



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**
"Procurement That Delivers"

**COMPLIANCE INSPECTION REPORT FOR FINANCIAL
YEAR 2023/24**

AMUDAT DISTRICT LOCAL GOVERNMENT

MARCH 2025

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ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
BOQs	Bill of quantities
CAO	Chief Administrative Officer
CO	Company
CC	Contracts Committee
CIPS	Chartered Institute of Purchasing and Supply
EC	Evaluation Committee
ESHS	Environmental, Social, Health and Safety requirements
FY	Financial Year
HC III	Health Centre III
LTD	Limited
OPD	Outpatient Department
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
PS/ST	Permanent Secretary/ Secretary to Treasury
SCC	Special Conditions of contract
SOR	Statement of requirements
DLG	District Local Government
TCC	Tax Clearance Certificate
UGX	Uganda Shillings
UGIFT	Uganda Intergovernmental Fiscal Transfers Program
VAT	Value Added Tax

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection exercise of Amudat District Local Government that covered a representative sample of ten procurement transactions worth UGX. 917,871,560 for the Financial Year 2023/2024. under the Financial Year 2023/24.

The overall objective of the compliance inspection was to assess and establish the degree of compliance of Amudat District Local Government's procurement system and process with the provisions of the PPDA Act, Cap 205, the Local Governments (PPDA) Regulations, 2006, PPDA Regulations 2023 and assess the level of procurement performance over the audit period.

From the findings of the procurement audit exercise, the performance of Kumi District Local Government for the Financial Year 2023/24 was **Satisfactory** with overall weighted average risk rating of **29.7 %** as detailed in Chapter 3 of the report.

Despite the satisfactory performance, the following exceptions were noted for management attention:

1. The Entity did not implement 33.3% of the previous audit recommendations for the audit conducted in the Financial Year 2021-2022. Out of 15 recommendations made, three (20%) were implemented, five (62.5%) were partially implemented and one (5 %) were not implemented contrary to Section 10 of the PPDA Act, Cap 205. Failure to fully implement audit recommendations affects performance of the procurement function and is an indicator of a weak implementation mechanism by the Entity;
2. Internal Audit department did not conduct comprehensive audit of the Entity's procurement and disposal procedures during the period under review contrary to Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations 2023. This implied that the internal mechanism to detect, prevent, and propose corrective action was not in-built in the processes of the Entity which hindered improvement internal checks;
3. Generic timelines in the entity's procurement plan were noted by the Authority. The entity's approved consolidated procurement plan for the financial year under review indicated that all procurements would take the same time regardless of the procurement need, the funds availability, complexity and the procurement method. Therefore, the plan could not realistically guide the Entity's procurement activities.
4. The Authority noted low bidder participation in seven procurement transactions worth UGX. 623,778,770 where the Entity received less than three bids in response to invitations to bid under open bidding whose newspaper advert was run on 23rd July 2023. This is an indicator of lack of confidence by bidders in the Entity's procurement processes contrary to Section 49 of the PPDA Act, Cap 205 which provides that all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money;
5. Irregularities at evaluation stage were noted such as non-adherence to the set evaluation criteria which included lack of evidence of ownership by bidders, and individuals submitted by bidders were not staff of bidders in two procurement transactions worth UGX. 413,800,136 which may have led to unfairness in the evaluation process and award of contracts to non-compliant bidders' contrary to Section 76 (3) of the PPDA Act, Cap 205 and Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023.

6. The Authority observed that in three procurements worth UGX. 411,974,006, there were delays at contract signing contrary to Regulation 43 (6) of the Local Governments (PPDA) Regulations 2006 and another one procurement worth UGX. 195,939,450 with 28-days delay at completion. This compromised economy, efficiency and value for money and delayed service delivery to the intended beneficiaries contrary to Section 51 of the PPDA Act, Cap 205.
7. The Entity did not dispose obsolete assets that were due for disposal contrary to Regulations 5 & 6 of the PPDA (Disposal of Public Assets) Regulations, 2023. This exposed the assets to possible theft, destruction or vandalism and further depreciation of the assets;
8. Anomalies were noted during physical verification by the Authority in Construction of five stance VIP Latrine at Loroo HC III worth UGX. 33,078,150, such as failure to hoard- off sites, and lack of sign posts on the sites which compromised quality and cost standards of the project and achievement of value for money contrary to Section 52 of the PPDA Act, Cap 205.

Key Recommendations:

- I. The Accounting Officer should:
 - i. Task the Head Procurement and Disposal Unit to always report on procurements conducted on a monthly basis to the Internal Audit Department and likewise, task the Internal Audit Department to conduct comprehensive audits of the procurement function on a sample basis in line with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations 2023;
 - ii. Constitute a task force committee at the Entity and come up with a strong mechanism and strategy that will ensure that all audit recommendations are regularly monitored and implemented in accordance with Section 10 of the PPDA Act, Cap 205 so as to improve the Entity's performance. This could include sharing them with Internal Audit, training, including them among the key performance indicators, and discussing them in top management meetings, among others;
 - iii. Task the Evaluation Committee members to strictly adhere to the evaluation criteria outlined in the solicitation documents and should show cause why disciplinary action should not be taken against them for failure to adhere to set evaluation criteria and passing non-compliant firms contrary to Regulations 5 (1) and (2) of the PPDA (Evaluation) Regulations, 2023;
 - iv. Ensure that all procurement and disposal activities are conducted in a manner which maximizes non-discrimination, transparency, accountability, fairness, competition, and promotes achievement of value for money in accordance with section 46 of the PPDA Act, Cap 205.
 - v. Ensure that assets of the Entity that are due for disposal are disposed off in accordance with Regulations 5,6 & 7 of the PPDA (Disposal of Public Assets) Regulations, 2023.

- vi. Strengthen contracts management to ensure that both parties to contract meet their contractual obligations in accordance with Regulation 52 of the PPDA (Contracts) Regulations, 2023. All identified anomalies should be fixed and delayed works expedited to completion as soon as possible and a report submitted to the Authority by April 2025.
 - vii. The District Environmental Officer, District Community Development Officer, and District Labour Officer participate regularly in monitoring projects to ensure that contractors implement ESHS requirements in accordance with Section 66 of the PPDA Act, Cap 205.
2. The Head Procurement and Disposal Unit should;
- i. Ensure that evaluation committees conduct evaluation in accordance with the set evaluation criteria in accordance with Regulation 5 of the PPDA (Evaluation Regulations) 2023.
 - ii. Liaise with the Heads of User Departments to prepare realistic work plans that should be consolidated into the procurement plan taking into consideration the procurement method, type and complexity of the procurement in accordance with Section 60 (2) (a) of the PPDA Act Cap 205.
3. The Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 45 of the PPDA Act, Cap 205 before approving the evaluation reports.

Amudat District Local Government should implement the recommended action plan on pages **22-24** of the audit report.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection exercise of Amudat District Local Government that covered a representative sample of ten procurement transactions worth UGX. 917,871,560 for the Financial Year 2023/2024, under the Financial Year 2023/24. The compliance inspection exercise involved a review of the procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act, Cap 205 and the Local Governments (PPDA) Regulations 2006, PPDA Regulations 2023.

1.2 Overall Objective

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Amudat District Local Government's procurement system and process with the provisions of the PPDA Act, Cap 205 and the Local Governments (PPDA) Regulations 2006, attendant PPDA Regulations 2023 and assess the level of procurement performance over the audit period.

The specific objectives were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap 205, Local Governments (PPDA) Regulations 2006, and PPDA Regulations 2023 with regard to the performance of the procurement structures and the conduct of the procurement process.
2. Assess the degree of compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap 205 and the PPDA (Disposal of Public Assets) Regulations 2023 and;
3. Assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process.

1.3 Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation on sample basis. The audit covered a representative sample of ten procurement transactions UGX. 917,871,560 under the Financial Year 2023/24. The list of sampled transactions is contained in **Annex 2**. Table 1 below details the distribution of the transaction population and sample.

Table 1: Distribution of the transaction population and sample

Procurement method	Popn Value (UGX)	Sample Value (UGX)	% Value	Popn no	Sample no	% no
Open National bidding	1,015,144,497	889,510,850	87.6	14	11	79
Selective National bidding	46,319,710	28,360,710	61.2	3	1	33.3
Total	1,061,464,207	917,871,560	92	17	12	71

1.4 Methodology

The auditors examined records and documents for each sampled procurement transaction and/or disposal and obtained the relevant evidence to derive audit conclusions. This involved a review of the Entity's procurement and disposal planning, initiation, bidding, evaluation, contract placement and processes. At the end of the document review, a physical verification was undertaken to ascertain the level of contractual delivery and fit for purpose.

During the compliance inspection, the auditors held interviews with the staff from the Procurement and Disposal Unit and User Departments that were necessary in obtaining crucial qualitative information about the internal control systems and processes in place.

A debrief meeting to clear all pending issues that arose during the audit was held with the Entity management and staff on **13th December 2024** before the auditors could embark on preparation of the management letter. The auditors prepared the management letter, which was sent to the Entity on **27th January 2025** with a request to submit a management response by **13th January 2025** which was submitted on **17th January 2025**.

On completion of data collection and before writing the report, the Regional Manager reviewed the working papers for completeness. The working papers contain detailed chronology of findings on each of the sampled transactions. The audit report presents the key findings and conclusions arising from the audit.

CHAPTER TWO: KEY FINDINGS AND RECOMMENDATIONS

2.1 Compliance by the Entity with the general provisions of the PPDA Act, CAP 205 and Local Governments (PPDA) Regulations 2006, & Regulations 2023 with regard to the performance of the procurement structures and the conduct of the procurement process

2.1.1 Procurement structures

The key players in the procurement structure at Amudat District Local Government include the Chief Administrative Officer as Accounting Officer, the Contracts Committee, the Procurement and Disposal Unit and the User Departments.

The Authority noted the following regarding the Entity's procurement structures:

i. Accounting Officer

Section 28 of the PPDA Act, Cap 205 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. The Chief Administration Officer; Mr. Oyuku Ocen Emmanuel was designated as the Accounting Officer of the Entity during the Financial Year 2023-2024 and is the current Accounting Officer.

ii. Constitution of the Contracts Committee

During the audit period, the Entity's Contracts Committee was fully constituted as per the provisions of Section 29 of the PPDA Act, Cap 205 and Regulation 15 of the PPDA (Local Governments) Regulations 2006. The composition of the Contracts Committee during the period is shown in Table 2 below:

Table 2: Showing Contracts Committee membership during the audit period

No	Name	Position	Date of Appointment	Expiry	Title
1.	Mr. Moses Koryang	Senior Asst. Secretary	12 th Sept 2024	11 th Sept 2027	Chairperson
2.	Mrs. Christine Korobe	Community Development Officer	12 th Sept 2024	11 th Sept 2027	Member
3.	Mr. Stephen Motos Akoromoi	Asst. Animal Husbandry Officer	12 th Sept 2024	11 th Sept 2027	Member
4.	Mr. Chemasuet Malika	Senior Education Officer	22 nd Oct2024	21 st Oct 2027	Member
5.	Mr. Godfrey Olupot	Senior Lands Officer	22 nd Oct2024	21 st Oct 2027	Member

iii. Staffing of the Procurement and Disposal Unit

The Authority noted that the Entity's Procurement and Disposal Unit was fully staffed with two members of staff in the unit. The details of the Procurement and Disposal Unit staff are shown in Table 3 below: -

Table 3: Staff in the Procurement and Disposal Unit

No	Name	Job Title	Qualifications	Date of Appointment
1.	Mrs. Losira Bugosi	Senior Procurement Officer	CIPS in pursuit Post Graduate Diploma in Procurement and Supply Chain Management Bachelors of Procurement and Logistics Management	20 th May 2019
2.	Mr. Mark Lochoro	Procurement Officer	Post Graduate Diploma in Supply Chain Management Bachelors of Procurement and Logistics Management	13 th May 2018

2.1.2 Failure to implement 33.6% of previous audit recommendations.

The Authority noted that the Entity had been issued its previous audit report for the Financial Year 2021-2022 in September 2023. Out of 15 recommendations made, ten (66.6%) were implemented, four (26.6%) were partially implemented and one (6.6 %) was not implemented. Details are provided in Table 4 below: -

Table 4: Implementation of previous audit recommendations

No.	Recommendations	Implementation status
1.	<p>The Accounting Officer should:</p> <p>i. Caution the Head Procurement and Disposal Unit for failing on their duty of ensuring that all procurements conducted in the Entity are reported to the Authority and should in future comply with Regulation 7 of the Local Governments (PPDA) Regulations 2006 and Guideline No. 6/2008 of the Local Governments (PPIA) Guidelines 2008 on reporting.</p> <p>ii. Task the Contracts Committee to ensure that thorough scrutiny of the bidding documents is done before they are approved for issue to bidders in order to ensure their quality, completeness and competitiveness.</p>	<p>Partially implemented</p> <p>Partially implemented</p>
2.	The Contract managers should ensure timely completion of projects through enforcing clauses in the contracts like liquidated damages, recommending contract termination and appraising poor performers in accordance with Regulation 104 of the Local Governments (PPDA) Regulations, 2006 and in the event the contractors fail on their contractual obligations, they should have their contracts terminated and submitted to the Authority for black listing as other	Partially implemented

No.	Recommendations	Implementation status
	contractors are sourced competitively to complete the remaining works.	
3.	The Evaluation Committees should ensure that evaluations are conducted according to the criteria set in the bidding document in accordance with Section 71 (3) of the PPDA Act, 2003 and the Head PDU should ensure that appropriate evaluation methodologies are applied at evaluation and always seek for guidance from the Authority on matters of contention.	Not implemented
4.	The Entity should desist from including supervision fees in the Bills of Quantities, instead these monies should be budgeted for and dispersed by the respective User Departments in order to strengthen and make contracts management more effective and efficient and also eliminating conflict of interest that would occur if facilitation for supervision is paid by the supervisee.	Partially implemented

Implication

Failure to fully implement audit recommendations affects performance of the procurement function and is an indicator of a weak implementation mechanism by the Entity.

Management Response

The Entity acknowledged the findings and pledged to take up the recommendations in the subsequent procurements.

Recommendation

The Accounting Officer should appoint a taskforce that shall ensure a strong mechanism is in place to enable all audit recommendations are regularly monitored and implemented in accordance with Section 10 (1) (a) of the PPDA Act, Cap 205.

2.1.3 Failure by Internal Audit to audit the entire procurement function in the Financial Year under review

The Authority observed that much as the Internal Audit Department had prepared audit reports, these were not comprehensive enough to cover the entire procurement process. The reports covered only the contract management process of sampled procurements contrary to Regulation 28 of the Local Governments (PPDA) Regulations, 2006 which required the Head of the Internal Audit department of a procuring and disposing entity to audit procurement and disposal procedures and payments to ensure that all goods, services and works are properly ordered, received, examined and paid for.

Implication

The internal mechanism to detect, prevent and propose corrective action is not in-built in the processes of the Entity which hinders improvement.

Management Response

Management noted the observation for improvement and has been brought to the attention of the Internal Audit.

Recommendation

The Authority noted the Entity's response and noted that the internal audit was not comprehensive as it only focused on contract management. The Accounting Officer should ensure that the Internal Audit Unit carries out comprehensive periodic reviews of the procurement and disposal processes and system right from planning to contracts management as opposed to only verification of supplies and works before payment in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.1.4 Procurement plan implementation rate

Table 5 summarizes information about the procurement plan, budget, and utilization of funds for the Financial Year 2023/2024. The procurement plan implementation rate was 118%.

Table 5: Analysis of implementation of the procurement plan

Total procurement plan value inclusive of VAT (UGX)	2,474,634,000
Procurement spend value inclusive of VAT (UGX)	2,920,277,076
Procurement plan Implementation Rate	118%
Budget variance (UGX)	445,643,076

Note: The Authority attained the Entity's procurement spend of UGX. 2,920,277,076 from the Entity's IFMIS Purchasing Register for the financial Year under review. The Authority requires the Entity to provide detailed reasons with breakdown of actual expenditure for the reasons of the procurement exceed of the Entity's Procurement Plan.

The Authority noted that this variance of UGX. 445,643,076 could have been caused by procurements not reported.

Implication

Spending over and above the procurement plan could result in to domestic arrears.

Management Response

The variance of UGX. 445,643,076/= was a result of external financing from other government transfers as attached such as UNICEF, UNFPA, RTI, GAVI e.t.c and usually spent on recurrent items for community engagements under Education, Health and Community Based Services.

These figures are budgeted as lump sum and therefore difficult to establish actuals for procurements and is broken down at the time of funds disbursement. There are no domestic arrears caused in this case.

Authority's Comment

The Authority acknowledges the Entity's response and maintains the query as a mitigation measure for the Entity to always when applicable update its procurement plan.

Recommendation

The Accounting Officer should ensure that the Entity's procurement plan is periodically reviewed and updated as and when necessary, in accordance with Section 60 (7) of the PPDA Act Cap 205 and actual procurement to be undertaken under the. *UNICEF, UNFPA, RTI, GAVI*

funds in Education, Health and Community Based Services should be broken down, costed and reflected in the procurement plan.

2.1.5 Generic timelines in the procurement plan

The Authority noted that the Entity's approved consolidated procurement plan for the financial year under review indicated that all procurements would take the same time regardless of the procurement need, the funds availability, complexity and the procurement method. All procurements were planned to commence on 3rd June 2023 while completion date was 31st March 2024 and 30th December 2023.

Implication

This implies that the plan could not realistically guide the Entity's procurement activities.

Management Response

Management noted the Authority's observation for improvement though that was a planned procurement expectation subject to changes due to unavoidable circumstances.

Recommendation

The Head, Procurement and Disposal Unit should liaise with the Heads of User Departments to prepare realistic work plans that should be consolidated into the procurement plan taking into consideration the procurement method, type and complexity of the procurement in accordance with Section 60 (2) (a) of the PPDA Act Cap 205.

2.1.6 Low bidder participation

The Authority observed that in seven procurements worth UGX. 623,778,770, the Entity received less than three bids in response to invitations to bid under open bidding whose newspaper advert was run on 23rd July 2023, an indicator of lack of confidence by bidders in the Entity's procurement processes. This was contrary to Section 46 of the PPDA Act, Cap 205 which provides that all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money. The procurements with low bidder participation are indicated in Table 6 below; -

Table 6: Procurements with low bidder participation

S/No	Procurement	Amount (UGX)	Bids received	Form of Invitation
1.	Construction of Boys Dormitory at Namondo primary school under Education Department	195,939,450	1	Advert in Newspaper
2.	Drilling and installation of 6 boreholes (hand pumps)	160,100,040	2	Advert in Newspaper
3.	Collection of revenue in Amudat Town Council Market	45,500,000	2	Advert in Newspaper
4.	Revenue collection from sand mining in Lokales sub county	37,056,250	2	Advert in Newspaper
5.	Collection of revenue at Karita Town Council market and livestock yard for 9 months	70,000,000	2	Advert in Newspaper

S/No	Procurement	Amount (UGX)	Bids received	Form of Invitation
6.	Consultancy and feasibility study for detailed engineering design of Sikotai powered pipe water supply system	34,013,280	1	Advert in Newspaper
7.	Completion of a chain link fence at Karita Health Center IV	81,169,750	1	Advert in Newspaper
Total		623,778,770	1.6	

Implications

- Inadequate competition inhibits achievement of value for money
- This could also be a sign of possible loss of confidence by bidders in the procurement processes of the Entity due to issues in the Entity such as failure by members of the Evaluation Committees to adhere to the set criteria thus failure to obtain competitive offers.

Management response

Management acknowledged the Authority's observation and stated that management disagrees to unfairness and poor-quality bidding documents for low bidder participation because all the procurements above save for revenue collection in Lokales, were published in New vision of wide coverage. Management attaches this to ideology of probably entity location being in Karamoja region that has historical fear of insecurity and climatic hardships. The Entity will continue to devise strategies attract competition.

Authority's Comment

This query was maintained for the Entity to take remedial actions to ensure there is no low bidder participation at the Entity in the near future.

Recommendation

The Accounting Officer should;

- Address procurement irregularities such as unfairness at evaluation, poor quality bidding documents, among others that could be responsible for the low bidder participation leading to reduced competition in the Entity, thus affecting value for money in accordance with Section 49 of the PPDA Act, Cap 205.
- Organize supplier forums to get feedback from bidders on factors that may be hindering competition and get appropriate remedies.

2.1.7 Irregularities at bid evaluation

The Authority noted some irregularities in the evaluation of two procurement transactions worth UGX.413,800,136 which was contrary to Regulation 73 (1) (2) and (3) of the Local Governments (PPDA) Regulations, 2006 that provides that detailed evaluation shall be conducted to compare the details of the received bids with the terms, conditions and criteria stated in the bidding documents and that the detailed evaluation shall not be based on any terms, conditions or criteria that was not included in the bidding documents. The procurements shown in Table 7 below had contracts awarded to non-compliant bidders against the evaluation criteria:

Table 7: Procurements with irregularities at evaluation stage

No.	Subject of the procurement	Contracts Value (UGX)	Observations
1.	<p>Construction of Boys Dormitory at Namondo primary school under Education Department</p> <p>Reference number: Amud806/Wrks/23-24/00003</p> <p>Procurement method: Open domestic bidding</p> <p>Contractor: Limmip United Enterprises Ltd</p> <p>Contract signing date: 1st /11/2023</p> <p>Contract value: UGX. 195,939,450</p> <p>Completion date: 10th /06/2024</p>	195,939,450	<p>Limmip Enterprises Ltd (BEB) was passed at evaluation yet they did not comply with the following requirements as per the evaluation criteria;</p> <ul style="list-style-type: none"> • Proposed staff were not employed by the bidder e.g. Ayo Grace Okeng (Clerk of works) who was employed by Wamiko Construction limited and, •) Attached Mr. Moses Tindyebwa (Environmental Officer) who was the CEO at Ruraara Tech Empire. • Lacked evidence of ownership of a cutting machine/ Re-Bar bending as a requirement. <p><u>Management Response</u></p> <p><i>Noted for improvement. Going forward Evaluation committee will be inducted prior to evaluation exercise.</i></p>
2.	<p>Construction of Achorichor solar powered piped water supply system</p> <p>Reference number: Amud806/Wrks/23-24/00001</p> <p>Procurement method: Open domestic bidding</p> <p>Contractor: Real Irrigation Engineering Company Limited</p> <p>Contract signing date: 13th /110/2023</p> <p>Contract value: UGX. 217,860,686</p> <p>Completion date: 30th /04/2024</p>	217,860,686	<ul style="list-style-type: none"> • Real Irrigation Engineering Company Limited (BEB) attached Mr. Tusasirwe Joseph (General site Corporation) CV yet he was employed by Youngjin Construction Corporation and not Real Irrigation Engineering Company Limited. • Mr. Opio Martine (Assistant Engineering Officer) did not participate in the evaluation process as evidenced by the evaluation report where did not sign as a member. <p><u>Management Response</u></p> <ul style="list-style-type: none"> ▪ <i>True Mr. Tusasirwe Joseph (General site Corporation) CV was employed by Youngjin Construction Corporation but on hire basis by as per attached hire letter.</i> ▪ <i>Opio Martine signed all pages this could have been an</i>

No.	Subject of the procurement	Contracts Value (UGX)	Observations
			<i>oversight on summary page but he had even signed at footer of the same page of the Evaluation report attached for verification</i>
Total		413,800,136	

Implications

- This is an indicator that members of the Evaluation Committees may have had unethical tendencies or may have lacked adequate capacity to review bids which could have compromised fairness and transparency in the evaluation process.
- This may lead to award of contracts to non-compliant bidders which could result in to substandard work and failure to attain value for money.

Recommendations

1. The Head Procurement and Disposal Unit should prevail upon the Evaluation Committees to ensure that evaluations are conducted according to the criteria set in the bidding document in accordance with Section 76 (3) of the PPDA Act, Cap 205 and Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023.
2. The Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 46 of the PPDA Act, Cap 205 before approving the evaluation reports.
3. The Accounting Officer should conduct due diligence or document Authentication prior to award of contract in accordance with the PS/ST circular Ref: FAD 154/308/01 issued on 7th August 2014.

2.1.8 Delay at contract signing and completion

The Authority observed that in three procurements worth UGX. 411,974,006, there were delays at contract signing contrary to Regulation 43 (6) of the Local Governments (PPDA) Regulations 2006 and another worth UGX. 195,939,450 with 28-day delayed completion. This compromises economy, efficiency and value for money as indicated the following procurements indicated in Table 8 below: -

Table 8: Showing delays at various stages of procurement process

No	Subject of Procurement	Contract Amount (UGX)	Observations
1.	Drilling and installation of 6 boreholes (hand pumps)	160,100,040	Delayed contract signing The planned signature date was on 15 th August 2023 while the actual signing of the contract was done on 1 st November 2023 causing a delay of 35 working days.
2.	Consultancy and feasibility study for detailed engineering design of Sikotai powered pipe water supply system	34,013,280	Delayed contract signing. The planned signature date was on 15 th August 2023 while the actual signing of the contract was done

No	Subject of Procurement	Contract Amount (UGX)	Observations
			on 1 st November 2023 causing a delay of 35 working days
3.	Construction of Achorichor solar powered piped water supply system	217,860,686	Delayed contract signing. The planned signature date was on 15 th August 2023 while the actual signing of the contract was done on 13 th November 2023 causing a delay of 64 working days.
4.	Construction of Boys Dormitory at Namondo primary school under Education Department worth UGX.	195,939,450	Delayed completion. The intended completion date was scheduled on 30 th April 2024 yet works were completed on 10 th June 2024 causing a delay of 28 working days.
Total		607,913,456	

Implication

A delay in the procurement cycle affects the entire process which in turn leads to delays in service delivery to the intended beneficiaries.

Management Response

Management acknowledged the Authority's observation for continued improvement.

Authority's Comment

The Authority acknowledged the Entity's response however maintained the query for the Entity's compliance.

Recommendation

The Accounting Officer should ensure that procurements are undertaken in a manner that enhances economy and efficiency as required by Section 51 of the PPDA Act, Cap 205.

2.2 Compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap 205 and the Local Governments (PPDA) Regulations 2006, Regulations 2023

2.2.1 Failure to dispose obsolete items

The Authority noted that the Entity had not conducted any disposal process during the period under review and the Entity's board of survey was due to be approved by the Entity's council yet there were some assets were found grounded on the Entity's office premise and yard that due for disposal as shown in the pictures below: -

Showing assets that were found grounded at the Entity's premises.



Old pick-ups parked at the District Headquarters premises



An old vandalised tractor parked at the District yard and due for disposal



An old Prado parked at the district yard and due for disposal



An old Isuzu pickup parked at the District yard and due for disposal



An old faw truck parked at the District yard and due for disposal



Old tractors parked at the district yard and due for disposal



An old pickup parked at the district yard and due for disposal



An old pickup parked at the district yard and due for disposal

Implications

- Failure to dispose of assets whose use ceased inhibits achievement of value for money as funds are held up in assets and also lost through depreciation of these assets.
- This also exposes the assets to possible theft, destruction or vandalism.

Management Response

The Authority's observation is true and management stated that the some of the items listed by the Auditor are still in use by the district for example vehicle Nissan LG 115 – 24 is currently in use by our department of natural resources. The Ford UG 0477Z is for Production department and is on the verge of repair as it has been budgeted for. Photos of LG 115 – 24 in use are attached as Annex

For other items it was uneconomical in terms of cost to carry out the disposal process for few items. The district in addition did not have financial resources to carry out the disposal because it had last done it in the financial year 2022/2023.

Other pictures provided by the Auditor, are for vehicles belonging to Kumi municipal council which is an independent entity who are in the process to dispose soon.

Authority's Comment

The Authority acknowledged the Entity's response however without substantive evidence the query was maintained for the Entity's compliance.

Recommendations

1. The Accounting Officer should ensure that assets of the Entity that are due for disposal are disposed of in accordance with Regulations 5, 6 & 7 of the PPDA (Disposal of Public Assets) Regulations, 2003 and assets that have been put back to use should be included in the board of survey report and disposal plan of the entity.
2. The Head Procurement and Disposal Unit and Contracts Committee should maintain all records pertaining disposal processes at the Entity and submit to the Authority monthly reports on disposal activities carried out by the Entity in accordance Regulations 46 (1) & (3) of 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 in the procurement process

2.3.1 Delayed completion of works

The Authority noted delayed completion of works in the procurement for construction of boys Dormitory at Namondo primary school worth UGX.195,939,450 as indicated in Table 9 below:

Table 9: Delayed completion of works

No.	Subject of procurement	Observations
1.	Construction of Boys Dormitory at Namondo primary school under Education Department worth UGX. 195,939,450	Delayed completion. The intended completion date was scheduled on 30 th /04/2024 yet works were completed on 10 th /06/2024 causing a delay of 28 working days.

Implications

- Delayed completion of works may be an indication of weak contract supervision of the contractor by the Entity.
- Delayed completion of works denies service delivery to the intended beneficiaries.

Management response

The Authority's observation is true and stated that the delay was due to poor road accessibility caused by heavy rainfalls that hindered free mobility of materials and personnel to the site.

Authority's Comment

The Authority noted the Entity's response and maintained the query for the entity to provide mitigation measures to hinder the delays in future.

Recommendation

The Accounting Officer and contract manager should ensure that the contractors meet their contractual obligations as specified in the contract terms and conditions in accordance with Regulation 52 (l) (b) of the PPDA (Contracts) Regulations, 2023.

2.3.2 Physical verification

The Authority conducted physical verification of one project worth UGX.33,078,150 for management attention as are detailed in the Table 10 below: -

Table 10: Issues noted at physical verification

Subject: Construction of five stance VIP Latrine at Loro HC III

Reference number: Amud806/wrks/2023-2024/00006

Procurement method: Open bidding

Contractor: Lomath Enterprises

Defects liability period: 120 days

Contract value: UGX. 33,078,150

Contract sign date: 1st November 2023.

Completion date: 30th/12/2023

Defects liability period: 120 days



- Works were completed at the construction of five stance VIP latrine at Loro HC III and is being utilized.
- There was no signage on the facility.
- The door locks were defective for use.

Implication

Irregularities at contract implementation compromise quality and the intended beneficiaries do not get the desired effects of the services delivered.

Management Response

The contractor has been issued with a snag list to make good the defects.

Recommendations

The Accounting Officer should;

1. Task all the contract manager to ensure that the above defects are rectified.
2. Ensure that the Head Procurement and Disposal Unit submits reports every three months on all contracts signed by the Entity and highlight the challenges/problems encountered during execution of the contracts in accordance with Regulation 52 (4) of the PPDA (Contracts) Regulations, 2023.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

3.1 Overall Audit Conclusion

The performance of Amudat District Local Government for the Financial Year 2023/24 was **Satisfactory** with overall weighted average risk rating of **29.7%**.

3.2 Entity's Performance

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 11 below: -

Table 11: Summary of performance of Amudat District Local Government

Risk Category	Number of Sampled Procurements	% No	Value (UGX)	% Value	Weights	Total weighted average	
						By No.	By Value
High	0	0	0	0	0.6	0	0
Medium	3	30	573,254,130	62.4	0.3	9	18.7
Low	5	50	277,239,280	30.2	0.1	5	3.0
Satisfactory	2	20	67,378,150	0.9	0	0	0
Total	10	100	917,871,560	100	1	14	21.7

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{14 \times 100}{60} = 23.3\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{21.7 \times 100}{60} = 36.1\%$$

$$\text{The average weighted risk rating} = \frac{23.3 + 36.1}{2} = 29.7\%$$

Figure 1: Showing graphical representation of the Entity's risk assessment by number

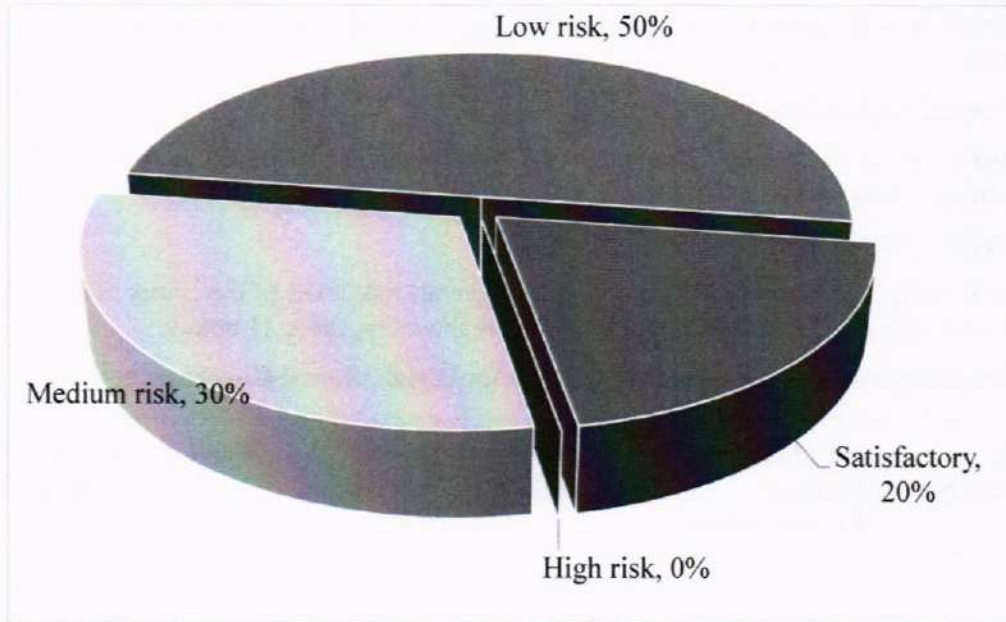


Figure 2: Showing graphical representation of the Entity's risk assessment by value

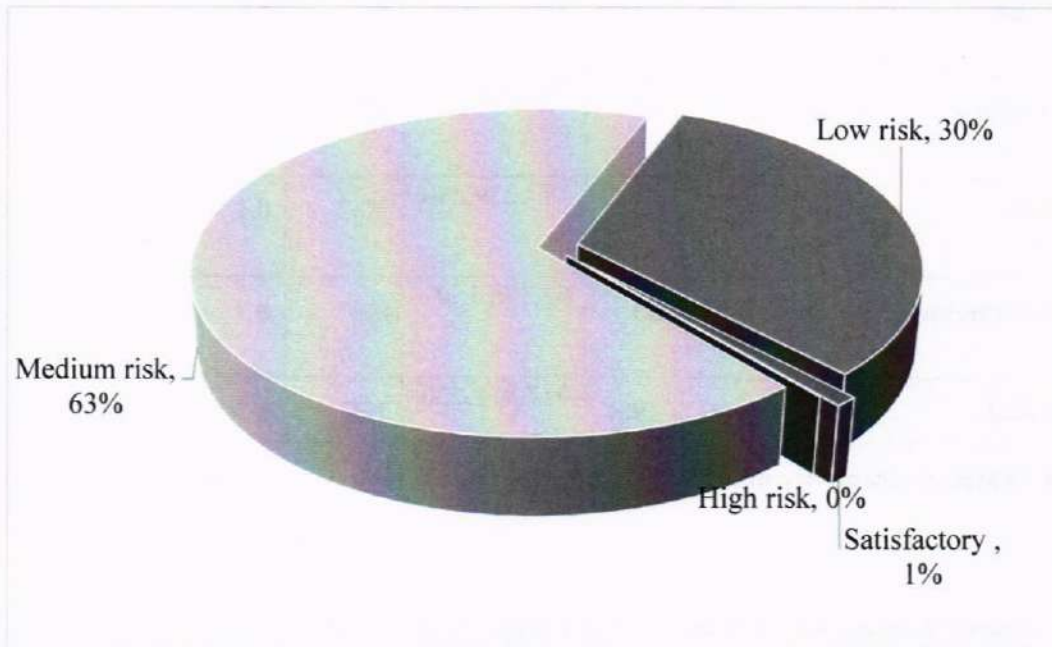


Table 12: The risk rating is as follows

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

3.3 Recommended Action Plan

Amudat District Local Government should implement the following recommendations in Table 13 within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 13: Recommended Action plan

No.	Recommendation	Target Date
1.	<p>The Accounting Officer should:</p> <ul style="list-style-type: none"> i. Task the Head Procurement and Disposal Unit to always report on procurements conducted on a monthly basis to the Internal Audit Department and likewise, task the Internal Audit Department to conduct comprehensive audits of the procurement function on a sample basis in line with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations 2023; ii. Constitute a task force committee at the Entity and come up with a strong mechanism and strategy that will ensure that all audit recommendations are regularly monitored and implemented in accordance with Section 10 of the PPDA Act, Cap 205 so as to improve the Entity's performance. This could include sharing them with Internal Audit, training, including them among the key performance indicators, and discussing them in top management meetings, among others; iii. Task the Evaluation Committee members to strictly adhere to the evaluation criteria outlined in the solicitation documents and should show cause why disciplinary action should not be taken against them for failure to adhere to set evaluation criteria and passing non-compliant firms contrary to Regulations 5 (1) and (2) of the PPDA (Evaluation) Regulations, 2023; iv. Ensure that all procurement and disposal activities are conducted in a manner which maximizes non-discrimination, transparency, accountability, fairness, competition, and promotes achievement of value for money in accordance with section 46 of the PPDA Act, Cap 205. v. Ensure that assets of the Entity that are due for disposal are disposed off in accordance with Regulations 5,6 & 7 of the PPDA (Disposal of Public Assets) Regulations, 2023. vi. Strengthen contracts management to ensure that both parties to contract meet their contractual obligations in accordance with Regulation 52 of the PPDA (Contracts) Regulations, 2023. All identified anomalies should be fixed and delayed works expedited to completion as soon as possible and a report submitted to the Authority by April 2025. 	June 2025

No.	Recommendation	Target Date
	vii. District Environmental Officer, District Community Development Officer, and District Labour Officer to regularly monitor projects to ensure that contractors implement ESHS requirements in accordance with Section 66 of the PPDA Act, Cap 205.	
2.	<p>The Head Procurement and Disposal Unit should;</p> <p>i. Ensure that evaluation committees conduct evaluation in accordance with the set evaluation criteria in accordance with Regulation 5 of the PPDA (Evaluation Regulations) 2023.</p> <p>ii. Liaise with the Heads of User Departments to prepare realistic work plans that should be consolidated into the procurement plan taking into consideration the procurement method, type and complexity of the procurement in accordance with Section 60 (2) (a) of the PPDA Act Cap 205.</p>	June 2025
3.	The Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 45 of the PPDA Act, Cap 205 before approving the evaluation reports.	June 2025

Annex 1: Case by Case

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	<p>Subject: Construction of Boys Dormitory at Namondo primary school under Education Department.</p> <p>Reference number: Amud806/Wrks/23-24/00003</p> <p>Procurement method: Open domestic bidding</p> <p>Contractor: Limmip United Enterprises Ltd</p> <p>Contract signing date: 1st /11/2023</p> <p>Contract value: UGX. 195,939,450</p> <p>Completion date: 10th /06/2024</p>	<p>Planning and initiation</p> <ul style="list-style-type: none"> • Generic timelines. All procurements were planned to commence on 3rd June 2023 with completion date was 31st March 2024 and 30th December 2023. <p>Bidding</p> <ul style="list-style-type: none"> • Low bidder participation as only one bid was received from Limmip Enterprises Ltd under Open national bidding. <p>Evaluation</p> <p>Limmip Enterprises Ltd (BEB) was passed at evaluation yet they did not comply with the following requirements as per the evaluation criteria;</p> <ul style="list-style-type: none"> • Proposed staff were not employed by the bidder e.g. Ayo Grace Okeng (Clerk of works) who was employed by Wamiko Construction limited and, • Attached Mr. Moses Tindyebwa (Environmental Officer) who was the CEO at Ruraara Tech Empire. • Lacked evidence of ownership of a cutting machine/ Re-Bar bending as a requirement. <p>Contracting</p> <ul style="list-style-type: none"> • Delayed completion. The intended completion date was scheduled on 30th April 2024 yet works were completed on 10th June 2024.
2.	<p>Subject: Drilling and installation of 6 boreholes (hand pumps)</p> <p>Reference number: AMUD806/Wrks/2023-2024/00002</p> <p>Procurement method: Open domestic bidding</p> <p>Contractor: East Africa boreholes Ltd</p> <p>Contract signing date: 1st /11/2023</p> <p>Contract value: UGX. 160,100,040</p> <p>Completion date: 30th /04/2024</p>	<p>Planning and initiation</p> <ul style="list-style-type: none"> • Generic timelines. All procurements were planned to commence on 3rd June 2023 with completion date on 31st March 2024 and 30th December 2023. • Bills of quantities were not costed. <p>Bidding</p> <ul style="list-style-type: none"> • Low bidder participation as only two bids were received from East African Boreholes Ltd and Mama Bore wells Africa Ltd under Open national bidding.

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
		<p>Contracting</p> <ul style="list-style-type: none"> • Delayed contract signing. The planned signature date was on 15th August 2023 while the actual signing of the contract was done on 1st November 2023.
3.	<p>Subject: Construction of Achorichor solar powered piped water supply system Reference number: Amud806/Wrks/23-24/00001 Procurement method: Open domestic bidding Contractor: Real Irrigation Engineering Company Limited Contract signing date: 13th /110/2023 Contract value: UGX. 217,860,686 Completion date: 30th /04/2024</p>	<p>Planning and initiation</p> <ul style="list-style-type: none"> • Generic timelines. All procurements were planned to commence on 3rd June 2023 with completion date on 31st March 2024 and 30th December 2023. <p>Bidding document</p> <ul style="list-style-type: none"> • Unpacked items in the BOQs. Item 1A.20 provided for site mobilization and demobilization on site. However, the bidder quoted UGX 800,000 without detailing what this entailed. Mobilization could include establishment of offices, buildings and other facilities, insurance among others. <p>Bidding</p> <ul style="list-style-type: none"> • Low bidder participation as only two bids were received from Loben Gap Ltd and Real Irrigation Co. Ltd under Open national bidding. <p>Evaluation</p> <ul style="list-style-type: none"> • Real Irrigation Engineering Company Limited (BEB) attached Mr. Tusasirwe Joseph (General site Corporation) CV indicating that he was employed by Youngjin Construction Corporation and not Real Irrigation Engineering Company Limited. • Mr. Opio Martins (Assistant Engineering Officer) did not participate in the evaluation process as evidenced by the evaluation report where did not sign as a member. <p>Contracting</p> <ul style="list-style-type: none"> • Delayed contract signing. The planned signature date was on 15th August 2023 while the actual

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
		signing of the contract was done on 13 th /November 2023.

No.	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	<p>Ref Number: Amud806/Supls/23-24/00005</p> <p>Subject of Procurement: Completion of a chain link fence at Karita Health Centre IV</p> <p>Method of Procurement: Open Domestic Bidding</p> <p>Contract Amount: UGX. 81,169,750</p> <p>Contractor: Premier Contractors and Consultancy Ltd</p> <p>Contract sign date: 1st November 2023</p> <p>Contract Completion: date: 31st March 2024</p> <p>Defects liability period. 90 days</p>	<p>Bidding</p> <p>Low bidder participation as only one bid was received from Premier Contractors and consultancy Company Ltd.</p>
2.	<p>Subject: Consultancy and feasibility study for detailed engineering design of Sikotai powered pipe water supply system</p> <p>Reference number: Amud806/Srvcs/2023-2024/00002</p> <p>Procurement method: Open domestic bidding</p> <p>Contractor: Brio Engineering Company Ltd</p> <p>Contract signing date: 1st /11/2023</p> <p>Contract value: UGX. 34,013,280</p>	<p>Bidding</p> <ul style="list-style-type: none"> • Low bidder participation as only one bid was received from Bing Co. Ltd under Open national bidding <p>Contracting</p> <p>Delayed contract signing. The planned signature date was on 15th August 2023 while the actual signing of the contract was done on 1st November 2023.</p>
3.	<p>Subject: Collection of revenue in Amudat Town Council Market</p> <p>Reference number: Amud806/Srvcs/2023-2024/00004</p> <p>Procurement method: Open National bidding</p> <p>Contractor: Amudat Market Town Council Vendors Association</p> <p>Contract signing date: 13th /10/2023</p> <p>Contract value: UGX. 45,500,000</p> <p>Completion date: 29th /06/2024</p>	<p>Planning and initiation</p> <p>Bidding</p> <ul style="list-style-type: none"> • Low bidder participation as only two bids were received from Amudat Town Council market vendors Association and Darwin Top Enterprises Ltd under Open national bidding.
4.	<p>Subject: Revenue collection from sand mining in Lokales sub county</p> <p>Reference number: Amud806/Srvcs/23-24/00006</p> <p>Procurement method: Open National bidding</p> <p>Contractor: Tarum Investments Ltd</p> <p>Contract signing date: 29th /11/2023</p> <p>Contract value: UGX. 37,056,250</p> <p>Completion date: by June 2024</p>	<p>Planning and initiation</p> <p>Bidding</p> <ul style="list-style-type: none"> • Low bidder participation as only two bids were received from Kongasis Agro Stores Ltd and Tarum Investments Ltd under Open national bidding.
5.	<p>Subject: Collection of revenue at Karita Town Council market and livestock yard for 9 months</p>	<p>Planning and initiation</p> <p>Bidding</p>

No.	LOW RISK CONTRACTS	REASONS FOR LOW RISK
	<p>Reference number: Amud806/Srvcs/23-24/00003</p> <p>Procurement method: Open domestic bidding</p> <p>Contractor: Guloba Investments Ltd</p> <p>Contract signing date: 13th /10/2023</p> <p>Contract value: UGX. 70,000,000</p> <p>:</p>	<ul style="list-style-type: none"> • Low bidder participation as only two bids were received from Guloba Investments Ltd and Laudat Town Council market vendors Association under Open national bidding.

NO.	SATISFACTORY	REASONS FOR SATISFACTORY
1.	<p>Ref Number: AMUD806/WRKS/23-24/00012</p> <p>Subject of Procurement: Construction of a Five Stance VIP Latrine at Loro Health Centre III</p> <p>Contract Amount: UGX.33,078,150</p> <p>Method of procurement: Open Domestic Bidding</p> <p>Contractor: Lomach Enterprise Ltd</p> <p>Contract sign date: 1st November 2023.</p> <p>Contract Completion date: 30th December 2023</p> <p>Defects Liability period: 120 days</p>	No exception
2.	<p>Ref Number: Amud806/Supls/23-24/00001</p> <p>Subject of Procurement: Supply of 70 beddings for boy's dormitory in Namodo Primary School</p> <p>Method of Procurement: Open Domestic Bidding</p> <p>Contract Amount: UGX. 34,300,000</p> <p>Contractor: 21st Century Architects Ltd</p> <p>Contract sign date: 1st November 2023</p> <p>Contract Completion date: 30th June 2024</p> <p>Defects liability period. 90 days</p>	No exception

Annex 2: Transaction list and rating per case

AMUDAT DISTRICT LOCAL GOVERNMENT SAMPLE LIST FOR FINANCIAL YEAR 2023/2024

No.	Reference number	Subject of procurement	Procurement method	Provider	Contract value (UGX)	Risk rating
1.	Amud806/Wrks/2023-2024/00001	Construction of Archorichor solar powered piped water supply system under water phase 2.	Open National Bidding	Real Irrigation Engineering Co. Ltd	217,860,680	Medium
2.	Amud806/Wrks/2023-2024/00003	Construction of a boy's dormitory at Namodo primary school under Education Dept.	Open National Bidding	Limmip United Enterprises	195,393,450	Medium
3.	Amud806/Wrks/2023-2024/00002	Drilling and installation of six (6) boreholes, 5 under water sector, 01 under Amudat sub county, drilling of production well at Akurion (Katabok HC II)	Open National Bidding	East Africa Boreholes Ltd	160,000,000	Medium
4.	Amud806/Wrks/2023-2024/00005	Completion of chain link fence phase at Karita Health Centre IV.	Open National Bidding	Premier Contractors and consultancy Co.Ltd	81,169,750	Low
5.	Amud806/Srvcs/2023-2024/00003	Collection of Revenue in Karita Town Council Market and Livestock	Open National Bidding	Guloba Investments Ltd	76,000,000	Low
6.	Amud806/Srvcs/2023-2024/00004	Collection of Revenue in Amudat Town Council Market and Livestock	Open National Bidding	Amudat Town Council Market Vendors Association	49,000,000	Low
7.	Amud806/Srvcs/2023-2024/00004	Collection of Revenue at sand mining in Lokales Sub County	Open National Bidding	Tarum Investment Ltd	37,056,250	Low

8.	Amud806/Wrks/2023-2024/00001	Procurement of beddings (70 metallic beds) for boys dormitory in Namodo P/S under Education Dept.	Open National Bidding	21 st Century Architect Ltd	34,300,000	Satisfactory
9.	Amud806/Wrks/2023-2024/00002	Feasibility study for detailed design of sikotai solar powered piped water supply system under water sector	Open National Bidding	Brio Engineering Company Ltd	34,013,280	Low
10.	Amud806/Wrks/2023-2024/00006	Construction of five stance VIP Latrine at Loroo HC III under Health Dept.	Open National Bidding	Lomath Enterprises	33,078,150	Satisfactory
		Total			917,871,560	

Annex 3: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry risk for the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	Planning: Lack of or failure to procure within the approved plan	This implies emergencies and use of the direct procurement method which affects competition and value for money.
		Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals and usurping the powers of the PDU.	This implies use of less competitive methods which affects transparency, accountability and value for money.
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing	Planning: Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		Bidding Process: Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of	This implies lack of efficiency, standardisation and avoiding competition.

RISK	DESCRIPTION	AREA	IMPLICATION
	management framework to ensure a formal and effective system of management controls is put in place. Such	issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	
	procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.	Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best	Planning: Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

RISK	DESCRIPTION	AREA	IMPLICATION
	practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.		

SATISFACTORY

Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time.