



COMPLIANCE INSPECTION REPORT FOR FINANCIAL YEAR 2023/24

AMURU DISTRICT LOCAL GOVERNMENT

FEBRUARY 2025

Table of Contents

ACRONYMS	ii
EXECUTIVE SUMMARY	iii
CHAPTER 1: INTRODUCTION.....	1
1.1 Structure of the Entity.....	1
1.2 Background.....	1
1.3 Objective of the Compliance Inspection.....	1
1.4 Scope of the Compliance Inspection	1
1.5 Methodology.....	1
CHAPTER 2: FINDINGS AND RECOMMENDATIONS	3
2.1 COMPLIANCE OF THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP.205, REGULATIONS AND GUIDELINES WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT PROCESSES.....	3
2.2 COMPLIANCE OF THE ENTITY’S DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, CAP.205 AND PPDA REGULATIONS.....	17
2.3 EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION INCLUDING THE APPLICATION OF ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY (ESHS) REQUIREMENTS	19
2.4 THE PROJECTS IMPLEMENTED UNDER FORCE ACCOUNT MECHANISM	23
2.5 PROGRESS AND PERFORMANCE OF THE PROJECT IMPLEMENTED BY THE UPDF ENGINEERING BRIGADE.	25
CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY	30
3.1 Overall Audit Conclusion	30
3.2 Recommended Action Plan	32
Appendix 1: Sampled audited procurement files for FY 2023/24 with their risk rating	35
Appendix 2: Summary of case-by-case findings and risk rating	36
Appendix 3: Staff in the Procurement and Disposal Unit	40
Appendix 4: Members of the Contracts Committee.	40

List of Tables

Table 1: Procurement plan implementation rate.....	3
Table 2: Implementation of previous recommendations	3
Table 3: Split Procurement requirements that may be procured under single contract	5
Table 4: Procurement transactions with irregularities during initiation	6
Table 5: Contracts awarded to Full Doze Engineering Limited	7
Table 6: Issuance of inadequate bidding documents	8
Table 7: Procurements with Irregularities during bidding.....	10
Table 8: Procurement transactions with irregularities in their evaluation process	11
Table 9: Procurements with anomalies at the contract signing stage	16
Table 10: Procurements with anomalies at contract management.....	19
Table 11: Details of the planned roads that were to be maintained in FY 2023-24	23
Table 12: The amount of the money that was advanced to Force Account Managers	24
Table 13: Contract Details	25
Table 14: Progress of works as at 30th November 2024	26
Table 15: The risk rating is as follows:.....	30
Table 16: Summary of performance of Amuru District Local Government	30
Table 17: Recommended Action Plan	32

List of Figures

Figure 1: Risk Rating by Number.....	30
Figure 2: Risk Rating by Value	312

ACRONYMS

BEB	Best Evaluated Bidder
BOQ	Bills of Quantities
ESHS	Environmental, Social, Health and Safety
FY	Financial Year
GCC	General Conditions do Contract
ITB	Instruction to Bidders
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
PPDA Act	Public Procurement and Disposal of Public Assets Act, Cap. 205
UGX	Uganda Shillings
VAT	Value Added Tax

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Amuru District Local Government that covered a sample of ten procurement transactions under Financial Year 2023/24. The overall objective of the compliance inspection was to assess the effectiveness and efficiency of procurement and disposal processes at the Entity and adherence to the PPDA Act, Cap. 205, attendant PPDA Regulations, and public procurement policies so as to determine the procurement performance over the compliance inspection period.

From the findings of the compliance inspection exercise, the performance of Amuru District Local Government for Financial Year 2023/24 was **Moderately Satisfactory**, with an average weighted risk rating of **50.2%** as per the ranking in Table 15 under Chapter 3 of this compliance inspection report.

The performance was attributed to the following key exceptions:

1. The Authority found that the Entity did not implement the previous audit recommendations for Financial Year 2021/22 contrary to Section 10 of the PPDA Act Cap, 205. Out of the 11 recommendations made, six (54%) were implemented, one (10%) was partially implemented and four (36%) were not implemented. This affects performance of the procurement function and is an indicator of a weak implementation mechanism by the Entity;
2. The Authority found that the Entity split procurement requirements that could be procured under single contract contrary to Regulation 10 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023. Over splitting of procurement requirements makes the Entity miss opportunities for economies of large scale;
3. The Authority found irregularities during initiation such as failure by User Department to develop and attach BOQs and drawings at initiation and initiating procurement at a higher value than planned amount in three procurements worth UGX 210,427,933 contrary to Regulation 3 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023. This makes it difficult for the Procurement and Disposal Unit to prepare appropriate solicitation documents and may also lead to procurement of items which do not meet the users' requirements;
4. The Entity issued bidding documents that had inadequate statements of requirements, evaluation criteria or instructions to the bidders in six sampled procurements worth UGX 483,899,432. Although the Contracts Committee approved the bidding documents, it was evident that the quality of review prior to approval of the bidding document was inadequate. This leaves doubt and assumptions to the bidder on the requirements of the Entity and exposes the Entity to the risk of procurement failure;
5. The Authority found irregularities at evaluation such as passing non-compliant bidders, failure by the approved Evaluation Committee members to evaluate bids and introduction of new evaluation criteria in eight procurement transaction worth UGX 686,476,771 contrary to Regulation 5 of the PPDA (Evaluation) Regulations, 2023 which exposed the Entity to the risk of not getting the best bidder in terms of quality and cost and was also unfair to the undeservingly eliminated bidders;
6. The Authority observed anomalies at contracting stage such as change of contract terms at contracting, conducting negotiation without Contracts Committee approval and signing of the contracts with idle clauses in three procurements worth UGX 215,813,000. This exposes the Entity to the risk of contract disputes between the Entity and the contractors and ineffective execution;

7. The Authority found that the Entity had not disposed of any items in the previous four financial years i.e. FY 2018-2019, FY 2019-2020, FY 2020-2021, FY 2021-2022 even though the boards of surveys conducted recommended assets for disposal contrary to PPDA (Disposal of Public Assets) Regulations, 2023. The district's assets continue to lose value through depreciation and face risks of loss or vandalism; and
8. Irregular advancement of funds to Force Account Managers to procure items without following the stipulated procurement methods and procedures contravenes Regulation 4 of the PPDA (Force Account Mechanism) Regulations 2014. This poses a high risk of fraud and abuse of government funds.

In summary, the Authority observed irregularities in the bidding process, evaluation irregularities and poor contract management affected the Entity's performance.

In light of the above findings, the Authority recommends that:

1. The Accounting Officer should:
 - i. Show cause why disciplinary actions should not be taken against him for failure to implement the Authority's audit recommendations issued to enhance the Entity's performance in accordance with Section 10 of the PPDA Act, Cap. 205;
 - ii. Task the responsible User Departments to recommend clear and detailed description of the supplies, works or non-consultancy services required at initiation of the procurement in accordance with Regulation 3 (2) (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023;
 - iii. Ensure that a disposal plan is prepared so that the disposal process can commence in order to avoid further depreciation of the assets and attain value for money in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023;
 - iv. Task the Evaluation Committees to show cause why disciplinary action should not be taken against them for failure to effectively evaluate the bids in accordance with the set evaluation criteria in the bidding document;
2. The Permanent Secretary of Ministry of Local Government should task the Accounting Officer to show cause why disciplinary action should not be taken against him for failure to dispose of absolute items for four financial years;
3. The Contracts Committee should reject solicitation documents that do not define requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity in accordance with Regulation 42(a) of the PPDA (Rules and Methods for procurement of Supplies, works and Non- Consultancy Services) Regulations, 2023;
4. The Head of the Procurement and Disposal Unit should:
 - i. Desist from splitting procurements in accordance with Regulation 10 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023;
 - ii. Set the most appropriate evaluation criteria that suit the purpose of the procurement in accordance with Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, works and Non- Consultancy Services) Regulations, 2023.
 - iii. Always give technical guidance to the Evaluation Committee to ensure that whenever negotiation is recommended, the negotiation plan is prepared for Contracts Committee approval in accordance with Regulation 3 of the PPDA (Negotiation) Regulations, 2023.
5. The Evaluation Committees should:
 - i. Evaluate the bids following the criteria set in the bidding document and waive any non-material deviations in accordance with Regulation 18 (5) of the PPDA (Evaluation) Regulations, 2023;

- ii. Be vigilant while reviewing the information submitted by the bidders for conformity with the set criteria before passing bidders in accordance with Regulation 23 of the PPDA (Evaluation) Regulations, 2023; and
6. The User Departments should submit all their procurement requisitions to the Procurement and Disposal Unit to advise on the appropriate procurement methods and procedures in accordance with Section 32 (g) of the PPDA Act. Cap. 205.

Anmuru District Local Government should implement the recommended action plan on page **32 - 33** of this report.

CHAPTER 1: INTRODUCTION

1.1 Structure of the Entity

According to Section 28 of the PPDA Act, Cap. 205, the Accounting Officer has the overall responsibility for the successful execution of the procurement, disposal and contract management in Amuru District Local Government. The Accounting Officer during the financial year under inspection was Mr. Charles Otai, the Chief Administrative Officer. The composition of the Procurement and Disposal Unit and Contracts Committee are detailed in Appendix 5 and Appendix 6, respectively.

1.2 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Amuru District Local Government that covered ten procurement transactions for the Financial Year 2023/24, as listed in Appendix 1.

1.3 Objective of the Compliance Inspection

The overall objective of the compliance inspection was to assess the effectiveness and efficiency of procurement and disposal processes at the Entity and adherence to the PPDA Act, Cap. 205, attendant PPDA Regulations, and public procurement policies so as to determine the procurement performance over the compliance inspection period.

The specific objectives of the compliance inspection were to:

1. Assess the compliance of the Entity's procurement processes with the provisions of the PPDA Act, Cap 205 and any other applicable laws and identify areas for improvement to enhance procurement practices at the Entity;
2. Assess compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap. 205 and Regulations;
3. Assess efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process;
4. The projects implemented under Force on Account mechanism; and
5. The progress and performance of the projects implemented by the UPDF Engineering Brigade.

1.4 Scope of the Compliance Inspection

The inspection involved a review of the procurement and disposal process, general compliance issues and contract implementation on sample basis. The exercise covered a sample of 10 procurement transactions worth UGX 3,118,301,171 conducted during the FY 2023/2024, review of procurement structures and review of the procurement plan performance. The list of sampled transactions is contained in Appendix 1.

1.5 Methodology

A sample of ten procurement transactions were selected based on stratified random sampling using Contracts Committee minutes, quarterly and monthly procurement and disposal reports. The Compliance Team examined records and documents for each sampled procurement and disposal transactions from where inspection evidence was derived to draw the inspection conclusions. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and management.

During the inspection, the Compliance Team met with the staff from the Procurement and Disposal Unit (PDU), Contracts Committee, Internal Audit, and User Departments where necessary, to obtain crucial qualitative information about the internal control system and processes in place.

A debrief meeting to discuss preliminary findings was held with the Entity management and staff before the team could embark on preparation of the management letter. The management letter was sent to the Entity on **28th December 2024** with a request to submit a management response by **6th January 2024** which was submitted on **16th January 2024**. This report presents key findings and conclusions arising from the compliance inspection exercise.

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

2.1 COMPLIANCE OF THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP.205, REGULATIONS AND GUIDELINES WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT PROCESSES

2.1.1 Procurement Implementation Rate

The table below summarizes information on the procurement plan implementation. The procurement plan implementation rate was at 87% with a budget variance of UGX 1,265,678,928 as demonstrated in Table 1 below:

Table 1: Procurement plan implementation rate

Total procurement plan value (UGX)	9,658,264,000
Actual procurement spend (UGX)	8,392,585,072
Variance (UGX)	1,265,678,928
Percentage implementation rate (%)	87%

NB: The procurement plan and spend values exclude an amount worth UGX 3,797,709,000 relating to payment for completion of Amuru Seed Secondary School (Contractor: Davrich Company (u) Ltd), Amuru Trading Centre Seed Secondary School (Contractor: Agweru General Merchandise Limited) and rehabilitation of community roads at Olamnyu-Atiak (10.5km) that had been contracted in previous Financial Years.

Implication

This implies that the Entity failed to deliver services as had been anticipated hence affecting the budgeting objectives and the Government's performance.

Recommendation

The Accounting Officer should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205 to ensure improved performance

2.1.2 Failure to fully implement the Authority's recommendations

The Entity was issued with the previous audit report for Financial Year 2021/22 in August 2023 and out of the 11 recommendations made, six (54%) were implemented, one (10%) was partially implemented and four (36%) were not implemented as indicated in Table 2 below:

Table 2: Implementation of previous recommendations

No	Recommended Action	Status at Audit	Response
1.	The Accounting Officer should expedite the process of disposal of obsolete assets in accordance with procedures stipulated under Regulation 122 of the Local Governments (PPDA) Regulations, 2006.	Not implemented	<i>Advice taken. Processes of implementation are ongoing. Board of survey is done, presentation of the reports to TPC, DEC and Disposal plan Developed for approval by</i>

No	Recommended Action	Status at Audit	Response
			<i>ministry of Finance (Accountant General by June 2025.</i>
2.	The User Departments should liaise with the different technical officers like the District Engineer, the District Environmental Officer, and the Community Development Officer while conducting needs assessment in order to provide inputs on ESHS requirements in the statements of requirements.	Not implemented	<i>Advice taken and now being implemented</i>
3.	The Procurement and Disposal Unit should recommend an Evaluation Committee for each procurement requirement consisting of technical officers with appropriate skills in accordance with Regulation 27 of the Local Governments (PPDA) Regulations, 2006.	Partially implemented	<i>Advice taken and now fully implemented.</i>
4.	The Evaluation Committees should conduct evaluation based on the contents of the bid and the requirements in the bidding documents, bids which are not substantially compliant should be eliminated in accordance with Regulation 73(3) of the Local Governments (PPDA) Regulations, 2006.	Not implemented	<i>Advice taken and being complied with.</i>
5.	The Contract Supervisors should always obtain performance securities from the contracted providers when required and a failure of which should lead to cancellation of the contract and contracting of the second Best Evaluated Bidder in accordance with Regulation 102 of the Local Governments (PPDA) Regulations, 2006.	Not implemented	<i>Advice taken and now fully adhered to</i>

Implication

Failure to fully implement the Authority's recommendations is a breach of Section 10 of the PPDA Act, Cap. 205 and affects the performance of the procurement and disposal function in the Entity.

Management Response

Advice, from Authority has been noted. Entity has put in place internal controls and strong mechanism including Capacity building of key actors in order to enhance its performance on PPDA function

Recommendation

The Accounting Officer should:

- i. Ensure that a strong mechanism is put in place to implement recommendations made by the Authority so as to improve the Entity's performance in accordance with Section 10 of the PPDA Act, Cap. 205; and
- ii. Show cause why disciplinary actions should not be taken against him for failure to implement the Authority's audit recommendations issued to enhance the Entity's performance in accordance with Section 10 of the PPDA Act, Cap. 205.

2.1.3 Splitting of procurement requirements

The Authority found that the Entity split procurement requirements that could be procured under single contract contrary to Regulation 10 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023. This was identified in eight procurements worth UGX 101,003,000 that were initiated on the same date of 25th March 2024 as detailed in Table 3 below:

Table 3: Split Procurement requirements that may be procured under single contract

No.	Subject of Procurement	Amount (UGX)
1.	Supply of 63 pieces of 600mm diameter concrete culverts for Olamyungu-Ceri Road	12,474,000
2.	Supply of 70 pieces of 600mm diameter and 14 pieces of 900mm diameter concrete culverts for Layima-Apaa Road	17,577,000
3.	Supply of 28 pieces of 600mm diameter concrete culverts for Ali-Layima Road- UGX 5,544,000	5,544,000
4.	Supply of 28 pieces of 600mm diameter concrete culverts for Lacaro-Coorom Road-	5,544,000
5.	Supply of 14 pieces of 2000mm diameter steel culverts and 8 pies of gabion boxes for State farm-Otorokume Road	46,445,000
6.	Supply of 42 pieces of 600mm diameter and 14 pieces of 900mm diameter concrete culverts for for State farm-Otorokume Road	12,033,000
7.	Supply of 35 pieces of 600mm diameter concrete culverts for Labongogali- Ciragira Road	6,930,000
8.	Supply of 42 pieces of 600mm diameter and 14 pieces of 900mm diameter concrete culverts for State farm-Guruguru Road	12,033,000
	TOTAL	101,003,000

Implications

- This was violation of Regulation 10 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023 which states that *a procuring and disposing entity shall not split a procurement requirement where the supplies, works or non-consultancy services may be procured under a single contract.*
- Over splitting of procurement requirements makes the Entity miss opportunities for economies of large scale.

Management Response

We take note of this observation. However, the splitting was due to different project items as per the approved plan by the Council.

Recommendations

The Head Procurement and Disposal Unit should:

- i. Desist from splitting procurements in accordance with Regulation 10 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023; and
- ii. Aggregate procurement requirements for which the method of procurement and bidding conditions are to be the same and be subject to the same conditions of contract in accordance with Regulation 7 of the PPDA (Procurement Planning) Regulations, 2023.

2.1.4 Irregularities during initiation

The Authority found irregularities during initiation of three procurements worth UGX 210,427,933 as indicated in Table 4 below:

Table 4: Procurement transactions with irregularities during initiation

No	Subject of Procurement	Contract amount (UGX)	Findings	Response
1.	Construction of 2 block of 5 stances drainable latrine at Pupwonya Primary School.	61,062,640	<ul style="list-style-type: none"> Initiating procurement at a higher value than planned amount. Whereas the procurement was planned at UGX 60,000,000, the User Department initiated it at UGX 64,310,000. 	<ul style="list-style-type: none"> <i>This was planning figure at the time the entity was developing its plan (IPF of 60,000,000/-). The 64,310,000/- was based on the action fund received by the department and now revised on Plan.</i>
2.	Construction of 2 blocks of 5 stances each drainable latrine at Agwayugi P/s	64,310,000	<ul style="list-style-type: none"> Failure by User Department to develop and attach BOQs and drawings at initiation. 	<ul style="list-style-type: none"> <i>BOQs and drawings attached to initiation.</i> <p>Authority's Comment: <i>The Entity did not submit any documentary evidence for consideration.</i></p>
3.	Rehabilitation of 1 block of 3 classrooms at Agole P/S	85,055,293	Failure to attach BOQs and drawings at initiation.	<p><i>BOQs and drawings are attached to the initiations</i></p> <p>Authority's Comment: <i>The Entity did not submit any documentary evidence for consideration.</i></p>
	Total	210,427,933		

Implications

Failure to propose BOQs and drawings by the User department, makes it difficult for the Procurement and Disposal Unit to prepare appropriate solicitation documents and may also lead to procurement of items which do not meet the users' requirements.

Recommendations

The Accounting Officer should task the responsible User Departments to recommend clear and detailed description of the supplies, works or non-consultancy services required at initiation of the procurement in accordance with Regulation 3 (2) (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023.

2.1.5 Unfair and unequal short listing of bidders

The Authority found that the Entity invited Full Doze Engineering Limited in ten procurements and ultimately all the procurements were awarded to the same company contrary to Regulation 53 (4) (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 which provides for fair and equal opportunities to providers and rotation of different providers on successive shortlists, The details are in Table 5 below:

Table 5: Contracts awarded to Full Doze Engineering Limited

1.	Supply of 63 pieces of 600mm diameter concrete culverts for Olamyungu-Ceri Road	12,474,000
2.	Supply of 70 pieces of 600mm diameter and 14 pieces of 900mm diameter concrete culverts for Layima-Apaa Road	17,577,000
3.	Supply of 28 pieces of 600mm diameter concrete culverts for Ali-Layima Road- UGX 5,544,000	5,544,000
4.	Supply of 28 pieces of 600mm diameter concrete culverts for Lacaro-Coorom Road-	5,544,000
5.	Supply of 14 pieces of 2000mm diameter steel culverts and 8 pieces of gabion boxes for State farm-Otorokume Road	46,445,000
6.	Supply of 42 pieces of 600mm diameter and 14 pieces of 900mm diameter concrete culverts for State farm-Otorokume Road	12,033,000
7.	Supply of 35 pieces of 600mm diameter concrete culverts for Labongogali- Ciragira Road	6,930,000
8.	Supply of 42 pieces of 600mm diameter and 14 pieces of 900mm diameter concrete culverts for State farm-Guruguru Road	12,033,000
9.	Rehabilitation of 1 block of 3 classrooms at Agole P/S	85,055,293
10.	Supply of 7 sets of pump parts	32,200,000
11.	Supply of local materials (128 cum hard core, 58cum plaster sand, 96 cum lake sand and 55 cum aggregate)	25,807,272
12.	Construction of guard house and relocation of electro mechanical system at Pyyela -3	22,000,000
13.	Completion of rehabilitation of 3 classroom blocks with store and office at Lacaro P/S	53,167,968
14.	Completion of construction at Lacaro P/S	60,000,000
	TOTAL	396,810,533

Implication

Always inviting the same company to participate in different procurement process may encourage collusion and deter competition hence low bidder participation.

Management Response

We take note of the observation, however, Full Doze Engineering Limited was comparatively picked as Best evaluated bidder.

Recommendation

The Head Procurement and Disposal Unit should develop a shortlist of providers for each procurement and ensure that there is a fair and equal rotation of providers on successive shortlists to enable effective competition for each procurement in accordance with Regulation

53 (4) (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.6 Issuance of bidding documents with inadequate statements of requirements, evaluation criteria

The Entity issued bidding documents that had inadequate statements of requirements, evaluation criteria and instructions to the bidders in six sampled procurements worth UGX 483,899,432 contrary to Regulation 33 and 34 of the PPDA (Rules and methods for procurement of supplies, works and non-consultancy services) Regulations, 2023. Although the Contracts Committee approved the bidding documents, it was evident that the quality of review prior to approval of the bidding document was inadequate. The procurements are indicated in Table 6 below:

Table 6: Issuance of inadequate bidding documents

No	Subject	Findings
1.	Construction of 2 block of 5 stances drainable latrine at Pupwonya Primary School UGX: 61,062,640	<ul style="list-style-type: none"> Unclear evaluation criteria. ITB 15.1 (iv) of the bidding document required bidders to submit a tax clearance certificate without specifying the period required. Irregular requirement. ITB 15.1 (i) of the bidding document required bidders to submit a copy of bidder's VAT registration Certificate.
2.	Construction of 4 stance pour flash toilet at Oitino HC II UGX 28,770,000	<ul style="list-style-type: none"> Unclear evaluation criteria. ITB 15.1 (iv) of the bidding document required bidders to submit a tax clearance certificate without specifying the period required. Irregular requirement for VAT registration certificate. ITB 15.1 (i) of the bidding document required bidders to submit a copy of bidder's VAT registration Certificate. Contradicting requirements. Part 1:Section 3 of the bidding document required a project manager with three years of experience in the proposed position, while below the same table, the Entity required the contract manager to have 5 years of experience in works of the similar nature and not less than 5 years' experience as a manager. The bidding document required bidders to submit a project manager with 2 years of experience in the road construction industry which was not relevant to the renovation of classroom blocks.
3.	Drilling & installation of 6 deep B/holes and 1 production well UGX: 122,218,082	<ul style="list-style-type: none"> Unclear evaluation criteria. ITB 15.1 (iv) of the bidding document required bidders to submit a tax clearance certificate without specifying the period required.
4.	Construction of 2 blocks of 5 stances each drainable latrine at Agwayugi P/s UGX:64,310,000	<ul style="list-style-type: none"> Irregular inclusion of VAT registration certificate as an evaluation criterion in the bidding document. VAT was included as an evaluation criterion against the PSST Circular No.1 of 2015, that debarred procuring entities from using VAT as an evaluation criterion. Failure to specify the required validity period of the tax clearance certificate.

No	Subject	Findings
5.	Design review and construction of mini solar powered piped water supply phase 1, at Pawel – Lalem T/c Atiak S/c. UGX 106,535,710	<ul style="list-style-type: none"> ITB 15.1(i)(iv) of the bidding document requested for a valid tax clearance certificate without specifying the tax period. Thus, the tax period was left open and as such, any tax clearance certificate would serve the purpose. Inclusion of VAT registration certificate as an evaluation criterion, against the PS/ST Circular No.1 of 2015, that debarred procuring entities from using VAT as an evaluation criterion.
6.	Supply of local materials to state farm Otorokume, Olamyunu-Ceri, Layama-Apar, Labongogali-Giragira, State farm-Guruguru State Ali-Layima and Lacro-Coorom Road UGX 101,003,000	<ul style="list-style-type: none"> Failure to specify bid validity date. Part 1 of the selective bidding document required a bid validity period of 60 days from the closing date of bid submission. The bidding document required bidders to submit Tax Clearance Certificate but the period was not specified.
Total		483,899,432

Implications

- Unclear evaluation criteria in the bidding document leaves doubt and assumptions to the bidder on the requirements of the Entity and exposes the Entity to the risk of potential disagreements and conflict during the implementation of the contracts.
- Inappropriate requirements discourage competition and lead to award of contracts to non-responsive bidders.
- Failure to state validity date of the documents required in the bidding document makes bidders uncertain about the duration of the documents and in case of disqualification at the evaluation, this may cause contractual disputes.

Management Response

We have taken the advice of authority.

Recommendations

- The Contracts Committee should reject solicitation documents that do not define requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity in accordance with Regulation 42(a) of the PPDA (Rules and Methods for procurement of Supplies, works and Non- Consultancy Services) Regulations, 2023; and
- The Head Procurement and Disposal Unit should set the most appropriate evaluation criteria that suit the purpose of the procurement in accordance with Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, works and Non- Consultancy Services) Regulations, 2023.

3. The Entity should desist from requesting the bidders to submit VAT registration certificate instead consider Tin Number registration certificate that indicates the tax categories the companies are glistered for in accordance with PSST Circular No.1 of 2015.

2.1.7 Irregularities during bidding

The Authority found irregularities during bidding of two procurements worth UGX 186,058,293 as detailed in Table 7:

Table 7: Procurements with Irregularities during bidding

No.	Subject	Amount (UGX)	Findings	Response
1.	Rehabilitati on of 1 block of 3 classrooms at Agole P/S Prover: Full Doze Engineering Limited	85,055,293	<p>Receipt of the late bids. ITB 27.1 of the bidding document indicated that the bid submission deadline was on 17th August 2023 at 11:00 am. However, the Entity received 3 bids after the deadline as indicated below:</p> <p>Tebex Superior Services at 11:15am Dedol Logistics Co. Ltd at 11:20am Rwentuha Technical Services Ltd at 11: 30am</p>	<p><i>Observation of the Authority is noted. However, All bids were received within the stipulated time line as per the advertisement published on new vision paper of 17th August 2023 attached. Bid closure was at 12:00 pm.</i></p> <p>Authority's Comment: <i>The Entity did not submit the copy of the advert for consideration.</i></p>
2.	Supply of local materials to state farm Otorokume, Olamyunu-Ceri, Layama-Apar, Labongogal i-Giragira, State farm-Guruguru State Ali-Layima and Lacro-Coorom Road	101,003,000	<ul style="list-style-type: none"> The Authority noted that there was no record indicating that the shortlisted firms were invited and received the invite. Out of the nine shortlisted bidders, only three returned the bids. Failure by Contracts Committee member or member of User Department to witness bid opening. Bids were opened by PDU 	<p><i>At the time of audit, some critical records were missing from the file. However,</i></p> <ul style="list-style-type: none"> <i>The firms were invited and only 3 return their bids</i> <i>Contracts Committee or member of User Department were represented at the bid opening</i>
Total		186,058,293		

Implication

The above omissions were a red flag for lack of transparency in the procurements undertaken

Management Response

We take the guidance from the Authority and commit to ensure compliance in the future transaction.

Recommendation

All procurement and disposal transactions should be conducted in a manner that promotes transparency, accountability and fairness in accordance with Section 48 of the PPDA Act, Cap. 205 in order to avoid such situations of receiving late bids.

2.1.8 Irregularities during evaluation of bids

The Authority found irregularities in the evaluation of eight procurement transactions worth UGX 686,476,771 as indicated in the Table 8 below:

Table 8: Procurement transactions with irregularities in their evaluation process

N o.	Procurement Subject	Amount (UGX)	Exceptions	Response
1.	Construction of 2 block of 5 stances drainable latrine at Pupwonya Primary School	61,062,640	<ul style="list-style-type: none">• Despite being approved by the Contracts Committee as a member of Evaluation Committee, Ms. Doreen Ajok Lanyero did not participate in evaluation of bids.• The Authority noted that Boom Water and Sanitation Ltd submitted a bid at UGX 51,748,000 VAT Exclusive since the company was not VAT registered according to TIN 1017812087, however the Evaluation Committee added VAT at evaluation and recommended the contract at UGX 61,062,640 that was eventually approved by the Contracts Committee. This caused a potential financial loss of UGX 9,314,640.	<ul style="list-style-type: none">• <i>Although Ms. Doreen Ajok Lanyero was not present at the evaluation there was enough quorum and her apology for not being present at that particular evaluation. Was accepted.</i>• <i>Entity regrets the anomaly. However the contractor was paid only what was due to the firm at the expiry of the contract. No financially loss was realized. See attached payment Recerd</i>
2.	Rehabilitation of 1 block of	85,055,293	<ul style="list-style-type: none">• Passing of non-compliant bidder. Full Doze Engineering Limited submitted an expired	<ul style="list-style-type: none">• <i>We take note of the observation. NSSF clearance certificate was</i>

	<p>3 classrooms at Agole P/S Prover: Full Doze Engineering Limited</p>		<p>NSST clearance certificate. The Certificate serial no. 00003013 expired on 25th February 2020 yet the bid submission date was 17th August 2023.</p> <ul style="list-style-type: none"> Change of the evaluation criteria at evaluation. Whereas ITB 15.1(i) of the issued bidding document required bidders to provide bank statement for the last three months, the Evaluation Committee evaluated bids against recent bank statement total credit to be over 20% of estimated value. The evaluation committee changed the evaluation criteria on personnel as follows: <table border="1" data-bbox="722 808 1137 1845"> <thead> <tr> <th data-bbox="722 808 842 1019">Personnel</th> <th data-bbox="842 808 983 1019">Qualification in the bidding document</th> <th data-bbox="983 808 1137 1019">Qualification considered at evaluation</th> </tr> </thead> <tbody> <tr> <td data-bbox="722 1019 842 1229">Project Manager</td> <td data-bbox="842 1019 983 1229">Bachelor of Science in Engineering</td> <td data-bbox="983 1019 1137 1229">Bachelor's degree in Civil Engineering</td> </tr> <tr> <td data-bbox="722 1229 842 1570">Tool dresser /mechanics</td> <td data-bbox="842 1229 983 1570">Ordinary Diploma in Mechanical Engineering</td> <td data-bbox="983 1229 1137 1570">A minimum of Ordinary Diploma in Civil Engineering</td> </tr> <tr> <td data-bbox="722 1570 842 1845">Sociologist</td> <td data-bbox="842 1570 983 1845">Bachelor /Diploma in related discipline</td> <td data-bbox="983 1570 1137 1845">Minimum diploma in Social Science/developmental studies.</td> </tr> </tbody> </table>	Personnel	Qualification in the bidding document	Qualification considered at evaluation	Project Manager	Bachelor of Science in Engineering	Bachelor's degree in Civil Engineering	Tool dresser /mechanics	Ordinary Diploma in Mechanical Engineering	A minimum of Ordinary Diploma in Civil Engineering	Sociologist	Bachelor /Diploma in related discipline	Minimum diploma in Social Science/developmental studies.	<p><i>not among the approved evaluation criteria to be used for assessment. The entity will apply this for future projects.</i></p> <ul style="list-style-type: none"> <i>Evaluation committee maintained the bank statement for the last three months criteria. However for purpose of the financial capacity the evaluation team used of 20% of estimated to have the best evaluated bidder.</i> <i>The personnel changes were done on the basis of a consideration that a Bachelor's degree in Civil Engineering is an equivalent to Bachelor of Science in Engineering.</i>
Personnel	Qualification in the bidding document	Qualification considered at evaluation														
Project Manager	Bachelor of Science in Engineering	Bachelor's degree in Civil Engineering														
Tool dresser /mechanics	Ordinary Diploma in Mechanical Engineering	A minimum of Ordinary Diploma in Civil Engineering														
Sociologist	Bachelor /Diploma in related discipline	Minimum diploma in Social Science/developmental studies.														

			<ul style="list-style-type: none"> Despite being approved by the Contracts Committee as a member of Evaluation Committee, Ms. Doreen Ajok Lanyero did not participate in evaluation. 	<ul style="list-style-type: none"> Although Ms. Doreen Ajok Lanyero was not present at the evaluation there was enough quorums and her apology for not being present at that particular evaluation. Was accepted. 												
3.	Drilling & installation of 6 deep B/holes and 1 production well	122,218,082	<ul style="list-style-type: none"> Failure to communicate to bidder's arithmetic corrections that were identified by the Evaluation Committee. There was no evidence on file that arithmetic corrections identified during evaluation was communicated to bidders who participated in the bidding process as summarised below. <table border="1" data-bbox="738 1086 1134 1688"> <thead> <tr> <th>Bidder</th> <th>Quoted price</th> <th>Evaluate price</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>East Africa Bore holes Ltd</td> <td>180,290,312</td> <td>176,779,576</td> <td>3,510,736</td> </tr> <tr> <td>Brottos (U) Ltd</td> <td>125180,300</td> <td>107,297,400</td> <td>17,882,900</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Change of evaluation criteria on personnel requirement. The bidding document; Section 3 (6.1), the Entity requirement for 	Bidder	Quoted price	Evaluate price	Variance	East Africa Bore holes Ltd	180,290,312	176,779,576	3,510,736	Brottos (U) Ltd	125180,300	107,297,400	17,882,900	<p>Arithmetic corrections were communicated to the bidders.</p> <p>Authority's Comment: The Entity did not submit the letter communicating arithmetic corrections for consideration.</p> <ul style="list-style-type: none"> The personnel changes were done on the basis of a consideration that a Bachelor's degree in Civil Engineering is an
Bidder	Quoted price	Evaluate price	Variance													
East Africa Bore holes Ltd	180,290,312	176,779,576	3,510,736													
Brottos (U) Ltd	125180,300	107,297,400	17,882,900													

			Project Manager was Bachelor of Science in Engineering, however, this changed to a Bachelor's degree in Civil Engineering during the evaluation exercise.	<i>equivalent to Bachelor of Science in Engineering.</i>
4.	Construction of 2 blocks of 5 stances each drainable latrine at Agwayugi P/s	64,310,000	<ul style="list-style-type: none"> • Failure to communicate to bidders who participated in the bidding process, the arithmetic errors identified by the Evaluation Committee, that changed the read-out price of AB Construction Ltd from UGX.65,160,780 to evaluated price of UGX.64,310,000; thus, raising a variance of UGX. 850,780. • Change of the evaluation criteria during the evaluation process. Under ITB 20.3, the bid security required from bidders was to remain valid up to 30th December 2023. However, this was left open during evaluation, and only a bid security inform of a bank draft or guarantee was evaluated without specifying the validity period. • The contractor attached unauthentic Cv's to its bid. For example, the Cvs of the Project Manager and the Site Engineer were not signed by the proposed staff. 	<ul style="list-style-type: none"> • <i>Error identified was communicated</i> <p>Authority's Comment: <i>The Entity did not submit any documentary evidence for consideration.</i></p> <ul style="list-style-type: none"> • <i>The Entity regrets the omission and ensures compliance for future projects.</i> • <i>We take note of the anomalies for not signed Cvs. However, the contractor had an authentic and acceptable academic document.</i>
5.	Supply of 7 sets of pump parts	50,500,000	Change of the evaluation criteria. The Evaluation Committee changed the evaluation criterion on the requirement of bid validity period up to 30 th December, 2023 as was required under ITB 20.1 to <i>acceptable stated validity period</i>	<i>The Entity notes the anomalies and will ensure compliance in the future.</i>
6.	Rehabilitation of 2 blocks of 2 classrooms at Guruguru P/s	95,792,046	Change of evaluation criteria: <ul style="list-style-type: none"> • VAT registration certificate was used as an evaluation criterion, against the Circular No.1 of 2025 issued by the PSST, debarring the Entities from using the same as an evaluation criterion. 	<ul style="list-style-type: none"> • <i>The Entity took note of the observation and will ensure compliance in the future.</i>

			<ul style="list-style-type: none"> ITB 20.1 of the bidding document required a Bid Security worth UGX.1,950,000, however at evaluation it was changed to Bid security inform of a bank draft or bank guarantee from a reputable bank, without indicating the required value of the Bid security 	<ul style="list-style-type: none"> <i>The Entity found that Bid security inform of bank draft or bank guarantee is acceptable and the value was clearly indicated in the document.</i>
7.	Design review and construction of mini solar powered piped water supply phase 1, at Pawel – Lalem T/c Atiak S/c.	106,535,710	<ul style="list-style-type: none"> The Authority noted that Section 3 (6.1) of the bidding document required Project Manager with Bachelor of Science in Engineering; however, this was changed to a Bachelor degree in Civil Engineering during the evaluation exercise. Failure by the contractor to provide insurance policy for the minimum insurance cover as was required in GCC 18.1 of the bidding document. 	<ul style="list-style-type: none"> <i>The personnel changes were done on the basis of a consideration that a Bachelor's degree in Civil Engineering is an equivalent to Bachelor of Science in Engineering.</i> <i>This is recent policy development which the entity is in the process to adjustment and implement.</i>
8.	Supply of local materials to state farm Otorokume, Olamyunu-Ceri, Layama-Apar, Labongogali-Giragira, State farm-Guruguru State Ali-Layima and Lacro-Coorom Road	101,003,000	<ul style="list-style-type: none"> GCC 28.3 required bidders to provide a warranty of 12 months, however the best evaluated bidder Full Dose Engineering Ltd offered a warranty of 60 days. GCC 25.1 required a delivery period of 1 month after commencement, the best evaluated bidder offered a delivery period of 5 weeks. 	<ul style="list-style-type: none"> <i>The Entity has noted the anomaly and commits to comply with GCC requirements for future use.</i> <i>According to the evaluation this was found the best Bidder with a shorter period to take the supplies</i>
	Total	686,476,771		

Implication

Irregular evaluation of bids exposes the Entity to the risk of not getting the best bidder in terms of quality and cost and is also unfair to the undeservingly eliminated bidders.

Recommendation

1. The Accounting Officer should task the Evaluation Committees to show cause why disciplinary action should not be taken against them for failure to effectively evaluate the bids in accordance with the set evaluation criteria in the bidding document.
2. The Evaluation Committees should evaluate the bids following the criteria set in the bidding document and waive any non-material deviations in accordance with Regulation

18 (5) of the PPDA (Evaluation) Regulations, 2023.

3. The Evaluation Committees should be vigilant while reviewing the information submitted by the bidders for conformity with the set criteria before passing bidders in accordance with Regulation 23 of the PPDA (Evaluation) Regulations, 2023.

2.1.9 No evidence of sending of the notice of Best Evaluated Bidder to the unsuccessful bidders

In all sampled procurement transactions, the Entity did not communicate the results of the evaluation exercise to all the bidders that participated in the tenders in form of sending of a Best Evaluated Bidder Notice particularly to those that were unsuccessful in accordance with Regulation 3 (4) of the PPDA (Contracts) Regulations, 2023.

Implications

- Failure to notify all bidders denies them the right to appeal the decision of award in case they are aggrieved. It also contravenes the principle of transparency.
- It also denies bidders of an opportunity to make improvements in future bids hence deterring building of their capacity.

Management Response

The Entity endeavors to communicate to bidders (Successful and unsuccessful through the notices and official email address in their bid.

Authority’s Comment: The Entity did not submit any documentary evidence for consideration.

Recommendations

1. The Accounting Officer should send the Notice of Best Evaluated Bidder to all bidders who participated in the procurement in accordance with Regulation 3 (4) of the PPDA (Contracts) Regulations, 2023
2. The Procurement and Disposal Unit should require bidders to include their official email addresses in their bids to enable electronic communication of the Notice of Best Evaluated Bidder.

2.1.10 Anomalies at contracting

The Authority found irregularities at the contract signing stage in the following three procurements worth UGX 215,813,000 as detailed in Table 9 below:

Table 9: Procurements with anomalies at the contract signing stage

No.	Subject of procurement	Exceptions noted	<u>Management Response</u>
1.	Construction of 2 blocks of 5 stances each drainable latrine at Agwayugi P/s UGX 64,310,000	<ul style="list-style-type: none"> • Conducting negotiation without Contracts Committee approval. The recommendation for negotiation by the Evaluation Committee was also not approved by the Contracts Committee, however the Authority found that negotiation was conducted. • Among Nancy Linda, Arop Robert, Lanyero Joyce and Ojara Stephen conducted negotiation 	<p><i>The negotiations team and the recommendation were approved by Contracts Committee.</i></p> <p><i>Authority’s Comment: The Entity did not submit the record of the Contracts Committee approval of the negotiation team for review.</i></p>

No.	Subject of procurement	Exceptions noted	Management Response
		without Contracts Committee approval.	
2.	Supply of 7 sets of pump parts UGX50,500,000	<ul style="list-style-type: none"> • Amony Nancy Linda, Opoka Joseph and Ojara Stephen negotiated and reduced the bid price for Full Dose Engineering Ltd from UGX.37,040,200 to UGX.32,200,000 without being approved by the Contracts Committee as negotiation team. • The recommendation for negotiation by the Evaluation Committee was not approved by the Contracts Committee. 	
3.	Supply of local materials to state farm Otorokume, Olamyunu-Ceri, Layama-Apar, Labongogali-Giragira, State farm-Guruguru State Ali-Layima and Lacro-Coorom Road UGX 101,003,000	<ul style="list-style-type: none"> • Only two CC members conducted the meeting and awarded the contract. Payolem Robinson (Chairperson) and Komakech Simon Peter attended the meeting and awarded the contracts without quorum. • The contract had two different reference numbers. i.e., Amuru808/Supl/2023-2024/00038 and Amuru808/Supl/2023-2024/00037. • Idle clauses in the contract. GCC 24.1 stated that the supplies shall be insured The insurance shall be 	<ul style="list-style-type: none"> • <i>The quorum was three members of Contracts Committee who conducted the meeting including Mr. Ocan Christopher and two already mentioned in the report.</i> • <i>This was a typing error which is corrected</i> • <i>The Entity noted this gap and ready to address in the future.</i>
Total	215,813,000		

Implications

Negotiating with suppliers/providers on parameters not approved by the Contracts Committee exposes the Procuring and Disposing Entity to the risk of unfavorable agreements.

Recommendations

The Head Procurement and Disposal Unit should always give technical guidance to the Evaluation Committee to ensure that whenever negotiation is recommended, the negotiation plan is prepared for Contracts Committee approval in accordance with Regulation 3 of the PPDA (Negotiation) Regulations, 2023.

2.2 COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, CAP.205 AND PPDA REGULATIONS

2.2.1 Failure to dispose of obsolete assets

The board of survey report of 2022-23 recommended assets for disposal however the disposal process had not commenced as at 25th October 2024.

The Authority also found that the Entity had not disposed of any items in the previous four financial years i.e. FY 2018-2019, FY 2019-2020, FY 2020-2021, FY 2021-2022 even though the boards of surveys conducted recommended assets for disposal contrary to PPDA (Disposal of public assets) Regulations, 2023. Figure 1 below shows images of some of the obsolete assets:

Figure 1: Items recommended for disposal



Implication

The district's assets continue to lose value through depreciation and face risks of loss or

vandalism.

Management Response

Disposal process has started with the presentation of the reports to TPC, DEC and Disposal plan Developed for approval by ministry of Finance (Accountant General by June 2025).

Recommendation

1. The Permanent Secretary of Ministry of Local Government should task the Accounting Officer to show cause why disciplinary action should not be taken against him for failure to dispose of absolute items for four financial years.
2. The Accounting Officer should ensure that a disposal plan is prepared so that the disposal process can commence in order to avoid further depreciation of the assets and attain value for money in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023.

2.3 EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION INCLUDING THE APPLICATION OF ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY (ESHS) REQUIREMENTS

2.3.1 Anomalies in contract management

The Authority found anomalies in contract management in the following six procurements worth UGX 484,871,725 contrary to Regulation 50 and 52 of the PPDA (Contracts) Regulations, 2023 as detailed in Table 10 below.

Table 10: Procurements with anomalies at contract management.

No.	Subject of Procurement	Contract Amount (UGX)	Finding	<u>Management Response</u>
1.	Construction of 2 block of 5 stances drainable latrine at Pupwonya Primary School	61,062,640	<ul style="list-style-type: none"> • Failure by the contract management team to manage the project. The Accounting Officer appointed the following members to the project management team, however no report was prepared by them. <ol style="list-style-type: none"> 1. Mr. Raymond Luwita- District Engineer 2. Mr. John Bosco Okello Olum- CDO 3. Ms. Joyce Lanyero- District Environment Officer. 4. Ms. Doreen Lanyero Ojok- Environmental Officer. 5. Ms. Fancy Achirocan 6. Mr. Sabastian Komakech Oboth- Internal Auditor. 7. Mr. John Okwonga- Senior Health Inspector. 	<ul style="list-style-type: none"> • <i>Contract Management Team executed its function as evidence by the report.</i>

No.	Subject of Procurement	Contract Amount (UGX)	Finding	<u>Management Response</u>
			<ul style="list-style-type: none"> The project has stalled due to inadequate supervision and consequently the contract expired on 25th April 2024. 	
2.	Rehabilitation of 1 block of 3 classrooms at Agole P/S Prover: Full Doze Engineering Limited	85,055,293	<ul style="list-style-type: none"> Failure by the appointed contract management team to monitor the project. The Accounting Officer appointed the following members to the project management team, however no report was prepared by them. <ol style="list-style-type: none"> Mr. Raymond Luwita- District Engineer Mr. John Bosco Okello Olum- CDO Ms. Joyce Lanyero- District Environment Officer. Ms. Doreen Lanyero Ojok- Environmental Officer. Ms. Fancy Achirocan Mr. Sabastian Komakech Oboth- Internal Auditor. Mr. John Okwonga- Senior Health Inspector. 	<ul style="list-style-type: none"> <i>The contract management team executed its function as evidence by the report.</i>
3.	Construction of 2 blocks of 5 stances each drainable latrine at Agwayugi P/s	60,000,000	<ul style="list-style-type: none"> There was delay of 59 calendar days to commence site work by the contractor, as per the Contract Manager's letter to the District Education Officer dated 28th March 2024, noting that the actual work began on 8th December 2023, yet the contract was signed on 10th October 2023. The contractor's workmanship and quality of work was poor. This was relayed in the Contract Manager's site instruction No.2 of 04th January, 2024, directing the contractor; to demolish the wall, hack the 	<ul style="list-style-type: none"> <i>The District experienced heavy rains which made the identified sites in accessible.</i> <i>This was done to ensure value for money</i>

No.	Subject of Procurement	Contract Amount (UGX)	Finding	<u>Management Response</u>
			<p>base concrete and placing hard core to give foundation to the substructure and start reconstruction again.</p> <ul style="list-style-type: none"> • The contractor failed to provide the performance security and ES performance security of 5% of the contract price as was required under GCC 61.1. • The contractor failed to provide insurance policy for the minimum insurance cover as was required in GCC 18.1 • Retaining higher amount than what is provided for in the contract. GCC 57.1, stated that the proportion of payment that was to be retained was 5%. However, in the Payment Certificate No.1; 10% retention was charged, instead of 5%. This should have affected the cash flow of the contractor. • No receipt from the contractor as an acknowledgment of payments made to them by the Entity. 	<ul style="list-style-type: none"> • <i>Advice taken and now being implemented</i> • <i>This is recent policy development which the entity is in the process to adjustment and implement.</i> • <i>The Entity notes the observation. The position was harmonized in the second certificate</i> • <i>The Entity has taken note of the observation and will ensure compliance</i>
4.	Supply of 7 sets of pump parts	50,000,000	<ul style="list-style-type: none"> • Failure by the Entity to task the provider to submit performance security 10% of the contract price, as was required in GCC 19.1. 	<ul style="list-style-type: none"> • <i>Advice taken and now being implemented</i>
5.	Design review and construction of mini solar powered piped	106,535,710	<ul style="list-style-type: none"> • The contract implementation plan on file was not signed by the Contract Manager. 	<ul style="list-style-type: none"> • <i>This gap is noted and the contract manager has signed the implementation plan.</i>

No.	Subject of Procurement	Contract Amount (UGX)	Finding	Management Response
	water supply phase 1, at Pawel – Lalem T/c Atiak S/c.		<ul style="list-style-type: none"> No handover and completion certificates on file. Failure by the contractor to provide insurance policy for the minimum insurance cover as was required in GCC 18.1. Failure by the Entity to task the provider to submit Performance Security and ES Performance Security of 5% of the contract price, as was required in GCC 61.1. 	<ul style="list-style-type: none"> <i>Handover and completion certificates are being filed appropriately</i> <i>This is recent policy development which the entity is in the process to adjustment and implement.</i> <i>Advice taken and now being implemented</i>
	TOTAL	484,871,725		

Implications

- Ineffective contract monitoring and supervision, potentially contributed to the delays by the contractors.
- Inefficiency in the procurement processes delays service delivery.
- Failure by the Entity to instruct to submit Performance Security leaves the Entity with no any protection/security against contract non-performance or any default by the contractor.
- Retaining higher amount that what is provided for in the contract affected the cash flow of the contractor.

Management Response

Advice of the Authority is taken for further management.

Recommendations

1. The Accounting Officer should desist from allowing contractors to proceed with contract execution without the prior fulfilment of conditions of contract effectiveness such as submission of Performance Securities in accordance Regulation 12 of the PPDA (Contracts) Regulations, 2023.
2. Contract managers should:
 - a) Strictly supervise contracted firms to fulfil all contractual obligations specified within the terms and conditions in accordance with Regulation 52 (3) of the PPDA (Contracts) Regulations, 2023.
 - b) Always prepare payment certificates based on contract terms to avoid retaining higher percentage or amount of the total contract value than what is stated in the contract.

2.3.2 Failure to undertake Environmental, Social, Health and Safety (ESHS) Safeguards

The Authority found that in all works sampled procurements, the Entity did not consider ESHS safeguards in the bidding process as stated below:

- a) There was no evidence of Environmental and Social screening conducted by the Entity to enable identification and proper provision of the ESHS issues in the bidding documents. This was evidenced with the failure to include of these issues in the Statements of Requirements, Evaluation Criteria, and terms of the contracts.
- b) Whereas the Entity used the standard bidding document issued by the Authority in 2020 for the works procurements procured using Open National Bidding method, the Entity did not give consideration to Environmental, Social, Health and Safety (ESHS) requirements as required. The Audit revealed that there was no input from the Environmental Officer, District Community Development Officer, Labour Officer and Health Officer on the ESHS requirements that were to be included in the terms of reference, specifications, work methods, and Bills of Quantity.

Implication

Failure to consider environmental and social risks posed by the procurements increases the risk of harming biodiversity, disrupting ecosystems, and exacerbating climate change.

Management Response

The Entity takes note of the observation and commits to ensure compliance accordingly.

Recommendation

The User Departments should liaise with the different technical officers like the District Engineer, the District Environmental Officer, and the Community Development Officer while conducting needs assessment in order to come up with statements of requirements that put into consideration the ESHS requirements.

2.4 THE PROJECTS IMPLEMENTED UNDER FORCE ACCOUNT MECHANISM

Amuru District Local Government received 1 billion from Uganda Road Fund (URF) for maintenance of seven roads (88KMs) in the Financial Year 2023-2034 as indicated in the Table 11 below:

Table 11: Details of the planned roads that were to be maintained in FY 2023-24

S/No	Road Name	Total Length (Km)	Planned Length (Km)	Cost Estimate (UGX.)
1	State Farm-Olinga-Otorokume	25.6	25.6	257,726,625
2	Olamnyugu-Ceri	15.5	15.5	217,165,875
3	Layima-Apaa	12.0	12.0	28,981,500
4	Labongogali-Giragira	9.4	9.4	62,356,125
5	Ali-Layima	8.0	11.5	57,678,125
6	State Farm-Guruguru	11.5	8.0	104,465,500
7	Lacaro-Coorom	6.0	6.0	51,716,250
	Sub-Total (Works)	88.0	88.0	880,090,000

S/No	Road Name	Total Length (Km)	Planned Length (Km)	Cost Estimate (UGX.)
	Equipment maintenance and repair			100,000,000
	Soft ware activities			20,000,000
	Total Budget - 2023-24			1,000,090,000

The Authority identified the following exceptions:

2.4.1 Irregular advancement of funds to Force Account Managers to procure items without following the stipulated procurement methods and procedures enshrined under the PPDA Act, Cap. 205 and PPDA Regulations.

Procurement funds worth UGX 2112,015,000 were advanced to the Force Account managers to procure items contrary to the set procedures stipulated in the PPDA Act, Cap.205 and Regulations as indicated in Table 12 below:

Table 12: The amount of the money that was advanced to Force Account Managers

No.	Road Name	Cement	Gravel	Trees	Allowance	Minor works
1.	State Farm-Olinga-Otorokume	8,820,000	8,064,000	6,990,000	27,155,000	15,000,000
2.	Olamnyugu-Ceri	8,820,000	4,882,500	5,490,000	23,100,000	NA
3.	Layima-Apaa	3,500,000	6,650,000	2,000,000	18,385,000	NA
4.	Labongogali-Giragira	1,400,000	2,205,000	1,851,625	8,235,000	NA
5.	Ali-Layima	700,000	2,205,000	1,851,625	8,880,000	NA
6.	State Farm-Guruguru	2,800,000	6,650,000	1,698,250	16,700,000	NA
7.	Lacaro-Coorom	840,000	4,200,000	1,090,000	9,560,000	NA
	TOTAL	26,880,000	34,856,500	20,971,500	112,015,000	15,000,000

The Authority found the following irregularities

- a) Procurement requisitions were not submitted to the Procurement and Disposal Unit to recommend the appropriate procurement methods and procedures contrary to Section 33 (g) of the PPDA Act, Cap. 205.
- b) There was no documented evidence to indicate that the Contracts Committee adjudicated over the procurement process in accordance with Section 30 of the PPDA Act, Cap. 205
- c) Payments were made to staffs who were not the providers of the goods or services contrary to Regulation 49 (1) of the PPDA (Contracts) Regulations, 2023.
- d) The procurements were not reported to the Contracts Committee and the Authority contrary to Section 32 (p) of the PPDA Act, Cap. 205 and Regulation 15 (1)) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

Implication

- Advancing funds to individuals poses a high risk of fraud and abuse of government funds.
- Conducting procurements by staff on behalf of the Entity is contravenes Regulation 4 of the PPDA (Force Account Mechanism) Regulations 2014.

Management Response

The Entity advanced funds to the Force Accounts Managers only to acquire marram soil and gravel sites and payments for allowances. We constituted a team that inspects those sites and negotiates with the site owners before we pay. All payments have been verified by the internal Auditor and are accounted for. However, going forward we shall implement the Authority's recommendation

Authority's comment: The Authority noted the Entity's response and adjusted the query based on the documents that were submitted to the Authority for review.

Recommendations

1. The User Departments should submit all their procurement requisitions to the Procurement and Disposal Unit to advise on the appropriate procurement methods and procedures in accordance with Section 32 (g) of the PPDA Act. Cap. 205.
2. The Head Procurement and Disposal Unit should appropriately plan to procure repetitively used items through framework contracting in accordance with Section 130 of the PPDA Act, Cap.205.

2.5 PROGRESS AND PERFORMANCE OF THE PROJECT IMPLEMENTED BY THE UPDF ENGINEERING BRIGADE.

2.5.1 Background

In a Financial Year 2023-2024, Amuru District Local Government budgeted UGX 2,000,000,000 for improvement of infrastructure in Pabo Health Centre III by constructing a new OPD building, one staff house and walkway/paved compound.

On 31st October 2023, the Ministry of Health issued General Guidelines for Local Government for FY 2023/2024 to all the Accounting Officers of the Local Governments on the implementation of Health Projects under the Transitional Development Adhoc Government Grant appropriated to all the districts. The guideline indicated that the project was to be implemented by the UPDF Engineering Brigade as per the Presidential Directive dated 1st July 2021.

The General Guidelines for Local Government for FY 2023/2024 indicated that the projects were to be implemented using, PPDA Regulations/guidelines, Presidential Directive dated 1st July 2021 on construction of projects under GOU Funding and the General Guidelines for implementation of Government of Uganda projects under conditional Grant Funding.

Table 13 and 14 below show contract details and progress of works respectively:

Table 13: Contract Details

Contractor	UPDF Engineering Brigade
Project Manager	Amuru District Engineer
Contract Amount	UGX 1,988,561,097
Contract scope	Costruction of 1 block of Out Patient Department (OPD), 2 units of staff house and paving of walkway/compound.

Commencement date	6 th June 2024
Contract Duration	6 Months
Expected Completion date	6 th December 2024
Advance paid	100%
MOU Status	Expired

Table 14: Progress of works as at 30th November 2024

Scope	Pending works	Percentage
2 Units of Staff House	<ul style="list-style-type: none"> • Electrical installation • Floor finishes and general painting 	90%
Out Patient (OPD)	<ul style="list-style-type: none"> • Roofing • Plastering • Floor and ceiling finishes • Fixing electrical installations • General plumbing • Paining 	70%
Compound paving and walkway	No work has commenced	0%

Based on the above, the Authority identified a number of irregularities as detailed below:

2.5.2 Failure by the Entity to follow the General Guidelines for the implementation of Health Projects from Ministry of Health.

Whereas Section 2.4.5 of the General Guidelines for Local Government for FY 2023/2024 required the Entity to state the date and time within which MoDIVA/UPDF Engineering Brigade should submit the priced bills of quantities (BoQs), the Authority noted that the issued invitation letter dated 13th December 2023 had no timelines/date for submission of the drawings and BoQs.

Implication

Absence of the submission deadline date and time affects the project timelines that results into delayed service delivery.

Management Response

We take note of the observation for compliance

Recommendation

The Entity should follow the guidelines that are issued by the Ministry of Health when managing the health projects implemented by the UPDF Engineering Brigade.

2.5.3 Failure to use standard forms issued by the Authority

The Authority noted that the Entity did not use Form 8 (record of issue), Form 11 (record of receipt) and Form 12 (record of bid opening)

Implication

Failure to use standard forms issued by the Authority contravenes Section 58 of the PPDA Act, Cap. 205 and it hinders transparency and accountability since there is no record indicating who issued and received the drawings and BOQs on behalf of the Entity.

Management Response

We take note of the observation for compliance

Recommendation

The Accounting Officer should instruct the Head Procurement Unit to use standard forms such as record of issue, receipt and opening issued by the Authority while managing projects implemented by UPDF Engineering Brigade in order to have transparency and accountability in accordance with Section 58 of the PPDA Act, Cap. 205.

2.5.4 MODIVA took 61 working days from the date of invitation to submit the signed Bills of Quantities.

Whereas the Entity invited and sent un costed BOQs and drawings to MODIVA/UPDF Engineering Brigade on 13th December 2023, the costed BOQs were returned on 6th March 2024 which was 61 working days.

Implication

- Delays in the procurement process leads to delayed service delivery.
- This implies that the bidding process took 61 days which defeats the purpose of the Presidential Directive on the use of the Army Engineering Brigade which intended to reduce procurement lead time and costs.

Management Response

Although the submission deadline was not stated, Ministry of Defense and UPDF took their own time and this was beyond the control of the Entity

Recommendation

The Accounting Officer should always ensure that the bid invitation letters to UPDF Engineering Brigade specify the submission deadline to avoid delays.

2.5.5 Retrospective approval process

Whereas the procurement was initiated on 24th January 2024, the Entity had already sent the invitation letter and the BOQs to MODIVA on 13th December 2023. Additionally, it was noted that the Contracts Committee in its meeting minute no. 5/204/ACC/23-24 dated 19th January 2024 approved the method before the procurement was initiated.

Implication

Retrospective approval is an indicator of non-compliance with the established procedures and guiltiness which may result into disagreements during the implementation of the project.

Management Response

The Entity did not approve any document retrospectively. The said initiations, evaluation and CC approvals were done on time under direct procurement. Entity used PP form 1 instead of form 5.

Authority's comment: *The Entity did not submit any documentary evidence for review, however the audit team shared with the Entity the audit evidence and confirmed that there was retrospective approval.*

Recommendation

The Accounting Officer should desist from conducting procurements retrospectively and confirm that before inviting bidders to bid, procurements must be properly initiated using Form 5.

2.5.6 Irregularities at evaluation

The Authority noted the following irregularities at evaluation of UPDF Engineering Brigade

- i. Failure by Procurement and Disposal Unit to use Part II of Form 5 for submission from PDU to Contracts Committee for approval of the procurement method and proposed evaluation Committee members
- ii. The Authority found that there was no record for the Contracts Committee approval of the Evaluation Committee members.
- iii. The Evaluation report was not signed and had no dates.
- iv. There was no record from Procurement and Disposal Unit to Contracts Committee for approval of the contract but Contracts Committee awarded the contract on 7th March 2024.
- v. The bills of quantities submitted by MODIVA were not signed. The Authority noted that MODIVA signed the cover letter and left the BoQs unsigned.
- vi. The submission letter from MoDIVA was signed by Ngabirano Kahiriita F. for Permanent Secretary without delegated Authority.

Implication

- The Contracts Committee usurped the powers of Procurement and Disposal Unit by awarding a contract without a submission from the PDU contrary to Section 30 (a) of the PPDA Act, Cap. 205.
- Awarding the contract based on unsigned evaluation report was irregular and an indicator of weak internal controls.
- The unsigned Bills of Quantities from the Engineering Brigade were invalid/not owned by anyone since they were neither on MoDIVA headed paper nor stamped/signed.

Management Response

The contracts committee acted on the submission made by the PDU and the entity accepted the submissions from Ministry of Defense signed by under Secretary (Mr. KAbirano) as an authorized submission from a sister Government institution dully directed by HIS Excellency the Present of the Republic of Uganda

Recommendation

1. The Contracts Committee should only adjudicate on submissions from the Procurement and Disposal Unit in accordance with Section 30 (a) of the PPDA Act, Cap. 205;
2. The Procurement and Disposal Unit should always recommend the composition of the Evaluation Committees for approval of the Contracts Committee in accordance with Section 34 (a) of the PPDA Act, Cap. 205; and
3. The Evaluation Committees should always be vigilant while reviewing the information submitted by the bidder for conformity with the set criteria before passing bidders in accordance with Regulation 23 of the PPDA (Evaluation) Regulations, 2023.

2.5.7 Irregularities at contract management.

i. Delay to sign a contract/MoU

Whereas the contract was awarded by the Contracts Committee on 7th March 2024 and cleared by the Solicitor General on 13th May 2024, the contract/MoU was signed on 5th June 2024.

ii. Delay to pay UPDF Engineering Brigade in accordance with the MOU Articles/provisions

Article 9.2 of the signed MoU between the Entity and the UPDF Engineering Brigade stated that *the district shall advance an amount equivalent to 100% of the contract price (UGX 1,988,561,097 VAT Exclusive) to the contracted party upon signature of this MoU for the purpose of enabling the contracting party to meet the expenses related to execution of the project.* However, the Authority noted that, whereas the MoU was signed on 5th June 2024, the payment was made on 12th July 2024, creating a delay of 33 days.

Implication

- Delays in the procurement process leads to delayed service delivery.
- These delays also defeat the objective of the Presidential Directive specifically on conducting procurements within a short time.

Management Response

Delays were due to time lag between signing the document at the District level and taking it to Ministry of Defense for counter signing.

The project funds were transferred to Ministry of Defense in June 2024. However the delay of payment can be attributed by Ministry of Finance and Defense.

Recommendation

The Accounting Officer should always avoid delays in the procurement process by ensuring that all procurements are conducted in a manner that promotes economy and efficiency in accordance with Section 51 of the PPDA Act, Cap. 205.

1.5.8 Expired MOU/agreement

The Authority found that whereas the MOU was signed and commenced on 6th June 2024 with a completion period of 6 months (6th December 2024), however by the time of this audit on 10th December 2024, the project was incomplete and the contract had expired.

Implication

The expired contract/MOU is voidable and it cannot be enforced

Recommendation

1. The Accounting Officer should instruct the District Engineer to always ensure that all the contract obligations are completed before the expiry of the contract in accordance with Regulation 52 (3) (a) (vi) of the PPDA (Contracts) Regulations, 2023;
2. The Contract Manager should always monitor running contracts and in case need arises for contract extension, he should expedite the process and obtain all the necessary approvals before expiry of the contract

Management Response

The entity is in consultation with Ministry of Defense on how to address the gap

CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section graphically presents the scores per area assessed under the different audit questions.

3.1 Overall Audit Conclusion

The performance of Amuru District Local Government for the Financial Year 2023/24 was **moderately satisfactory** with overall weighted average risk rating of **50.2%** as indicated in Table 15 below:

Table 15: The risk rating is as follows:

Risk Rating	Description of Performance
0-30%	Satisfactory
31-70%	Moderately Satisfactory
71-100%	Unsatisfactory

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 16 below:

Table 16: Summary of performance of Amuru District Local Government

Risk Rating	N O.	%No	Wei ghts	Weigh ted score by No.	Value (UGX)	%Val ue	Wei ghts	Weighted score by value
High	1	10	0.6	6	61,062,640	2	0.6	1.2
Medium	7	70	0.3	21	2,960,728,531	95	0.3	29
Low	2	20	0.1	2	96,510,000	3	0.1	0.3
Total	18	100	1	29	3,118,301,171	100	0	31

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{29 \times 100}{60} = 48.3\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{31 \times 100}{60} = 52\%$$

$$\text{Combined Weighted Average} = \frac{48.3 + 52}{2} = 50.2\%$$

Figure 1: Risk Rating by Number

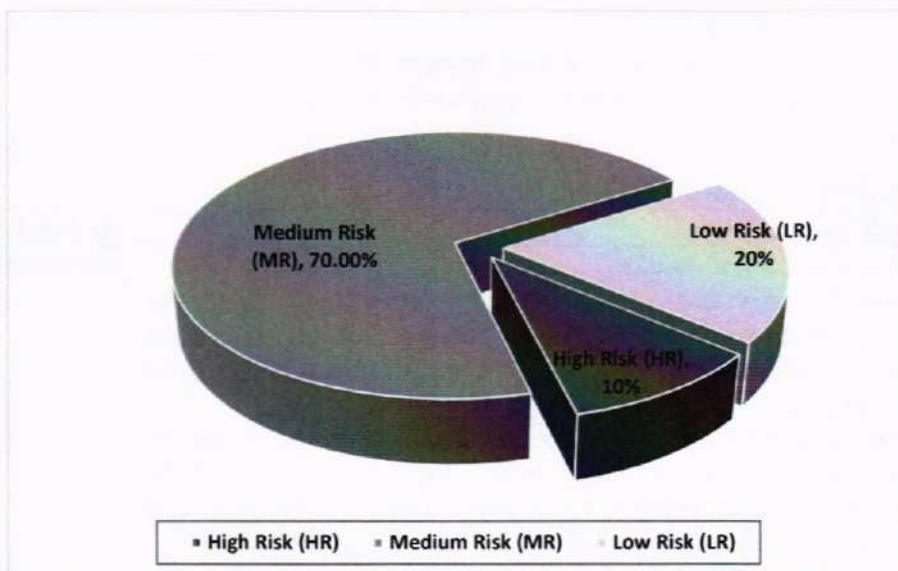
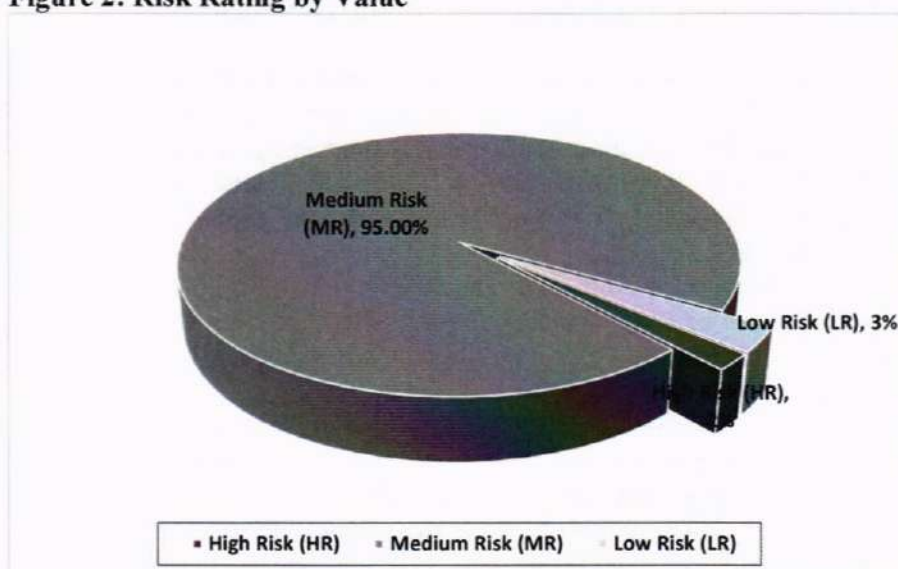


Figure 2: Risk Rating by Value



3.2 Recommended Action Plan

Amuru District Local Government should implement the following recommendations within the timeframe given to improve its performance in accordance with Section 10 (1) (a) of the PPDA Act, Cap.205.

Table 17: Recommended Action Plan

Recommendation	Action Date
<p>1. The Accounting Officer should</p> <ul style="list-style-type: none"> i. Regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205 to ensure improved performance; ii. Show cause why disciplinary actions should not be taken against him for failure to implement the Authority's audit recommendations issued to enhance the Entity's performance in accordance with Section 10 of the PPDA Act, Cap. 205; iii. Ensure that a strong mechanism is put in place to implement recommendations made by the Authority so as to improve the Entity's performance in accordance with Section 10 of the PPDA Act, Cap. 205; iv. Task the responsible User Departments to recommend clear and detailed description of the supplies, works or non-consultancy services required at initiation of the procurement in accordance with Regulation 3 (2) (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023; v. Task the Evaluation Committees to show cause why disciplinary action should not be taken against them for failure to effectively evaluate the bids in accordance with the set evaluation criteria in the bidding document; vi. Send the Notice of Best Evaluated Bidder to all bidders who participated in the procurement in accordance with Regulation 3 (4) of the PPDA (Contracts) Regulations, 2023; vii. That a disposal plan is prepared so that the disposal process can commence in order to avoid further depreciation of the assets and attain value for money in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023; and viii. Instruct the District Engineer to always ensure that all the contract obligations are completed before the expiry of the contract in accordance with Regulation 52 (3) (a) (vi) of the PPDA (Contracts) Regulations, 2023; 	Immediately
<p>2. Contracts Committee should reject solicitation documents that do not define requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity in accordance with Regulation 42(a) of the PPDA (Rules and Methods for procurement of Supplies, works and Non- Consultancy Services) Regulations, 2023.</p>	
<p>3. The Head of the Procurement and Disposal Unit should:</p>	Immediately

Recommendation	Action Date
<p>Desist from splitting procurements in accordance with Regulation 10 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023;</p> <ul style="list-style-type: none"> i. Develop a shortlist of providers for each procurement and ensure that there is a fair and equal rotation of providers on successive shortlists to enable effective competition for each procurement in accordance with Regulation 53 (4) (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023; ii. Set the most appropriate evaluation criteria that suit the purpose of the procurement in accordance with Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, works and Non-Consultancy Services) Regulations, 2023; iii. Desist from requesting the bidders to submit VAT registration certificate instead consider Tin Number registration certificate that indicates the tax categories the companies are glistered for in accordance with PSST Circular No.1 of 2015; and iv. Always give technical guidance to the Evaluation Committee to ensure that whenever negotiation is recommended, the negotiation plan is prepared for Contracts Committee approval in accordance with Regulation 3 of the PPDA (Negotiation) Regulations, 2023. 	
<p>4. The Evaluation Committees should:</p> <ul style="list-style-type: none"> i. Evaluate the bids following the criteria set in the bidding document and waive any non-material deviations in accordance with Regulation 18 (5) of the PPDA (Evaluation) Regulations, 2023; and ii. Be vigilant while reviewing the information submitted by the bidders for conformity with the set criteria before passing bidders in accordance with Regulation 23 of the PPDA (Evaluation) Regulations, 2023. 	Immediately
<p>5. Contract managers should:</p> <ul style="list-style-type: none"> i. Strictly supervise contracted firms to fulfil all contractual obligations specified within the terms and conditions in accordance with Regulation 52 (3) of the PPDA (Contracts) Regulations, 2023; ii. Always prepare payment certificates based on contract terms to avoid retaining higher percentage or amount of the total contract value than what is stated in the contract; iii. should liaise with the different technical officers like the District Engineer, the District Environmental Officer, and the Community Development Officer while conducting needs assessment in order to come up with statements of requirements that put into consideration the ESHS requirements; and iv. Submit all their procurement requisitions to the Procurement and Disposal Unit to advise on the appropriate procurement methods and procedures in accordance with Section 32 (g) of the PPDA Act. Cap. 205. 	Immediately

Appendix 1: Sampled audited procurement files for FY 2023/24 with their risk rating

No	Procurement Reference No.	Subject of Procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk Rating
1.	Amuru570/WRKS/23-24/00014	Construction of 2 block of 5 stances drainable latrine at Pupwonya Primary School	Open Domestic Bidding	Boom Water and Sanitation Ltd	61,062,640	High
2.	Amuru570/WRKS/23-24/00015	Rehabilitation of 1 block of 3 classrooms at Agole P/S	Request for Quotation	Full Doze Engineering Limited	85,055,293	Medium
3.	Amuru/Wrks/2023-2024/00001	Drilling & installation of 6 deep B/holes and 1 production well	Open Domestic Bidding	BM Wat-sun Holdings Ltd	99,218,082	Medium
4.	Amuru808/Wrks/23-34/00013	Construction of 2 blocks of 5 stances each drainable latrine at Agwayugi P/s	Open Domestic Bidding	AB Construction Ltd.	64,310,000	Low
5.	Amuru808/Wrks/23-34/000	Improvement of infrastructure in Pabo Health Centre III New OPD building One staff house Walkway/Paved compound	Direct	UPDF Engineering Brigade	2,000,000,000	Medium
6.	Amuru808/Supl/2023-2024/00038-1	Supply of local materials to state farm Otorokume, Olamyunu-Ceri, Layama-Apar, Labongogali-Giragira, State farm-Guruguru State Ali-Layima and Lacro-Coorom Road	Request for Quotation	Full Dose Engineering Limited	101,003,000	Medium

No	Procurement Reference No.	Subject of Procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk Rating
7.	Amuru808/Supls/23-24/00024	Supply of 7 sets of pump parts	Open Domestic Bidding	Full Dose Engineering Ltd	32,200,000	Low
8.	Amuru808/Wrks/23-24/00002	Design review and construction of mini solar powered piped water supply phase 1, at Pawel – Lalem T/c Atiak S/c.	Open Domestic Bidding	Full Dose Engineering Ltd	106,535,710	Medium
9.	Amuru808/Wrks/2023-2024/00016	Rehabilitation of 2 blocks of 2 classrooms at Guruguru P/s	Open Domestic Bidding	Kajuka Engineering Ltd	95,792,046	Medium
10.	Amuru808/supl/2023-24/00040	Supply of manufactured materials-	Open Domestic Bidding	Full Dose Engineering Ltd	473,124,400	Medium

Appendix 2: Summary of case-by-case findings and risk rating

No.	Subject of Procurement	Findings
1.	<p>Construction of 2 block of 5 stances drainable latrine at Pupwonya Primary School</p> <p>Ref: Amuru570/WRKS/23-24/00014</p> <p>Boom Water and Sanitation Ltd</p> <p>UGX: 61,062,640</p> <p>ODB</p>	<ul style="list-style-type: none"> • Initiating a procurement at a higher cost than planed amount. Planned at UGX 60,000,000 and initiated at UGX 64,310,000. • Failure to attach BOQs and drawings at initiation • ITB 15.1 (i) required bidders to submit a copy of bidder's VAT registration Certificate. • Unclear evaluation criteria. ITB 15.1 (iv) required bidders to submit a tax clearance certificate without specifying the period. • Failure by Ajok Doreen Lanyero to evaluate bids yet she was on approved Evaluation Committee. • The evaluation Committee erroneously recommended for and a ward of the contract at a higher price than the best evaluated bidder's price • Mismanagement of contract management by Arop Robert. • The project has stalled due to inadequate supervision

2.	<p>Rehabilitation of 1 block of 3 classrooms at Agole P/S Prover: Full Doze Engineering Limited</p> <p>Ref: Amuru570/WRKS/23-24/00015</p> <p>UGX:85,055,293</p>	<ul style="list-style-type: none"> • Failure to attach BOQs and drawings at initiation • ITB 15.1 (i) required bidders to submit a copy of bidder's VAT registration Certificate. • Unclear evaluation criteria. ITB 15.1 (iv) required bidders to submit a tax clearance certificate without specifying the period. • Contradicting requirements. • Receipt of the late bids. • Full Doze Engineering Limited submitted an expired NSST clearance certificate • Change of the evaluation criteria at evaluation. • Failure by Ajok Doreen Lanyero to evaluate bids yet she was on approved Evaluation Committee. • Failure by the appointed contract management team to monitor the project. • Failure to prepare contract management plan • Delay to pay the contractor.
3.	<p>Improvement of infrastructure in Pabo Health Centre III</p> <p>New OPD building One staff house Walkway/Paved compound</p>	<p>Failure by the Entity to follow the guidelines for the implementation of Health Projects from Ministry of Health. Section 2.4.4 required the Entity to submit the design drawings and un-costed BOQs to the Ministry of Defense and Veteran Affairs for costing in both hard and soft copy. However the Entity submitted the above document with a cover letter indicating the District has 2 billion on its account for this project value.</p> <ul style="list-style-type: none"> • Section 2.4.5 required the Entity to state the date and time within which MoDIVA/UPDF Engineering Brigade should submit the priced BoQ. The issued document has no timelines for submission of the BoQ. • No record of receipt of the BoQ from MODIVA. • Delay by MODIVA to submit the BoQs • Retrospective process. The procurement was initiated on 24th January 2024, however the Entity had already sent the BOQs to MODIVA as indicated in the cover letter from MODIVA for the BoQ where it referring to the Entity's letter dated 13th December 2023 for submission of the BoQs to MoDIVA. Additionally, it was noted that the Contracts Committee in its meeting minute no. 5/204/ACC/23-24 dated 19th January 2024 approved the method before the procurement was initiated. <p>The BOQs were not signed. MoDIVA only signed the cover letter. The BOQs have no validity period</p>

		The submission was signed by Ngabirano Kahiriita F for Permanent Secretary without delegated Authority.
4.	Supply of manufactured materials UGX 473,124,400	<ul style="list-style-type: none"> • No Solicitor General clearance. • No evidence of delivery. The Entity issued LPO No. 009 worth UGX 473,124,400 on 18th September 2023 with a delivery period of 30 days after issue of LPO, but no record of receipt of the supplies. The Authority noted that the Entity later advanced UGX 473,124,400 to the accounts of different Force Account Managers to procure those manufactured materials. • No accountability for the amount advanced to the Force Account Mangers for the manufactured materials.
5.	Supply of local materials to state farm Otorokume, Olamyunu-Ceri, Layama-Apar, Labongogali-Giragira, State farm-Guruguru State Ali-Layima and Lacro-Coorom Road Amuru808/Supl/2023-2024/00038-1 UGX 101,003,000	<p>Materials include- Lake sand, plaster sand, hard core and aggregate.</p> <ul style="list-style-type: none"> • Failure to invite all the shortlisted bidders. Out of the 9 shortlisted bidders, three returned the bid. • Failure by CC member or member of User department to witness bid opening. Bids wre opened by PDU • Irregular at contracting. • Idle clauses in the contract. GCC 24.1 stated that the supplies shall be insure The insurance shall be • GCC 28.3 required bidders to provide a warranty of 12 months, however the best evaluated bidder Full Dose Engineering Ltd offered a warranty of 60 days. • GCC 25.1 required a delivery period of 1 month after commencement, the best evaluated bidder offered a delivery period of 5 weeks. • Only two CC members conducted the meeting and awarded the contract.
6.	Drilling & installation of 6 deep B/holes and 1 production well	<p>Failure to communicate to bidder's arithmetic corrections that were identified by the Evaluation Committee.</p> <p>Change of evaluation criteria on personnel requirement. In the bidding document; Section 3 (6.1), the Entity requirement for Project Manager was Bachelor of Science in Engineering, however, this changed to a Bachelor degree in Civil Engineering during the evaluation exercise.</p> <p>Delay to handover site to the contractor by 94 calendar days.</p>

		<p>Failure by the contractor to conduct HIV/AIDS and STDs dangers, prevention and control measures, and awareness to the communities where borehole sites were located, as was planned for in item 2.2 by the contractor in its environment and social management plan.</p>
7.	Construction of 2 blocks of 5 stances each drainable latrine at Agwayugi P/s	<p>Failure by the BEB to submit bid security. ITB 20.1 required bid security of UGX.1,200,000 but no evidence on file that the BEB submitted it.</p> <p>Change in the evaluation criteria during the evaluation process. Under ITB 20.3, the bid security required from bidders was to remain valid up to 30th December 2023. However, this was left open during evaluation, and only a bid security inform of a bank draft or guarantee was evaluated without specifying the validity period.</p> <p>The recommendation for negotiation by the Evaluation Committee was also not approved by the Contracts Committee</p> <p>There was delay of 59 calendar days to commence site work by the contractor</p>
8.	Supply of 7 sets of pump parts	<p>The Entity's Evaluation Committee changed the evaluation criterion on the requirement of bid validity period of up to 30th December, 2023; ITB 20.1 to <i>acceptable stated validity period</i>.</p> <p>Failure by the Entity to task the provider to submit performance security 10% of the contract price, as was required in GCC 19.1.</p> <p>No delivery note on file from Full Dose Engineering Ltd.</p>

Appendix 3: Staff in the Procurement and Disposal Unit

No	Name	Designation
1.	Ms. Pauline Oyella	Head Procurement and Disposal Unit
2.	Ms. Nancy Linda Amony	Procurement Officer

Appendix 4: Members of the Contracts Committee.

S/n.	Names	Position	Designation
01	Robinson Payolem	DWO- Works and Technical Servies	Chairperson
02	Mr. Simon Peter Komakech	Senior Agriculture Officer- Production	Secretary
03	Ms. Christabella Adong	Probation and Welfare Officer- Community Services	Member
04	Mr. Christopher Ocan	Inspector of Schools- Education	Member
05	Mr. Patrick Obwoya	Assistant Water Officer	Member