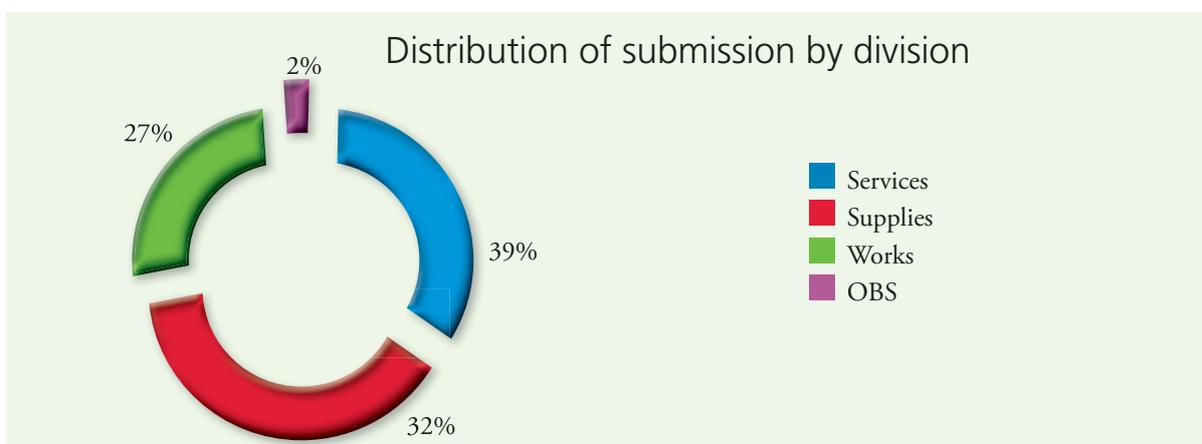


Figure 2 Distribution of submissions by handling Division during 2009/10

The submissions were roughly divided into supplies (32%), Services (39%), Works (27%) and Office of the Board Secretary (2%). The Division that contributed a lions share to the total number of submissions that were approved by the Board was Services at 40% followed by Supplies at 35% and then Works at 24%. The Office of the Board Secretary had the lowest number of approved submissions at 1%.

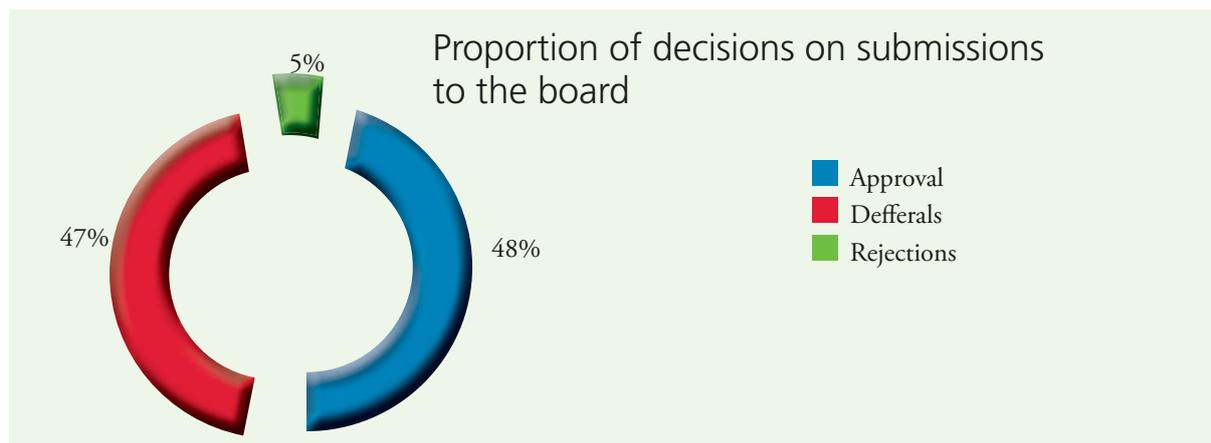


Figure 3: Distribution of adjudication decisions by the Board during 2009/10

Analysis of submissions

- The Board approved 785 (48%) of the submissions it adjudicated and this represent a decline in the percentage of submissions approved by the Board when compared to the previous financial year when 56.1% submissions were approved. The decline approval rate was a result of an increase in the number of submission deferred and rejected by the Board relative to the total number of submissions received by the Board. This decline signifies a draw back in the Board's objective of increasing its approval rate to around 90%.
- The Board deferred 763 (47 %) submissions and this represents an increase in percentage of deferred submission when compared to the previous financial year where only 39.8% submissions were deferred.
- There was also an increase in the percentage of rejected submissions from 4.1% in the 2008/2009 financial year to 5% in the 2009/2010 financial year.

An observation of the summary of adjudications decision of the Board reflects that there was a decline in the approvals while those deferred and rejected increased. As a result of the decline in the progress and in order to achieve the 90% approval rate and 10% deferral rate more efforts need to be undertaken by the Board to reduce the deferrals and the rejections substantially. This would include fast tracking the process of setting up Procurement Units and staff them with personnel that have both procurement skills and qualifications and also to intensify targeted capacity building initiatives based on the needs of a particular procuring entity as their needs and problems defer.

ITTS VETTED DURING 2009/2010 FINANCIAL YEAR

The Board received 301 Invitations to Tender (ITTs) of which a total of 294 were vetted while 7 were returned for reformatting and were never re-submitted to the Board despite follow ups. Of those vetted 250 or 85% met the target of 14 days turnaround time set by the Board for vetting ITT's, 44 or 15% exceeded the target for various reasons that pose challenges for the PPADB.

Challenges related to vetting of ITTs

The Board still experiences extended turnaround time in vetting of ITTs. The following are some of the challenges that remain common among PEs:

- Procurement procedures: Lack of understanding of procurement procedures and principles by project officers at PEs. Some ITTs had compliance issues raised by the Office of the Board Secretary (OBS) that had to be resolved complaints sorted out through OBS therefore they were kept on hold.
- Coordination: Lack of Coordination between PPADB line Divisions, Registry Unit and Office of the Board Secretary causing delays in vetting of ITTs. Some ITTs were delayed between Divisions, while others were returned to the PEs to submit to MTCs for vetting due to revised financial thresholds.
- Procurement planning: PEs taking too long to address PPADB queries and conclude ITT vetting. Some ITTs were returned to PEs with instructions to use the mandatory Standardised Bidding Package (SBPs) but were never brought back to PPADB for vetting.

Table 2 below summarise the ITT vetting across all Divisions of the Board.

Table 2: Summary of ITT vetting across all Divisions

	Received Services	Fully vetted	Vetted within	Vetted within	Vetted beyond
			1 week	2 weeks	2 weeks
Services					
Number of ITTs	54	47	30	15	2
Percentage of ITTs fully vetted			64%	32%	4%
Supplies					
Number of ITTs	61	61	33	14	14
Percentage of ITTs fully vetted			54%	23%	23%
Works					
Number of ITTs	186	186		158	28
Percentage of ITTs fully vetted				85%	15%
Total	301	294		250	44
				85%	15%

Interventions

Faced with the above challenges, the PPADB at organisational level or through its Divisions has devised targeted interventions like an example cited for the Works Division. Whereby the Works Division has developed an Excel database to capture ITTs details and a Procurement officer was assigned a responsibility to collect ITTs from Registry and OBS and update database on daily bases to minimise delays.

Works Division organised meetings with senior management of DBES and Roads Department to address issues related to procurement process delays amongst them was delays in attending to deferral of ITTs and adjudication submissions and the need for PEs to quickly respond to Board queries and correction of ITTS to minimise delays in project implementation.

Capacity Building Workshops were organised with PEs and bidding community to improve their level of understanding of the procurement procedures so as to improve compliance with the PPAD Act in order to minimise delays in project implementation.

Strategy Implementation

This financial year was the second year in the implementation of the PPADB Strategic Plan 2008 – 2013. Eight Strategic Leverage Areas were being pursued. These are:-

- Reduced Financial Dependence
- Devolution of Authority
- Monitoring and Compliance
- HR Transformation
- Strategy Implementation and Monitoring
- Capacity Building
- Information and technology Processes
- Stakeholder Relations, Education and Branding

During the reporting period, some significant achievements were realized in the implementation of the strategic plan. These include the generation of internal revenue in which the PPADB collected over 90% of the targeted revenue from the cost recovery initiatives.

As at the close of the fiscal year, PPADB had reviewed the threshold of both Ministerial Tender Committees (MTC) and District Administration Tender Committees (DATC). A recommendation for the increase of the threshold has been communicated to the Ministry of Finance and Development Planning as a step towards devolving more authority to the above Board Committees.

The above position is complemented by the success of an intensive Capacity Building drive which has seen PPADB training more personnel over and above the targeted Procurement Entities, Board Committees and the contracting committees.

The Development of the Integrated Procurement Management System (IPMS) has progressed successfully and targets set were met. Among the success is the successful recruitment of the Information and Communication Technology Coordinator. This was a critical milestone as the incumbent will, among others, be responsible for overseeing the project. As at the close of the financial year the development of the different user modules for the system were completed.

Challenges Relating to Strategy Implementation

Despite the above achievements, there were several challenges that were encountered during the implementation of the strategy. One of the challenges was in regard to performance analysis. The establishment of credible measures and targets proved to be difficult in some areas. At times the discrepancy between measures and targets did not allow for a constructive analysis of strategy implementation to inform management on the appropriate cause of action to sustain and or improve performance. The development of capacity building training modules in-house also proved to be difficult, hence the need to engage an independent consultant was motivated in consultation with working internal structures e.g. University of Botswana and explore possible trainers on module production in the region and abroad.

In terms of financial independence, the PPADB had to postpone the implementation of the Cost Recovery Strategy. This was because as at the time when the policy was approved for implementation, the budget for the preceding financial requests for government entities had already been approved. This was a challenge because the majority of the cost recovery measures were aimed at services provided to the central government Ministries and departments.

Interventions

Several measures were put in place to counter the challenges highlighted above. Regarding performance analysis, the

executive Management held a workshop to review the annual work plans. At the end of the workshop participants appreciated the need to have objectives that are aligned to the strategy, specific, measurable, attainable, realistic and time bound. As for the development of capacity building modules a proposal was developed for the outsourcing of the production of modules through support from non-governmental partners. One of those organizations identified, the Supply Chain Management System (SCMS), responded positively to PPADB proposal. As at the end of the reporting period consultations were at an advanced stage on the modalities through which the partnership will be realized in coming up with the training modules.

CAPACITY BUILDING

Capacity building workshops were organised with the bidding community, MTCs, DATCs, PEs and other non- Central Government organisations. The objectives of the workshops were to equip participants with knowledge on different topics ranging from public procurement procedures, PPAD Act, the legal and regulatory framework of procurement to the Adjudication process. A total of 44 workshops were conducted for various institutions in different districts and 1483 participants individually benefitted from this capacity building exercise.



The Board Secretary & Legal Advisor; Mr M. R. Lubinda (Standing) capacitating members of Committees of the Board, MTC Chairpersons and Secretaries at an internal workshop.

Procuring Entities and contractors trained during the year are shown in Table 3 and Figure 5 shows the distribution according to procurement areas covered.

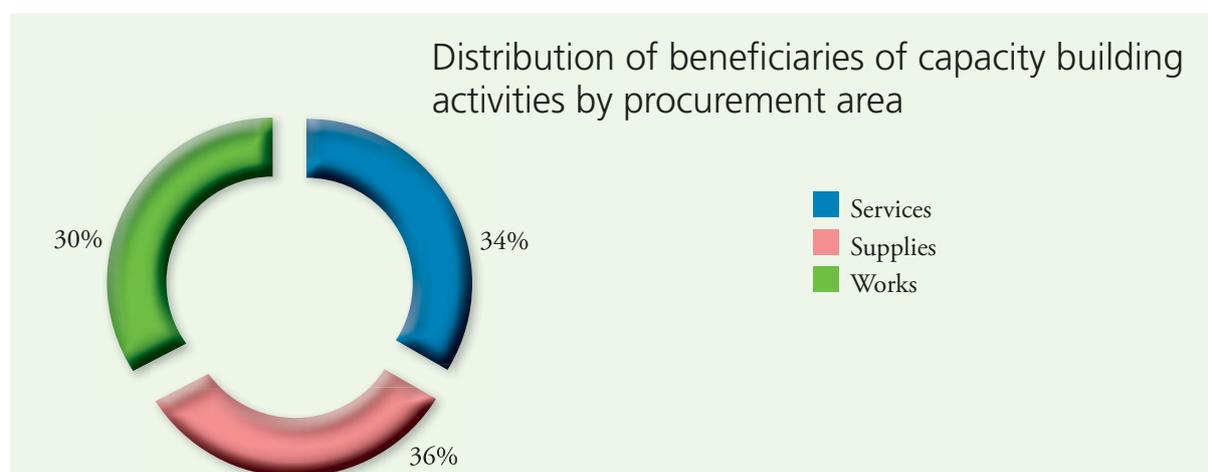


Figure 5: Distribution of capacity building beneficiaries according to area of procurement

The distribution shown above represents the few Procuring Entities responsible for works procurement from one end and multiple entities involved in procurement of supplies on the other. The numbers reached were commensurate with the increase in financial threshold for the Ministerial and District Administration Procurement and Asset Disposal Committees (that took place at the commencement of the 2008/09 financial year).

Challenges related to Capacity Building

The PPADB continues to mount an aggressive capacity building programme in the form of training. However there are challenges still to be overcome from within PPADB and from PEs and the bidding/ contracting community:

- **Procurement units:** Absence of procurement units in Ministries continues to be a major bottleneck in realising the objectives of capacity building in that there is no target group/focal point for training. The transfer of people result in the same Department being trained but with no significant impact on the performance.
- **Capacity:** Lack of capacity to develop standardized and well targeted training modules;
- Inconsistent reporting on the effectiveness of training workshops.
- **Planning:** Delays in adopting a proactive organizational plan for capacity building to an extent that capacity building is driven by requests from PEs rather than the plan.
- **Funding:** Some departments continue to not make budgetary provisions for procurement related capacity building.



Contractors at a capacity building workshop

Interventions

In the form of interventions the PPADB has:

- **Capacity building team:** Established a team to coordinate capacity building at organizational level and ensure smooth running of feedback and review from PEs and therefore targeting training to PE requirements.
- **Compliance and monitoring committee:** Created a monitoring and compliance unit as an intervention to aggressively monitor Board committees for compliance, in doing so it recruited compliance and monitoring manager.
- **Persuasion:** Increased advocacy for establishment of procurement unit in accordance with PPAD Regulations.

Table 1: Summary of training activities and beneficiaries during 2009/2010 financial year

Period	Entities	Topics covered	Target group	Number
3 April 2009	RIPCO	Public procurement and PPADB Regulations.		30
24 April 2009	MTI - MTC	Fundamentals of public procurement and asset disposal	MTC -Agric & Labour-H/A	9
15 May 2009	Bidding Community	Suppliers consultative workshop on PPADB Contractor Registration and Grading System	Participants were drawn from companies dealing in supply of commodities	90
05 th June 2009	Ministerial Tender Committee (MTC) for Ministry of Mineral, Energy and Water Resources (MMEWR)	Public Procurement principles, procedures, PPAD Act , PPADB mandate	MTC members for MMEWR	8
	DCEC	Regulatory Framework of Public Procurement in Botswana, fundamentals of procurement	DCEC Investigators and Procurement Officers, project officers	55
12 th June 2009	Ministry of Mineral, Energy and Water Resources (MMEWR)	Public Procurement principles, procedures, PPAD Act , PPADB mandate	Staff members from MMEWR departments like Ministry HQ, DWA, DEA, DGS	25
				217
10 July 2009	Procuring Entities and Parastatals	Procuring Entities consultative workshop on PPADB Contractor Registration and Grading System	Participants were drawn from 12 Government Departments and 10 parastatals	45
31 st July 2009	IT/IS Service providers	Procurement of IS/IT	Project Managers	38

Period	Entities	Topics covered	Target group	Number
7 August 2009	MTC -Agric & Labour-H/A	Fundamentals of Procurement	MTC -Agric & Labour-H/A MTC members	20
21 st August 2009	Procurement of services for EIA for PEs	Procurement of EIA services	Project officers	49
27 th August 2009	DATC -Maun	Procurement planning, Evaluation and Adjudication, Disposal of Government Assets, Legal Framework and Contracting	Representatives of all Government institutions in North West District and DATCs members	60
28 th August 2009	Procuring Entities Dealing with Works Related Procurement	Managing procurement and Avoiding Retrospective Requests	BDF Command, PS and Deputy PS from Ministry of Infrastructure, Science & Tech (MIST), MMEWR, Ministry of Transport & Comm. (MT&C), Directors and senior managers from MIST, MMEWR, MOESD (BEPU) and MT&C,	20
4 th Sept 2009	BIAC Procurement of maintenance Services for PEs	Procurement of maintenance Services	Project officers	87
11 Sept 2009	DBES	Public Procurement principles, procedures, PPAD Act , PPADB mandate	DBES Regional Managers	30
18 th Sept 2009	Procurement of Consultancy Services for PES	Procurement of Consultancy Services for PES	Project Managers	59
	General Suppliers-Francistown	Fundamentals of procurement-guide to submitting competitive bids	Supplies Contractors	90
				498
9 th October 2009	MTC-(MFDP & ME&SD)	Tendering, Evaluation and Adjudication matters	MTC members from both Ministries	13
29 th October 2009	Department of Social Services	Tendering and development of ITT for Supplies	Senior Supplies staff	40
30 th Oct 2009	MTC's for MTI, MEWT, MYSC	Legal and regulatory Framework, Adjudication	MTC members	13
4 th November 2009	DCEC Committee training (1hr slot)	Supply Chain Management and Corruption related matters	Supplies Anticorruption Committee	50

Period	Entities	Topics covered	Target group	Number
5 th November 2009	MOH Procurement Unit	Matters relating to establishment of procurement Units	Identified Senior Officers to man MOH Procurement Unit	30
6 th Nov 2009	Land Board Services	Fundamentals of Procurement	Project Managers	10
12 – 13 th Nov 2009	Tawana Land Board (Maun)	Fundamentals of procurement	Supplies officers, Administration officers, Project officers	22
13 th Nov 2009	PE's for MTI, MSYC	Fundamentals of procurement	Supplies officers, Administration officers, Project officers	51
16 th November 2009	DATC Kasane	Fundamentals of procurement and asset disposal	Representatives of all Government institutions in Chobe and DATCs members	30
20 th Nov 2009	Botswana Police Services (BPS)	Public Procurement principles, procedures, PPAD Act , PPADB mandate	BPS staff dealing with procurement	20
26 th Nov 2009	Dept of Forestry Management and Range Resources	Fundamentals of procurement	Supplies officers, Administration officers, Project officers	30
27 th November 2009	DATC/MTC Secretariats	Refresher/ induction workshop on critical issues relating to public procurement and asset disposal	support staff	
4 th December 2009	General Suppliers -Gaborone	Tendering procedures and the Legal Framework	General Suppliers	110
11 th December 2009	DATC Southern District	Induction workshop on fundamental of procurement	DATCs and representatives from institutions within the District	28
				447
22 nd Jan 2010	Ministry of Education & Skills Development (MOE&SD) HQ	Procurement Planning	MOE&SD staff at Ministry headquarters	41
29 th Jan 2010	Dept of Information Technology – IT Managers	Procurement of IT/IS systems	IT Managers	19
4 th -5 th Feb 2010	NACA	Fundamentals of procurement	Project officers, Supplies and Management	11

Period	Entities	Topics covered	Target group	Number
12 th February 2010	CMS Staff	Fundamental of Procurement and Legal framework	CMS Procurement staff including Senior Managers	26
15 th Feb 2010	LEA clients - Kasane	Fundamentals of procurement, PPADB Regulations and Responding to tenders	LEA Clients – Suppliers/ private business people	30
17 th Feb 2010	LEA clients - Maun	Fundamentals of procurement, Fundamentals of procurement, PPADB Regulations and Responding to tenders	LEA Clients – Suppliers/ private business people	30
23 rd Feb 2010	LEA clients - Tshabong	Fundamentals of procurement, Fundamentals of procurement, PPADB Regulations and Responding to tenders	LEA Clients – Suppliers/ private business people	30
2 nd Mar 2010	LEA clients - Serowe	Fundamentals of procurement, Fundamentals of procurement, PPADB Regulations and Responding to tenders	LEA Clients – Suppliers/ private business people	30
12 th Mar 2010	Botswana Training Authority (BOTA)	Public Procurement principles, procedures and Best Practice in Public Procurement	BOTA Senior Management Team	25
15 th Ma 2010	Jwaneng Technical College (JTC) (MOE&SD)	Public procurement principles, procedures, PPAD Act and PPADB Mandate	JTC senior managers and staff involved in procurement	25
19 th Mar 2010	Department of Technical Services (MOE&SD)	Public procurement principles, procedures, PPAD Act and PPADB Mandate	DTS Project officers	20
23 rd Mar 2010	Mosetse Brigade (MOE&SD)	Public procurement principles, procedures, PPAD Act and PPADB Mandate	Mosetse Brigade senior managers and staff involved in procurement	25
30 th Mar 2010	Botswana Tourism Board	Fundamentals of Procurement	Executive Management	9
				321
Grand total				1483

Judging by the number of participants trained as shown in Table 1, it is evident that the greatest training activity took place during second and third quarters of the financial year. This is illustrated further in figure 6 below.



Members of the PPADB capacity building team training contractors: Ms T. Motsumi - Services, Mrs I. M. Marumo - Supplies and Mr K. Ketshajwang - Supplies.

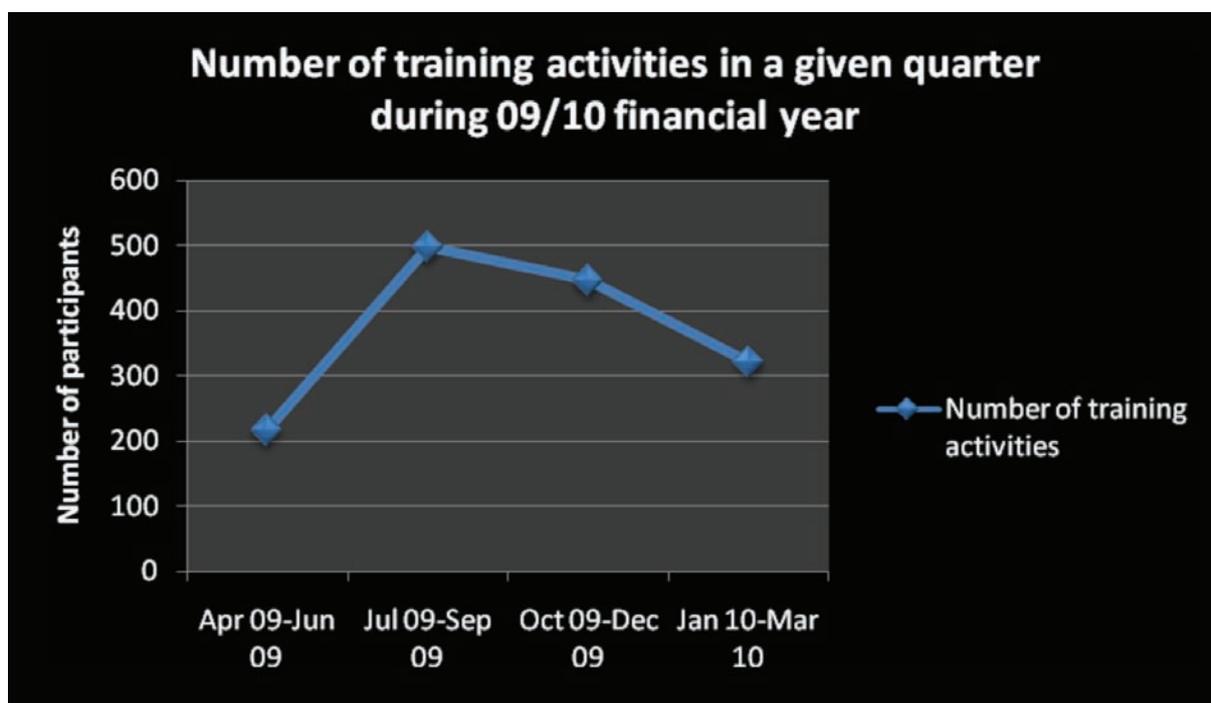


Figure 6: Distribution of training activities during 2009/10

Contractor Registration

The PPADB is mandated to register all contractors in works, supplies and services intending to bid for Government procurement and disposal. To date the Board has only been able to register contractors and consultants (service providers) in works. In addition and pursuant to the provisions of Part VIII on reservation and preferential treatment, the Board maintains lists of citizen contractors providing ICT supplies and services; and suppliers and/or manufacturers of medical supplies, drugs, laboratory reagents, equipment and related products.

During the year under review the Board considered 1473 applications most of which were for construction at 1233 followed distantly by ICT at 109, consultants at 72 and medical at 59. The figure below illustrates the distribution. This picture will change once the PPADB starts registering suppliers and service providers.

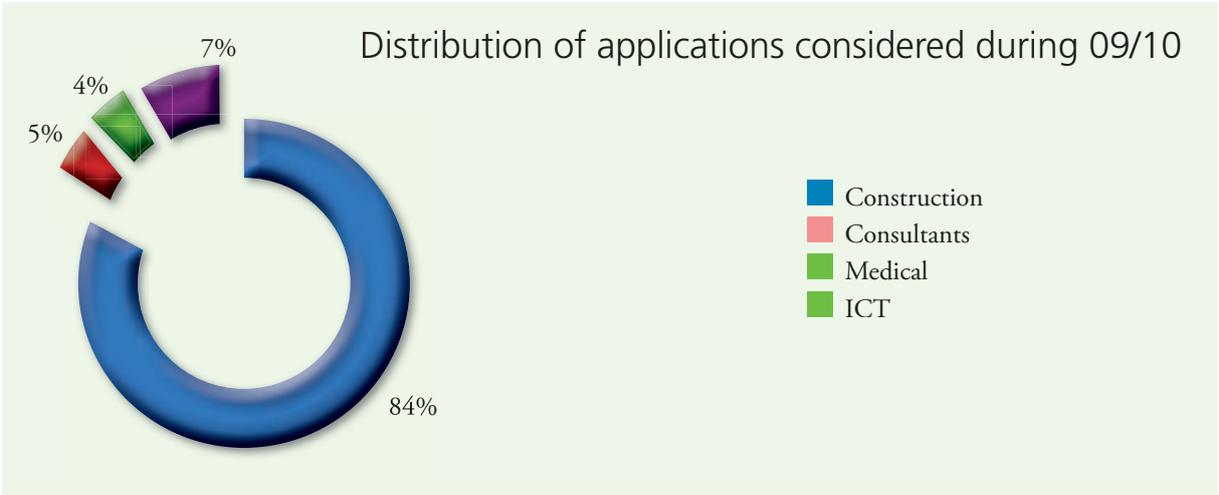


Figure 7: Distribution of applications considered by the Board during 09/10

Amongst the applications the tended to reach an outright rejection decision among consultants and to a lesser extent the construction registration applications. Whereas those among considered for listing as citizen contractors the applications were returned for further clarification, commitment and/or substantiation. Figure below shows the distribution of registration outcomes for the different categories of applications.

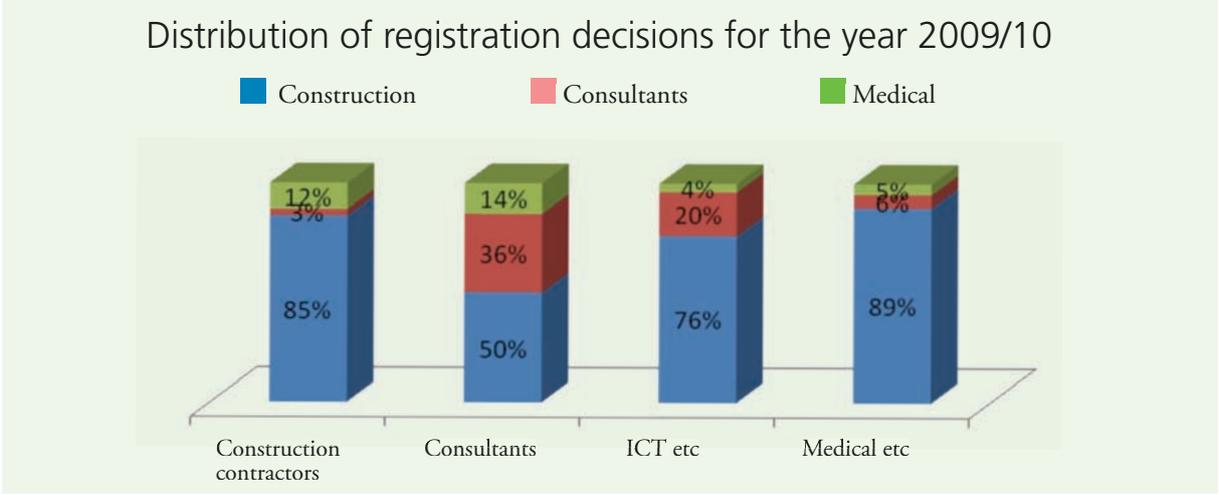


Figure 8: Distribution of registration decisions for the year 09/10.

OTHER OPERATIONS AND STRATEGY IMPLEMENTATION AREAS

Stakeholders Relations and Education

The year 2009/10 was met with financial constraints which had a negative bearing on core activities such as publicity, thus hampering the Board’s desire to fully implement its Stakeholders Relations and Education Leverage Area. The Board had to explore innovative ways of strategically participating in activities that do not require much costs to the budget as PPADB participates in activities such as, fairs and exhibitions, television, radio programmes and other corporate events which have proven effective.

The relations between the 4th Estate (the Media) and the Board remained positive with a reduction in negative publications. Given the fact that the Board had set a target of 50% positive articles, there had been a resounding success with 72% (positive) publications versus 28% (neutral/negative) publications. The Board enjoyed positive support from the media through print, audio and visual media in the form of articles, regular press statements publicized and interviews targeting those managing procurement, contractors and the general public.

The PPADB conducted targeted briefs alongside open invitations to important events such as capacity building workshops, free coverage of fresh news of visiting teams' benchmarking from the sister organization from across Africa, such as members of the Commonwealth Procurement Network (CPPN) sponsored by the Commonwealth Secretariat Procurement Unit. PPADB also placed an advert on the commonwealth website and provided information on the portal to help the international bidding community.



Minister MFDP, Mr K. O. Matambo (right) of Malawi opening the 4th CPPN Conference and Mr A. V. Lionjanga (left), Executive Chairman of PPADB

Country representatives from across the Commonwealth who graced the CPPN Conference in Botswana in November 09.

In general media publicity on PPADB were largely derived and fed from press releases issued concerning areas such as;

- Existence of debriefing policy for contractors to improve on future bids.
- The introduction of contractor delisting committee for non performing contractors.
- Call for re-registration with PPADB and upgrade PPADB certificates.
- Call to contractors to collect outstanding PPADB certificates for bidding purposes.

The media continued to play its oversight role and information dissemination through, breaking news about PPADB, critical analysis of adjudication awards especially procurement of sensitive state assets, retroactive approvals and direct procurement method, project delays/contract implementation and its impact on cost overruns. It was observed that the positive publicity was skewed on the need for the Board to attend to contract implementation issues and that reservation schemes promoting citizen empowerment are seen to bear fruit in the area of central government procurement.

PPADB successfully participated in several radio and television programmes and other events. Table 1 shows some of these and subject of discussion.

Table 1: Media programmes and other public events in which PPADB participated

Medium	Programme/ event	Frequency	Subject	Targeted audience
Radio	RB1 Masa A Sele	1	General mandate, where to find PPADB, programmes for 2009/10	Local serious listenership, general public, cross cutting.
	RB1 Masa A Sele	1	Fairness and Equity, debriefing policy	General public
	RB 1- Lifeline	1	General mandate.	General public
	Gabs FM 96.2	1		Modern, business oriented and fast paced listenership.
	RB2 Rise & Shine	1	Sensitise contractors and the general public about the survey for Capacity Determination and encourage them to fully participate.	Contractors
	RB2 Rise & Shine	1	Role of PPADB Awareness on initiatives.	General public
	Yarona FM Morning drive show	1	Capacity determination survey	Contractors
	Yarona FM Morning drive show	1	General mandate and role of PEs, contractors	Youth, general public, contractors
	Television	Morning show Mascom Dumela	2	Delisting of non-performing contractors, Capacity building for contractors
Morning show Mascom Dumela		1	Mandate of PPADB, Contractor registration and capacity determination survey, Exhibition at consumer fair.	General public, contractors, business community
Fairs and Exhibitions		BOCCIM Northern Trade Fair- Francistown	1	General mandate, contractor registration, re-registration and grading
	Gaborone Consumer Fair- MTI	1	General mandate, new developments at PPADB	Traders, consumers, procurers, general public, media,
	Global Expo BEDIA	1	Mandate, mandatory requirements for bidders, promote use of website	International bidders, and investors, consumers, business community,
	LEA Exhibition and workshop- Mochudi	1	PPADB mandate and role of PPADB in facilitating citizen empowerment reservation schemes. Contractor registration.	Local entrepreneurs, SMMEs, contracting community and other stakeholders
	LEA Exhibition and workshop- Lobatse	1	PPADB mandate and role of PPADB in facilitating citizen empowerment reservation schemes. Contractor registration.	Local entrepreneurs, SMMEs, contracting community and other stakeholders
	Total		16	

Integrity issues and those related to anti-corruption topics on the management and award of tenders were discussed at national and private radio stations. Callers aired their views on the best way forward to mitigate challenges in the tendering industry towards zero tolerance for corruption in the public procurement fraternity. These joint efforts with oversight agencies such as the Directorate on Corruption and Economic Crime (DCEC) have assisted PPADB to provide better clarity on its role versus those of other procurers and adjudicators such as Local Authorities who have their own Act to guide their operations.

Challenges related to Stakeholder Relations

PPADB faces a number of constraints that impact negatively on its stakeholder outreach.

- **Capacity:** Capacity constraints have affected the programme to hold Kgotla meetings to explain and discuss its mandate with members of the public, especially in rural areas.
- **Funding:** The PPADB depends wholly on Government disbursement for funding, and this is quite limited. This poses a challenge when it comes to strengthening offices like the Public Relations and Education Office to be available to interact with members of the public directly and take the image of the organisation to the people. Funding constraint has put on hold the implementation of the organisation's Corporate Social Responsibility (CSR) Policy.



The PR and PE Manager, Mrs D. Tsheboeng (holding a microphone), facilitating at a LEA SMMEs Exhibition and Fair in Lobatse.

Interventions

The PPADB will tap into innovative ways of reaching out to stakeholders.

- **Alliances:** The PPADB will increase efforts to seek alliances with other agencies targeting various stakeholders in order to extend its outreach. These include DCEC, LEA, CEDA, BOCCIM and Government Departments.
- **Technology:** The Board will give greater attention to the brand and image of PPADB and its information dissemination, through a more cost effective utilization of the PPADB website www.ppadb.co.bw. This has seen a major facelift and increased promotion of the portal to provide a 24/7 and simpler route to posted information.

Human Resources Transformation

Human Resource Policies

The human resource remains the most important asset to the Board and is seen to be paramount to attaining the Board's vision, "to be the centre of excellence for public procurement and asset disposal by 2018." The Human resources unit focuses on people development, motivation, and retention in its effort to develop a dynamic and robust organization. The Board achieves this by constant assessment and review of its processes to enhance proper implementation of key human resource guiding principles and policies.

Recruitment and retention

As at March 2010, the PPADB staff complement was 61. The breakdown summarising staff movement during the financial year is shown in Table 5 below.

Table 5: Summary of staff movement and training during the 2009/2010 financial year

	Executive	Middle and Senior management	Professional	Support	Total
Complement at beginning	4	10	23	22	59
Recruitment/ Resignation					
In		1	4		5
Out			3		3
Total complement at year end	4	11	24	22	61

A total of 5 new employees were brought on board. It is worth noting that the largest movement was inward and it was among the mid career professional officers, with varied backgrounds that would add value to the Board in terms of participation in policy decision making.

Despite the implementation of the Attraction and Retention Allowances in the previous period, the Board continued to experience staff turnover. However, the staff turnover was at a reduced magnitude compared to the previous period as it was only experienced from the professional group with three (3) members leaving. In the financial year 2008/09, the Board experienced a total of four (4) employees leaving the organisation on resignations, of which three (3) were from the professional group and one (1) from the Executive Management level.

Performance Management and Training and Development

The Board has a performance management system in place, which is also integrated into the training and development process of the PPADB. The employee performance appraisal is held mid-year and end-of-year, the system is used to identify employee performance gaps which are fed into the organisation's training and development plan.

During this year however, the organisation was not able to implement the training plan because of non-availability of funds safe for maintenance expenditure for long term on-going programmes.

Employee Welfare

The Board implements a range of employee benefits and welfare schemes and services to assist in the welfare of employees, and to promote a committed and productive labour force. The Board has a group life assurance and occupational disability cover for its employees with an external service provider. The initial contract was with Dynamics Insurance Brokers (Pty) Ltd which upon expiry on 31st March 2009 Glenrand Insurance Brokers was engaged.

The Board believes that benefits such as wellness programs are as important as the base salary in an employee's overall compensation package especially those that emphasize health improvement lifestyle behaviours. The board realizes that a wellness program does not only aid in recruitment, but also have a potential to improve team building and workplace productivity. Sport facilities have therefore been developed within PPADB premises where staff is able to engage on sporting activities after hours to inculcate a culture of fitness and wellbeing as well as strengthening team cohesion.



PPADB Football Team pose for a photo before a game.

Integrated Procurement Management System (IPMS)

During the period under review, PPADB continued with the implementation of the project Supply and Implementation of an Integrated Procurement Management System (IPMS). The project solution providers are Corporate Business Solutions (Pty) Ltd and the project management services are being carried out by X-Pert Group, both local companies. Customization of IPMS will continue into the next financial year and is scheduled for completion by March 2011.

The project's main goal is to implement modern e-procurement solution in Botswana that will increase efficiency and transparency of public sector procurement and open new channels of doing business in an open and secure manner. IPMS is a secure, highly available web based information system designed to automate the procurement process of the Government of Botswana.

IPMS is an enabler for all stakeholders such as Contractors, Procuring Entities, other institutions including the general public to log onto the website and view the list of companies registered with PPADB and even, apply and register online. Stakeholders will also be able to track progress on tenders online to see if a tender has already been evaluated and/or awarded. During the reporting period, the implementation strategy adopted was that Contractor Registration and Procurement Planning modules be implemented first so that benefits from these can be realised as soon as possible. Towards the end of the reporting period, the Requirement analysis and To-Be Process exercises were carried out and documentation completed.

The solution is modularised as depicted in figure 9 below to assist the Board in the effective and efficient delivery of its mandate. This will also enable the Board to extend its services to the procuring and bidding community beyond the confines of the PPADB offices in Gaborone.

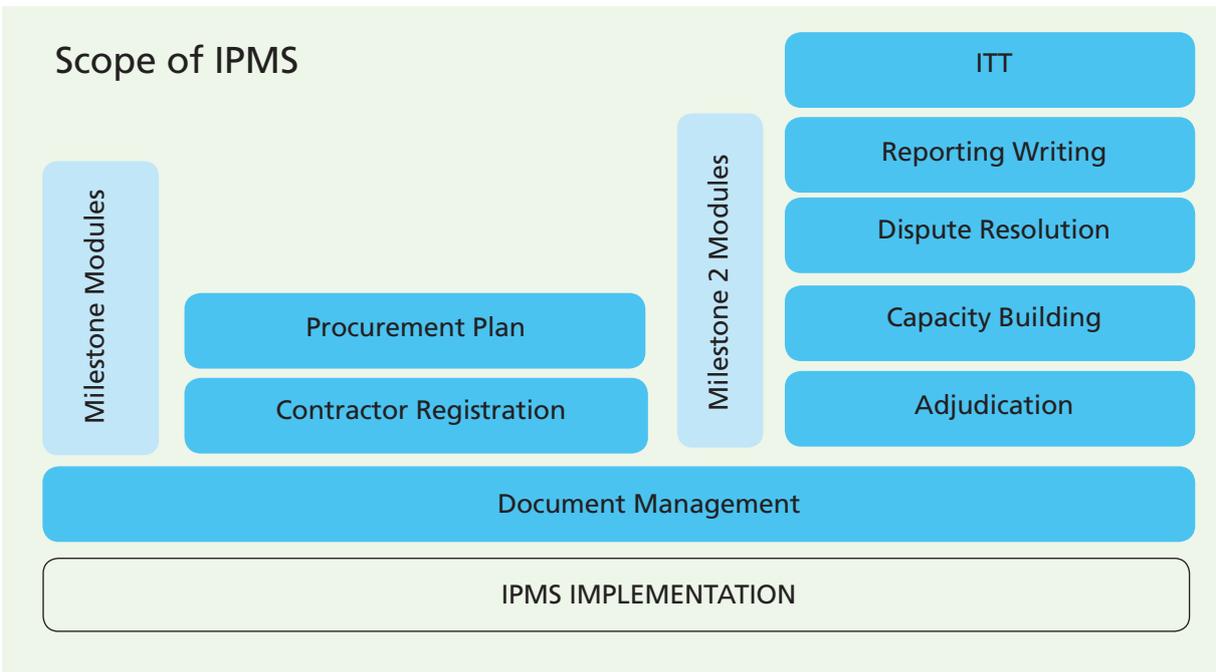


Figure 9: IPMS Modules

Financial Statement 2009/2010

FINANCIAL STATEMENTS for the year ended 31 March 2010



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FINANCIAL STATEMENTS

for the year ended 31 March 2010

BOARD MEMBERS

A.V. Lionjanga

Executive Chairman

I. Joseph

I. Marumo

M. Lefhoko

D. Mokgethi

K. Morolong

A.L. Monchusi

BOARD SECRETARY

M. R. Lubinda

NATURE OF BUSINESS

The Public Procurement and Asset Disposal Board (PPADB) was established by Act of Parliament number Cap 42:08 in 2001

The PPADB is in the business of adjudication of tenders for procurement and disposal of government assets.

REGISTERED OFFICE

Plot 8913 Maakgadigau Way,
Gaborone West Industrial site
Private Bag 0058
Gaborone

AUDITORS

Auditor General

Standard Chartered Bank Botswana

Stanbic Bank Botswana Limited

FINANCIAL STATEMENTS

for the year ended 31 March 2010

BOARD APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The Members of the Board are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information in accordance with International Financial Reporting Standards.

The Auditor General is responsible to give an independent opinion on the fairness of the annual financial statements based on his audit of the affairs of the organisation.

The Members of the Board are satisfied that management introduced and maintained adequate internal controls to ensure that dependable records exist for the preparation of the annual financial statements, to safeguard the assets of the organisation and to ensure they are duly authorised.

The financial statements have been prepared on the going concern basis, since the Members of the Board have every reason to believe that the Board has adequate resources in place to continue in operation for the foreseeable future.

Against this background, the Members of the Board accept responsibility for the annual financial statements set out on pages 6 to 15 which were approved by the Board of Management on 17 June 2010 and are signed on its behalf by:



.....
A.V. LIONJANGA
EXECUTIVE CHAIRMAN



.....
M. LEFHOKO
EXECUTIVE DIRECTOR

Telephone: (+267) 3617100/3951050
 Fax: (+267) 3908582/3188145
 FARM FOREST HILL, NO.9
 LOT 134, MILLENNIUM PARK
 KGALE HILL
 GABORONE
 BOTSWANA



OFFICE OF THE AUDITOR GENERAL
 PRIVATE BAG 0010
 GABORONE
 BOTSWANA

REPORT OF THE AUDITOR GENERAL

TO THE BOARD OF DIRECTORS, PUBLIC PROCUREMENT AND ASSET DISPOSAL BOARD

I have audited the financial reports (statements) of the Public Procurement and Asset Disposal Board (PPADB) as set out in pages 6 to 15 which comprises the balance sheet as at 31 March 2010, the income statement, statement of changes in funds and the statement of cash flows for the year then ended; and notes to the Financial statements.

The Board of Directors' Responsibility for the financial report (statements):

The Directors are responsible for the preparation and fair presentation of the financial report (statements) in accordance with International Financial Reporting Standards. The responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- selecting and applying appropriate accounting policies; and
- making accounting estimates that are reasonable in the circumstances.

Auditors Responsibility;

My responsibility is to express an opinion on these financial statements based on these audit. I conducted the audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement and whether they were prepared in all material respects, in accordance with applicable reporting frame work.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedure selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's presentation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, the reasonableness of the accounting estimates made by management, as well as the overall presentation of the financial statements.

I have examined the books, accounts and voucher of the Public Procurement and Asset Disposal Board to the extent I considered necessary and I have obtained all the information and explanations I required. I believe that the audit procedures used and the evidence obtained are sufficient and an appropriate basis for the opinion given below.

Audit Opinion:

In my opinion, the Financial Report of the Board present fairly, in all material respects, the Financial position of the Board's affairs as at March 31, 2010, and of its Financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements:

The Board had prepared the financial report in compliance with the requirements of the Public Procurement and Asset Disposal Act (CAP 42:08);

I have received all the information and explanations I required for the purposes of the audit of the Board.



.....
R. B. SEBOPENG
AUDITOR GENERAL
Date: 28 June 2010

STATEMENT OF CHANGES IN FUNDS

for the year ended 31 March 2010

	Capital grants P	Accumulated fund P	Revaluation Surplus	Total P
Balance at 1st April 2008	2,830,208	(50,443)	0	2,779,766
Capital Grants received during the year	1,078,853			1,078,853
Surplus for the period		644,556		644,556
Transfer of recognised portion of capital grants	(1,011,579)			(1,011,579)
Revaluation surplus	1,709		1,709	3,418
Disposals during the year	(60,817)	60,817		0
Accummelated depreciation adjustment	(2,649)			(2,649)
Balance at 31 March 2009	2,835,724	654,930	1,709	3,492,363
Capital Grants received during the year	433,602			433,602
Loss for the period		(72,346)		(72,346)
Transfer of recognised portion of capital grants	(973,744)			(973,744)
Disposals during the year	(5,173)			(5,173)
Revaluation	85,706	(85,706)	85,706	85,706
Balance at 31 March 2010	2,376,115	496,878	87,415	2,960,408

BALANCE SHEET

for the year ended 31 March 2010

	Notes	MARCH 2010 P	MARCH 2009 P
ASSETS			
Non current assets			
Property, plant and equipment	5	2,376,115	2,835,724
Current assets			
Receivables and prepayments	6	2,018,390	1,531,683
Cash and cash equivalents	7	4,269,239	3,784,842
		6,287,629	5,316,525
TOTAL ASSETS		8,663,744	8,152,248
FUNDS AND LIABILITIES			
Capital Funds and Reserves			
Capital Funds		2,376,115	2,835,724
Accumulated funds		496,878	653,221
Revaluation surplus		87,415	1,709
		2,960,408	3,490,654
Current liabilities			
Payables and accruals	8	5,703,337	4,661,595
		5,703,337	4,661,595
TOTAL FUNDS AND LIABILITIES		8,663,744	8,152,248

INCOME STATEMENT

for the year ended 31 March 2010

	Notes	MARCH 2010 P	MARCH 2009 P
Government Grants	1	25,923,698	25,515,654
Other income	2	3,174,030	2,771,724
Total Revenue		29,097,728	28,287,377
Expenditure:			
Administrative	3	(6,464,087)	(7,167,503)
Staff costs	4	(23,091,562)	(20,876,632)
Total expenses		(29 555 649)	(28 044 135)
Net Operating surplus/(Deficit)		(457,921)	243,243
Interest Income		385,575	401,314
Surplus/(Deficit) for the year		(72,346)	644,557

CASH FLOW STATEMENT

for the year ended 31 March 2010

	MARCH 2010 P	MARCH 2009 P
CASHFLOWS FROM OPERATING ACTIVITIES		
Net Surplus or (deficit) for the year	-72,346	644,556
Less: Capital Grant Amortisation	-973,744	-1,011,579
Add: depreciation charge	973,744	1,011,579
(Profit)/Loss on disposal of property, plant and equipment	-3,071	4,981
Net Fixed asset Adjustment	0	35,233
Less: Interest income	-385,575	-401,314
Operating deficit before working capital changes	-460,992	283,455
Decrease/(increase) in net accounts receivable	-486,707	-154,355
Increase/(decrease) in accounts payable	1,041,742	1,240,294
Cash generated from operations	94,043	1,369,394
Net cash from/(used in) operating activities	94,043	1,369,394
CASHFLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-433,602	-1,078,853
Proceeds on disposal of property, plant and equipment	4,779	20,604
Interest received	385,575	401,314
Net cash from/(used in) investing activities	-43,248	-656,935
CASHFLOWS FROM FINANCING ACTIVITIES		
Capital Grants received	433,602	1,078,853
Net cash from/(used) in financing activities	433,602	1,078,853
NET CHANGE IN CASH AND CASH EQUIVALENTS	484,397	1,791,312
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	3,784,842	1,993,530
CASH AND CASH EQUIVALENTS END OF YEAR	4,269,239	3,784,842
REPRESENTED BY:		
Cash and cash equivalents	4,269,239	3,784,842

ACCOUNTING POLICIES

for the year ended 31 March 2010

BASIS OF ACCOUNTING

The financial statements are prepared on the historical cost basis and incorporate the following principal accounting policies. These policies comply with International Financial Reporting Standards. The policies have been consistently followed in all material respects.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation.

DEPRECIATION

Depreciation is provided over the estimated useful lives of the assets in equal annual instalments to write off the cost over the periods stated below ;

Furniture, Partitioning and fittings	5years
Office equipment	5years
Motor Vehicles	4years
Computers	4years
Cellphones	2years

FOREIGN CURRENCIES

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Such balances are translated at year-end exchange rates unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used.

PENSION COSTS

Citizen employees working on a contract basis are entitled to gratuities at the end of every four-year term. Those who are employed on a pensionable basis are entitled to a pension scheme. Non-citizen employees also receive gratuities at the end of each four-year contract. Provision is made in respect of these benefits on an annual basis and included in the operating results. The assets of the fund are held separately from those of the Board in an independently administered fund.

ACCOUNTING POLICIES (CONTINUED)

for the year ended 31 March 2010

CAPITAL GRANTS

Funds received from the Government of Botswana in respect of capital assets are credited to capital grants. Capital assets received from the Government are also credited to capital grants. An amount equal to depreciation for the year is amortised to the income statement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash on hand and demand deposits, and other highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

REVENUE

Interest from short-term bank deposits and investments is recognised on an accrual basis.

Government grants are accounted for on a receipt basis. Any operating surplus realised is carried forward and included in overall funds.

FINANCIAL INSTRUMENTS

Investments in financial assets are initially recognised at cost. Subsequently, financial assets are re-measured at fair value, except for those held-to-maturity investments such as debt and loans, which are carried at amortised cost. Financial liabilities are recognised at the original debt less principal repayments and amortisation.

PROVISIONS

Provisions are recognized when the Board has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Employee entitlements to annual leave and contractual gratuities are recognized when they accrue to employees as a result of services rendered by employees up to the balance sheet date.

TRADE RECEIVABLES

Receivables are measured at initial recognition at fair value. Bad debts are written off during the year in which they are identified.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010

	MARCH 2010 P	MARCH 2009 P
1 GRANTS		
Revenue grants received	26,357,300	26,594,507
Revenue grants utilised for capital expenditure	(433 602)	(1 078 853)
	25,923,698	25,515,654
2 OTHER INCOME		
Sundry Income	2,200,286	1,810,902
Amortisation of Capital Fund	973,744	960,821
	3,174,030	2,771,724
3 ADMINISTRATION EXPENSES		
Loss on disposal of fixed assets	-	4,981
Audit Fees	157,716	74,626
Advertising and promotion	451,314	681,915
Bank Charges	43,431	37,356
Consulting Fees	82,675	252,211
Cleaning Materials	205,947	166,980
Depreciation of Fixed Assets	973,744	960,821
General Office Expenses	223,926	366,200
Insurance	246,036	273,665
Legal Fees	621,191	1,161,103
Security	149,538	120,224
Motor Vehicle Expenses	82,312	71,960
Postage	23,272	25,187
Printing and Stationery	453,114	212,434
Rent	1,827,170	1,827,170
Repairs and Maintenance	253,492	322,283
Telephone, fax and internet	233,962	251,086
Electricity	102,525	127,318
Water	55,682	75,556
Gardening	75,350	67,202
Subscriptions	149,095	48,443
Bad Debts	52,594	36,840
Losses and write off's	-	1,943
	6,464,087	7,167,503
4 STAFF COSTS		
Gratuity	2,455,346	2,556,499
Staff Welfare Costs	192,683	138,366
Salaries and Wages	19,153,971	16,268,210
Training	1,289,562	1,913,557
	23,091,562	20,876,632

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010

5 PROPERTY, PLANT AND EQUIPMENT

	Furniture and Fittings P	Office equipment P	Motor vehicles P	Computers P	Total P
Cost at 1st April 2009	1,915,054	1,765,978	809,533	2,229,676	6,720,241
Additions	75,313	114,222		244,068	433,602
Disposals		-27,500			-27,500
Revaluation			-252,513		-252,513
Balance at the end of year	1,990,366	1,852,700	557,020	2,473,744	6,873,830
Accumulated Depreciation					
Balance at the beginning of the year	1,175,125	992,483	338,219	1,378,690	3,888,023
Charge for the year	196,249	250,023	139,255	388,217	973,744
Disposal		-25,833			-25,833
Revaluation			-338,219		-338,219
Balance at the end of year	1,371,374	1,216,673	139,255	1,766,907	4,497,715
Net book value as at 31 March 2010	618,992	636,027	417,765	706,836	2,376,115
Net book value as at 31 March 2009	739,929	773,495	471,314	850,986	2,835,724

Cellphones have been classified under office equipment and depreciated using 50% depreciation rate.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010

	MARCH 2010 P	MARCH 2009 P
6 RECEIVABLES AND PREPAYMENTS		
Staff debtors	1,670,169	918,272
Prepayments	69,713	34,968
Deposits	26,420	26,420
Trade Debtors	252,089	549,929
New Loans Clearing	0	2,096
	2,018,390	1,531,686
7 CASH AND CASH EQUIVALENTS		
Cash	100	2100
Current account	(1,651,556)	(1,359,810)
Call account	2,094,149	2,052,375
Stanbic Money Market Fund	3,826,105	3,090,178
Petty Cash	441	0
	4,269,239	3,784,842
8 PAYABLES AND ACCRUALS		
Trade payables	66,921	14,098
Other creditors	28,235	95,073
Staff Social Club	58,993	33,824
Accrued Expenses	30,643	592,823
Leave pay provision	937,533	779,244
Income Tax clearing	109	109
Gratuity provision	4,473,275	3,066,840
Provision for doubtful debts	89,434	36,840
Salary clearing a/c	18,193	5,376
Pension clearing a/c	0	37,368
	5,703,337	4,661,595
9 SURPLUS FROM OPERATIONS		
Deficit from operations is stated after taking into account the following:		
Depreciation	973,744	1,011,579
Directors' emoluments	2,519,561	2,387,075

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2010

	MARCH '2010	MARCH 2009
10 CONTINGENT LIABILITIES		
PPADB has guaranteed property , motor vehicles and personal loans for its staff members from Stanbic Bank and balances outstanding as at 31 March 2010		
Property	1,531,882	1,488,480
Motor Vehicles	3,013,469	2,847,915
Personal Loans	2,219,710	1,549,181
	6,765,061	5,885,575

CONTINGENT LIABILITIES

PPADB had 3 outstanding legal cases against it as at 31 March 2010. In the event of the matter proceeding, it is estimated that should PPADB be on the losing end of the cases, the liabilities therein from a legal cost perspective may be up to P485 000

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