



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

**COMPLIANCE INSPECTION REPORT FOR FINANCIAL YEAR
2023/2024**

IGANGA DISTRICT LOCAL GOVERNMENT

APRIL 2025

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ACRONYMS

Act	Public Procurement and Disposal of Public Assets Act, Cap. 205
CC	Contracts Committee
FY	Financial Year
GCC	General Conditions of Contract
HPDU	Head, Procurement and Disposal Unit
ITB	Instruction to the Bidders
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
PS/ST	Permanent Secretary and Secretary to Treasury
SCC	Special Conditions of Contract
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection of the procurement and disposal activities of Iganga District Local Government that covered a sample of 11 procurement transactions for Financial Year 2023/2024.

The overall objective of the performance audit was to assess and establish the degree of compliance of Iganga District Local Government procurement and disposal systems and processes with the provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations and assess the level of procurement performance over the period.

From the findings of the compliance inspection, the performance of Iganga District Local Government for the Financial Year 2023/2024 was **Moderately Satisfactory** with overall weighted average risk rating of **42.2%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of this audit report.

Despite the moderately satisfactory performance, the following key exceptions were noted:

1. The Accounting Officer did not submit the Procurement and Disposal Plan and monthly reports on procurement and disposal for the financial year 2023/2024 to the Authority which hindered the Authority's ability to monitor the Entity's procurement and disposal activities;
2. The Accounting Officer did not fully Implement 71% of the Previous Audit recommendations. This denied the Entity an opportunity to continuously improve in their procurement processes;
3. The Procurement and Disposal Unit had inadequate record storage facilities contrary to Section 44(1) of the PPDA Act, Cap 205. This exposed the Entity's records to the risk of misplacement or loss thus hindering the accountability and transparency in the procurement process;
4. The Internal Audit Unit did not audit the procurement and disposal function during the financial year under review contrary to Regulation 27 (a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023. This exposed the entity to the risk of flouting procurement and disposal procedures;
5. In six procurements worth UGX 841,262,308, the Head Procurement and Disposal Unit issued inadequate bidding documents with unclear instructions to bidders and lacked statement of requirements among others contrary to Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023;
6. For five procurements worth UGX 878,279,735, the Head PDU delayed to submit procurements for approval by Contracts Committee at an average of 41 working days contrary to Section 51 of the PPDA Act, Cap which denied the intended beneficiaries timely service delivery;
7. Seven procurements worth UGX 1,316,357,683 had low bidder participation as they attracted less than three bidders which reduced competition in the procurement process thus affecting achievement of value for money;
8. In all the sampled procurements worth UGX 1,583,029,890, the Head Procurement and Disposal Unit did not issue the Notice of Best Evaluated Bidder to bidders who participated in the bidding process contrary to Regulation 3 (4 & 5) of the PPDA (Contracts) Regulations, 2023. This hindered transparency and fairness in the procurement process;
9. For three procurements worth UGX 38,515,000, the Contracts Committee in its meeting held on 30th January 2024 irregularly approved direct disbursement to public officers to acquire

goods and works without following established procurement procedures such as bidding procedures, evaluation, contract award and management contrary to Section 57 of the PPDA Act, Cap.205.

10. For three procurements worth UGX 221,880,000, the Accounting Officer signed inadequate contracts which lacked information such as failure to state the completion period for works and delivery period for supplies contrary to Regulation 9 of the PPDA (Contracts) Regulations, 2023. This exposed the Entity to the risk of unenforceable contract;
11. Five procurements worth UGX 850,299,735 had missing records on the procurement action files such as Contract Manager appointments letters, contract management plans, bid notices, bidding document among others contrary to Regulation 9 (1) of the PPDA (Contracts) Regulations 2023. This hindered accountability and transparency in the procurement process;
12. Failure to dispose of obsolete assets including Grader KOMATSU no. UG0280R, Nissan Hard Body no. UG1827M and Motorcycle no. UG0530Y among others contrary to Regulations 2 (1) and (2) of the PPDA (Disposal of Public Assets) Regulations, 2023 which inhibited the achievement of value for money as funds are held up in assets and also lost through depreciation; and
13. In eight procurements worth UGX 1,059,689,735, the Contract Managers did not prepare contract implementation plans contrary to Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023 which hindered effective contract implementation.

In light of the above exceptions, the Authority recommends the following:

1. The Permanent Secretary/Secretary to the Treasury Ministry of Finance, Planning and Economic Development should task the Accounting Officer to refund UGX 32,179,000 paid as VAT to non-VAT registered companies (Parth Contractors Ltd was paid UGX 2,898,305 VAT in respect to construction of 4 stance pit public latrine with a urinal at Bukaya TC in Nakalama Sub County and Grinz General Contractors Ltd paid UGX 29,280,695 VAT for construction of two classrooms at Mawangala P/S and fencing of Namungalwa H/C II F/Y 2022/2023) in the Financial Year 2022/2023 that was not recovered from providers as recommended in the procurement and disposal compliance audit report of financial year 2022/2023;
2. The Permanent Secretary Ministry of Local Government should task the Accounting Officer to show cause why disciplinary action should not be taken against him:
 - i) For persistently not implementing previous audit recommendations in accordance with Section 10 of the PPDA Act, Cap 205;
 - ii) Failure to submit the Procurement and Disposal Plan for the financial year under review to the Authority contrary to Section 58 (1) of the PPDA Act, 205; and
 - iii) Failure to submit monthly procurement reports to the Authority contrary to Regulation 15(1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.
3. The District's Council Committee of Finance and Budget should task the Internal Auditor to show cause why disciplinary action should not be taken against him for not investigating the cash advances in Table six of the PPDA audit report of financial year 2022/2023 as advised in the previous audit in accordance with Section 10 (b) (iii) of the PPDA Act, Cap. 205.

4. The Accounting Officer should:
 - i) Provide the Procurement and Disposal Unit with adequate storage facilities to enable proper and safe storage of records as stipulated in Section 44(1) of the PPDA Act, Cap 205;
 - ii) Should task the Head of Procurement and Disposal Unit to show cause why disciplinary action should not be taken against him for:
 - (a) Delaying to submit five procurements worth UGX 841,262,308 to Contracts Committee for approval for an average of 41 working days contrary to Section 51 of the PPDA Act, Cap. 205 which hindered service delivery; and
 - (b) Not issuing notices of best evaluated bidders for all sampled procurements to all bidders who participated in the procurement and evidence thereof put on file in accordance with Regulation 3 (4 & 5) of the PPDA (Contracts) Regulations, 2023
 - iii) Task the Contracts Committee members to show cause why disciplinary action should not be taken against them for approving direct disbursement of funds worth UGX 38,515,000 to public officers to acquire goods and works without following public procurement procedures contrary to Section 57 of the PPDA Act, Cap. 205;
 - iv) Establish the possible causes of the low bidder response and devise mechanisms of increasing competition in the Entity's procurement processes to achieve value for money;
 - v) Ensure that signed contracts are comprehensive enough to spell out the obligations of each party in accordance with Regulation 9 of the PPDA (Contracts) Regulations, 2023; and
 - vi) Dispose of all obsolete assets in a timely manner following the PPDA Disposal of Public Assets Regulations, 2023.
5. The Contracts Committee should critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies in accordance with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.
6. The Head Procurement and Disposal Unit should ensure that all records regarding procurement and disposal proceedings are properly kept and filed on their respective files in accordance with Section 44 of the PPDA Act Cap. 205.
7. The Head of Internal Audit should ensure that procurement and disposal procedures are audited on a quarterly basis in accordance with Regulation 27 (a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

Iganga District Local Government should implement the recommended action plan on pages **21** to **22** of this report

CHAPTER 1: INTRODUCTION

1.1. Background

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection on the procurement and disposal activities of Iganga District Local Government that covered a sample of 11 procurement transactions for works, supplies and services under Financial Year 2023/2024. The audit involved a review of procurement and disposal structures, systems and processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act, Cap. 205 and the attendant PPDA Regulations.

1.2. Main Audit Objective

The overall objective of the compliance inspection was to assess and establish the degree of compliance of Iganga District Local Government procurement and disposal system and processes with the provisions of the PPDA Act, Cap. 205 and the attendant Regulations and assess the level of procurement performance over the audit period.

The specific objectives of the compliance inspection were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations with regard to the performance of the procurement structures and conduct of procurement and disposal processes;
2. Assess the degree of compliance of the Entity' disposal process with the provisions of the PPDA Act, Cap. 205 and the attendant PPDA Disposal 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. Scope of the Audit

The Authority carried out compliance inspection of Iganga District Local Government from 27th January 2025 to 29th January 2025. The exercise covered a sample of 11 procurement transactions worth UGX 1,583,029,890 during the Financial Year 2023/2024, a review of procurement structures and review of the procurement plan performance.

1.4. Audit Methodology

A sample of 11 procurement transactions was selected based on stratified random sampling using the Contracts Committee minutes and monthly procurement and disposal reports.

Two Senior Officers-Performance Monitoring examined records and documents for each sampled procurement transaction and obtained the relevant evidence to derive audit conclusions under supervision of the Regional Manager, Central Region. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and processes. At the end of the document review, physical verification was undertaken to ascertain the level of contractual delivery and fitness for purpose. Special attention was given to reporting mechanisms within the Entity and internal controls due to repeated failures by the Entity as highlighted in previous audit reports. During the compliance inspection exercise, the auditors held interviews with the staff from the Procurement and Disposal Unit (PDU) and the User Departments that were necessary for obtaining crucial qualitative information about the internal control system and processes in place.

A debrief meeting to discuss preliminary findings was held with the Entity's management and staff on **29th January 2025** before the audit team could embark on preparation of the

management letter. The management letter was sent to the Entity on **14th February 2025** with a request to submit a Management Response by **28th February 2025** which was submitted on **6th March 2025**.

1.5. Procurement Structure

The key players in the procurement structure at Iganga District Local Government included the Chief Administrative Officer who is the Accounting Officer, the Contracts Committee, the Procurement and Disposal Unit and the User Departments. The Authority found that the Entity's procurement structures were functional at the time of the audit.

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. During the financial year 2023/2024, Mr. Bukenya Seguya was designated as the Accounting Officer.

ii. Composition of the Contracts Committee.

Section 27 (1) (Schedule 4) of the PPDA Act Cap 205 provides that a Contracts Committee shall be composed of five members i.e., the Chairperson, Secretary and a maximum of three other members appointed by the Accounting Officer.

During the period under review, the Contracts Committee was composed of four members as indicated in Table 1 below.

Table 1: Composition of Contracts Committee

S/N	Name	Position	Job Title	Date of appointment
1.	Mr. Gozan Ogaza	Chairperson	Senior Agricultural Officer	20 th September 2022
2.	Ms Esther Nabirye	Member	Community Development Officer	15 th June 2022
3.	Ms Sarah Kwagala	Member	Senior Inspector of Schools	18 th February 2022
4.	Ms Rebecca Munafu	Member	Senior Health Educator	18 th February 2022

iii. Staffing of the Procurement and Disposal Unit

Section 32 of the PPDA Act, Cap. 205 provides that a Procuring and Disposing Entity shall establish a Procurement & Disposal Unit staffed at an appropriate level.

The Procurement and Disposal Unit was staffed with two staff as indicated in Table 2 below:

Table 2: Staff in the Procurement and Disposal Unit

No.	Name	Position	Qualification
1.	Mr. Silasi Kafute Lyalya	Senior Procurement Officer	Master of Diplomacy & International Relations and a PGDLM.
2.	Ms. Zauja Namaganda	Procurement Officer	CIPS level 5, PGD & Degree in BPLM

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

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

2.1.1 Failure to fully constitute the Contracts Committee

Section 27 (1) (Schedule 4) of the PPDA Act Cap 205 provides that a Contracts Committee shall be composed of five members i.e., the Chairperson, Secretary and a maximum of three other members appointed by the Accounting Officer.

During the year under review, the Contracts Committee was composed of four members instead of the required five members.

Implication

Failure to fully constitute Contracts Committee limits the effectiveness of the Contracts Committee and hinders the harnessing of different competencies of the committee.

Management Response

Management acknowledged the audit finding and explained that Accounting Officer was in the process of resubmitting an officer to the PS/ST for approval following non-approval of the Officer he had submitted.

Recommendation:

The Authority noted the management response and recommends that the Accounting Officer should liaise with the PS/ST and expedite the process of approval and appointment of the fifth member of the Contracts Committee in accordance with Section 27 (1) (schedule 4) of the PPDA Act Cap 205.

2.1.2 Failure to Implement 16% of the Procurement Plan

Section 60 (7) of the PPDA Act, Cap 205 states that a Procuring and Disposing Entity shall, on a quarterly basis and in any other case, wherever necessary, review and update its procurement plan.

A comparison of the procurement plan and procurement reports for the financial year 2023/2024 noted that the Entity implemented procurements worth UGX 3,673,499,543 (84.3%) out of the planned procurements of UGX 4,358,425,900 leaving procurements worth UGX 684,926,357 (16%) un-implemented as summarized in Table 3 below:

Table 3: Analysis of Procurement Spend

Total procurement plan value inclusive VAT (UGX)	4,358,425,900
Total procurement spend value inclusive VAT (UGX)	3,673,499,543
Implementation Rate (%)	84%
Implementation variance (UGX)	684,926,357
Implementation variance (%)	16%

Implication

This hindered service delivery to the intended beneficiaries.

Management Response

Management acknowledged the audit finding and promised to ensure that 100% of the implementation is attained in the current financial year.

Recommendation

The Accounting Officer should aim at implementing 100% of the planned procurements to fully deliver services to the intended beneficiaries.

2.1.3 Failure to Submit the Procurement and Disposal Plan to the Authority

Section 58 (1) of the PPDA Act, 205 states that in accordance with the budget preparation procedures issued by the Minister, a Procuring and Disposing Entity shall in each financial year, by a date determined by the Secretary to the Treasury, prepare and submit to the Secretary to the Treasury and to the Authority, its annual procurement plan for the following financial year.

The Authority noted that the Entity prepared a consolidated procurement plan for the financial year under review, however, the Accounting Officer did not submit the plan to the Authority contrary to the above requirement.

Implication

Failure to submit the procurement plan affects the monitoring of the Entity's procurement and disposal activities.

Management Response

Management acknowledged the audit finding and pledged to submit the procurement plan to the Authority in future as required by the law.

Recommendation

The Permanent Secretary Ministry of Local Government should task the Accounting Officer to show cause why disciplinary action should not be taken against him for failure to submit the Procurement and Disposal Plan for the financial year under review to the Authority contrary to Section 58 (1) of the PPDA Act, 205.

2.1.4 Failure to Submit Procurement and Disposal Reports to the Authority.

Regulation 15(1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 provides that a Procuring and Disposing Entity shall submit to the Authority monthly procurement and disposal reports by the 15th day of the month that immediately follows the months to be reported on.

The Entity conducted procurements worth UGX 3,673,499,543 however, the Accounting Officer did not submit the quarterly procurement and disposal reports were to PPDA.

Implication

This hinders accountability and transparency and limits effective affects monitoring of procurement and disposal activities by the Authority.

Management Response

Management acknowledged the audit finding and pledged to submit monthly reports to the Authority as required.

Recommendation

The Permanent Secretary Ministry of Local Government should task the Accounting Officer to show cause why disciplinary action should not be taken against him for failure to submit the monthly procurement reports to the Authority contrary to Regulation 15 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.1.5 Failure to Fully Implement 71% of the Previous Audit Recommendations.

Iganga District Local Government was issued a previous procurement and disposal compliance audit report for the Financial Year 2022/2023 on 14th June 2024. Out of the 14 recommendations made, four (28.6%) recommendations were fully implemented, four (29%) recommendations were partially implemented while six (42%) recommendations were not implemented as indicated in Table 4 below:

Table 4: Implementation of previous audit recommendations

S/N	Recommendation	Status	Management Response
1.	Ensure that the Entity's procurement and disposal plan is submitted to the Authority in accordance with Section 58 (1) of the PPDA Act, 2003;	Not Implemented	Management acknowledged the audit findings and promised to comply with the requirement
2.	Submit to the Authority Monthly Procurement and Disposal reports in time and in accordance with Regulation 15 of the PPDA (Procuring and Disposing Entities) Regulations, 2023;	Not Implemented	
3.	Investigate the cause of low bidder participation and ensure that procurements are conducted in a fair, transparent and competitive manner in accordance with Section 45 and 46 of the PPDA Act, 2003;	Not Implemented	Management explained that the concern was followed up only to establish that the taxes (6% WHT, and 18% VAT) and unpredictable price fluctuations and low capacity of local contractors culminates into low bidder participation. Authority's comment: The Authority noted the management response, however there was record confirming the management action.
4.	Submit Parth Contractors Ltd to the Authority for suspension, for breach of the code of ethics of providers in accordance with Section 94 (a) of the	Not Implemented	Management explained that the Entity wrote to the contractor addressing the Authority's recommendation and further asserted the issue is being handled and findings shall be submitted. Authority's comment:

S/N	Recommendation	Status	Management Response
	PPDA Act 2003;		The Authority noted the management response, however upon review of the contractor's defence letter dated 30 th May 2024, the contractor consented to having breached the code of ethical conduct by providers. However, the Accounting Officer did not recommend the bidder for blacklisting.
5.	Ensure that the disposal process for the obsolete assets is expedited in accordance with the PPDA (Disposal of Assets) Regulations, 2023;	Not Implemented	Management explained that the Entity has written the relevant Ministries to secure clearances to go ahead and dispose of the assets in question. Authority Comment; Management response noted, however, evidence was not provided for verification.
6.	Recover VAT worth UGX 32,179,000 paid to non-VAT registered companies	Not Implemented	Management explained that the Entity wrote to the companies in question advising them to register for VAT on voluntary basis to enable them get registrations and begin to remit since they were at first not qualifying for the annual registration of 150M. Authority's comment: The Authority noted the management response however the Accounting Officer did not recover VAT worth UGX 32,179,000 already paid thus causing a financial loss.
7.	Desist from authorizing cash payments and allow the Procurement and Disposal Unit to manage all procurements or disposal activities of the Entity.	Partially Implemented	Management acknowledged the audit observation and pledged that no cash payment shall be authorised in future procurements.

Implications

- Failure to fully implement previous audit recommendations denies the Entity an opportunity to continuously improve in their procurement processes.
- This exposed the district to loss UGX 32,179,000 paid as VAT to non-VAT registered companies and not recovered as advised in the previous audit report.

Recommendations

- The Permanent Secretary Ministry of Local Government should task the Accounting Officer to show cause why disciplinary action should not be taken against him for not implementing

79% of previous audit recommendations in accordance with Section 10 (b) (iii) of the PPDA Act, Cap. 205.

- The Permanent Secretary/Secretary to the Treasury Ministry of Finance, Planning and Economic Development should task the Accounting Officer to refund UGX 32,179,000 paid as VAT to non-VAT registered companies (Parth Contractors Ltd was paid UGX 2,898,305 VAT in respect to construction of 4 stance pit public latrine with a urinal at Bukaya TC in Nakalama Sub County and Grinz General Contractors Ltd paid UGX 29,280,695 VAT for construction of two classrooms at Mawangala P/S and fencing of Namungalwa H/C II F/Y 2022/2023) in the Financial Year 2022/2023 that was not recovered from providers as recommended in the procurement and disposal compliance audit report of financial year 2022/2023;
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- The Accounting Officer should submit Parth Contractors Ltd to the Authority for suspension, for breach of the code of ethics of providers in accordance with Section 128 (a) of the PPDA Act, Cap 205;

2.1.6 Inadequate Record Storage Facilities

Section 44(1) requires an Entity to maintain records of all the procurement and disposal proceedings for a period of seven years from the date of decision to terminate the procurement or disposal action.

The Authority noted that the Entity's Procurement and Disposal Unit was not adequately facilitated with storage facilities such as filing cabinets to file/store the procurement records. Some of the documents were kept on the floor in the Procurement and Disposal Unit as indicated in figure 1 below:

Figure 1: Procurement records poorly kept in the Procurement and Disposal Unit



Implication

Lack of adequate storage facilities exposed the Entity's procurement and disposal records to the risk of misplacement or loss of records thus hindering accountability and transparency.

Management Response

Management acknowledged the audit observation and promised to prioritize budgeting for acquisition of storage facilities for the PDU.

Recommendation

The Accounting Officer should provide the Procurement and Disposal Unit with adequate storage facilities to enable proper and safe storage of records as stipulated in Section 44(1) of the PPDA Act, Cap 205.

2.1.7 Failure by the Internal Audit Unit to audit the Procurement Function.

Regulation 27 (a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 provides that the Internal Audit Department of a Procuring and Disposing Entity shall audit the method used for a procurement and the payment made to establish whether the supplies, works or services are properly ordered, received, verified and paid for in accordance with the Public Finance Management Act, 2015 and the other applicable laws.

The Authority reviewed the internal audit quarterly reports for financial year 2023/2024 noted that the Internal Audit Department did not audit the Procurement and Disposal Unit.

Implication

Failure to audit procurement and disposal procedures exposes the entity to the risk of flouting procedures as required by the PPDA Act, Cap 205, the attendant Regulations and guidelines.

Management Response

Management acknowledged the audit finding and explained that it was due to under staffing in the Department caused by a ban on recruitment by Ministry of Public Service.

Recommendation

The Authority noted the management response and recommends that the Head of Internal Audit should prioritize the audit of procurement and disposal procedures in accordance with Regulation 27 (a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.1.8 Inadequate Bidding Documents

Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023, provides that a Procuring and Disposing Entity shall, when preparing each bidding document ascertain that; the most appropriate type of contract shall result from the procurement proceedings in terms of contractual protection to the procuring and disposing entity, structure of payment, payment terms and method of payment among others.

In six procurements worth UGX 841,262,308, the Head Procurement and Disposal Unit issued inadequate bidding documents with unclear instructions to bidders and lacked statement of requirements among others as indicated in Table 5 below:

Table 5: Procurement with inadequate bidding documents

S/N	Subject of Procurement	Value (UGX)	PPDA Findings
1.	Siting, drilling, casting and installation of 8 deep boreholes lot 1	219,580,064	<ul style="list-style-type: none">ITB 12.1 Section 2 of the Bid data sheet did not clearly state the

S/N	Subject of Procurement	Value (UGX)	PPDA Findings
2.	Siting, drilling, casting and installation of 8 deep boreholes lot 2	219,580,064	<p>deadline for receipt of request for clarification instead indicated that it would be before bid closing which is not practical.</p> <ul style="list-style-type: none"> • Stated the bid validity date as 120 days instead of the actual date under ITB 12.1. • Did not provide for margin of preference under ITB 38.1 Section 2 of the Bid data sheet.
3.	Partial Construction of Piped Water Scheme-Borehole Pumped	111,180,000	<ul style="list-style-type: none"> • ITB 14.1(h) did not state the trading period for the required Income tax clearance certificate
4.	Construction of 2 – Classroom Block at Canon Ibula Primary School in Bulamagi Sub County	84,282,180	<ul style="list-style-type: none"> • Stated the bid validity date as 120 days instead of the actual date under ITB 12.1. • Did not provide for margin of preference under ITB 38.1 Section 2 of the Bid data sheet.
5.	Construction Of 2 – Classroom Block at Kamira SDA Primary School in Nambale Sub County	83,200,000	
6.	Procurement of Ultra Sound Scan, 2 Probs, Patient Monitors, X-rays films and UPS (1500 WATTS)	123,440,000	<ul style="list-style-type: none"> • Used a framework contract bidding document for a lumpsum contract. • Bidding document did not have statement of requirements
	Total	841,262,308	

Implications

- This exposed the district to a risk of bidders preparing non-responsive bids thus procurement of items which do not meet the users' requirements.
- Hinders fairness and transparency in the procurement process.

Management Response

Management acknowledged the audit finding and promised to critically review the bidding documents issued in future procurements.

Recommendations

- The Accounting Officer should task the Head of Procurement and Disposal Unit to show cause why disciplinary action should not be taken against them for not preparing adequate solicitation documents in accordance with Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023.
- The Contracts Committee should critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies in accordance with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.1.9 Delays in the Procurement Process

Section 51 of the PPDA Act, Cap. 205 provides that all procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money.

For five procurements worth UGX 878,279,735, the Head Procurement and Disposal Unit delayed to submit the procurements to the Contracts Committee for approval of procurement method and bidding documents by an average of 41 working days as indicated in Table 6 below

Table 6: Delays in the procurement process

S/ N	Subject of Procurement	Amount (UGX)	PPDA Findings
1.	Construction of 2 – Classroom Block at Canon Ibula Primary School in Bulamagi Sub County	84,282,180	The procurements were approved by the Accounting Officer on 26 th June 2023, however, the PDU submitted them to the Contracts Committee for approval on to 27 th July 2023 hence a delay of 24 working days.
2.	Partial Construction of Piped Water Scheme-Borehole Pumped	111,180,000	
3.	Design, Supply & Installation of UGIFT micro scale irrigation systems for the selected farmers in Iganga District.	533,248,000	The procurement was approved by the Accounting Officer 17 th October 2023 but was submitted to contracts Committee on 13 th December 2023 to approved the method, bidding documents and Evaluation Committee hence a delay of 42 working days
4.	Rehabilitation Of 2 – Classroom Block at Nakalama Primary School in Nakalama Sub County	67,707,540	The procurement was approved by the Accounting Officer on 2 nd June, 2023 but the Head PDU submitted it to the Contracts committee on 27 th July 2023 for approval of procurement method and bidding document on thus a delay of 39 working days
5.	Construction Of 2 – Classroom Block at Ibanda Primary School in Kidaago Sub County	81,862,015	The procurement was approved by the Accounting Officer on 12 th April, 2023. However, the Head Procurement and Disposal Unit submitted them to the Contracts committee on 27 th July 2023 for approval of procurement method and bidding document thus a delay of 77 working days.
	Total	878,279,735	Average Delay: 41 working days

Implication

Delays in the procurement process denies the intended beneficiaries timely service delivery.

Management Response

Management acknowledged the audit finding and attributed the delays to management constraints such as delays in the preparation and submission of the bills of quantities.

Recommendations

The Authority noted the management response; however, the procurement requisition should be approved together with their statements of requirement. The Authority therefore recommends that:

- i. The Accounting Officer should task the Head PDU to show cause why disciplinary action should not be taken against them for delaying procurements in accordance with Section 51 of the PPDA Act, Cap. 205.
- ii. The Head Procurement and Disposal Unit should not receive procurement requisitions for processing that are not supported by the statement of requirements and Bills of quantities in accordance with Regulation 3 of the PPDA (Rules and methods of procurement of supplies, works and non-consultancy services) Regulations, 2023.

2.1.10 Low Bidder participation

Section 49 of the PPDA Act Cap. 205 states that all procurement and disposal shall be conducted in a manner that maximizes competition and achieve value for money.

Seven procurements worth UGX 1,316,357,683 under open domestic bidding method had a low bidder response rate with an average response of 1.4 bids as indicated in Table 7 below.

Table 7: Procurements with Low Bidder Participation

S/N	Subject of Procurement	Amount (UGX)	No. of Bidders
1.	Partial Construction of Piped Water Scheme-Borehole Pumped	111,180,000	2
2.	Design, Supply & Installation of UGIFT micro scale irrigation systems for the selected farmers in Iganga District	533,248,000	1
3.	Construction Of 2 – Classroom Block at Kamira SDA Primary School in Nambale Sub County	83,200,000	1
4.	Rehabilitation Of 2 – Classroom Block at Nakalama Primary School in Nakalama Sub County	67,707,540	1
5.	Construction Of 2 – Classroom Block at Ibanda Primary School in Kidaago Sub County	81,862,015	1
6.	Sitting, Drilling, Casting and Installation of 08 No. Deep Boreholes Lot 1.	219,580,064	2
7.	Sitting, Drilling, Casting and Installation of 08 No. Deep Boreholes Lot 2.	219,580,064	2
	Total	1,316,357,683	Av. 1.4

Implication

Limited number of bids reduces competition in the procurement process thus hindering achievement of value for money in the procurement process.

Management response

Management acknowledged the audit finding and explained that the Entity used open domestic bidding and the invitation attracted such numbers of bidders.

Recommendation

The Authority noted the management response and recommends that the Accounting Officer should establish the possible causes of the low bidder response and devise mechanisms of increasing competition in the Entity's procurement processes to achieve value for money accordance with Section 48 of the PPDA Act, Cap 205.

2.1.11 Failure to Issue the Notices of Best Evaluated Bidder

Regulations 3 (4) and (5) of the PPDA (Contracts) Regulations, 2023 provides that a Procuring and Disposing Entity shall deliver a copy of the notice of best evaluated bidder to all the bidders and obtain proof of delivery.

In all the sampled procurements worth UGX 1,583,029,890, the Head Procurement and Disposal Unit did not issue the notices of best evaluated bidder to all the bidders who participated in the bidding process.

Implication

This hinders transparency and accountability in the procurement process and denies bidders an opportunity to request for clarification which may be vital for improvement of future bids.

Management Response

Management asserted that the Entity has been communicating the BEB by displaying on its notice boards and to the participating bidders.

Recommendation

The Authority noted the management response; however, no evidence was provided to confirm that the Notice of Best Evaluated Bidder was issued to all bidders.

The Authority thus recommends that the Accounting Officer should task the Head PDU to show cause why disciplinary action should not be taken against him for not issuing notices of best evaluated bidders for all sampled procurements to all bidders who participated in the procurement and evidence thereof put on file in accordance with Regulation 3 (4 & 5) of the PPDA (Contracts) Regulations, 2023

2.1.12 Direct disbursement of Funds to Officers to Procure items

Section 57 of the PPDA Act, Cap. 205 requires that all procurements should be undertaken following procedures in the PPDA Act, Cap 205, the attendant regulations and guidelines issued under the same Act.

For three procurements worth UGX 38,515,000, the Contracts Committee in its meeting held on 30th January 2024 irregularly approved direct disbursement to public officers to acquire goods and works without following established procurement procedures such as bidding procedures, evaluation, contract award and management as indicated in the Table 8 below:

Table 8: Contracts awarded to Public Officers

S/N	Subject of Procurement	Value in UGX	Name of Officer to whom the Contract was awarded
1.	Supply of Agricultural inputs to operationalise demos under micro scale irrigation programme	12,840,000	Mr. Grace Waiswa Senior Agricultural Officer
2.	Renovation of the PDU Offices and	15,000,000	Ms. Namaganda Zauja

S/N	Subject of Procurement	Value in UGX	Name of Officer to whom the Contract was awarded
	provision of book shelves		Procurement Officer
3.	Supply of tyres for road equipment	10,675,000	Mr. Brian Waiswa Senior Assistant Engineering Officer
	Total	38,515,000	

Implication

This exposed the Entity to the risk of financial loss thus not achieving value for money.

Management Response

Management noted the audit finding and promised to desist from granting cash payments.

Recommendations

- The Accounting Officer should task the Contracts Committee members to show cause why disciplinary action should not be taken against them for approving direct disbursement of funds worth UGX 38,515,000 to public officers to acquire goods and works without following public procurement procedures contrary to Section 57 of the PPDA Act, Cap. 205;
- The Internal Audit Unit should investigate the listed procurements to confirm that there was value for money and produce a report to the Authority within four months.

2.1.13 Signing of Inadequate Contracts

Regulation 9 (1) of the PPDA (Contracts) Regulations 2023 requires that a contract should: clearly identify the obligations of each party; correlate all payments by a procuring and disposing entity with the corresponding inputs and the obligations or deliverables by a provider, in a specific identifiable and measurable manner; and where required, include adequate and clear delivery, acceptance and handover or commissioning arrangements among others.

For three procurements worth UGX 221,880,000, the Accounting Officer signed inadequate contracts with un clear contract terms such as failure to state the completion period for works and delivery period for supplies, use of out-dated incoterms 2000 and failure to attach bid submission sheets as indicated in Table 9 below:

Table 9: Procurements with inadequate contracts

No.	Subject of Procurement	Value (UGX)	Authority Findings
1.	Partial Construction of Piped Water Scheme-Borehole Pumped	111,180,000	SCC GCC 18.1 was silent on the completion period
2.	Supply and delivery of 35 manual Hay Balers & 25 metallic Jacto pump plant sprayers.	27,500,000	<ul style="list-style-type: none"> • The delivery period was not stated. • Failure to attach specifications • Used outdated incoterms of 2000 instead of 2020.
3.	Construction Of 2 – Classroom Block at Kamira SDA Primary School in Nambale Sub County	83,200,000	<ul style="list-style-type: none"> • Failure to attach a bid submission sheet to the contract • Failure to attach the bills of quantities to the contract

No.	Subject of Procurement	Value (UGX)	Authority Findings
	Total	221,880,000	

Implication

This exposes the Entity to the risk of unenforceable contract thus making contract management difficult hence leading to delays in implementation of projects.

Management Response

Management noted the audit observation and explained that the documents were available in the submitted bids

Recommendation

The Authority noted the management response; however, these should be attached as part of the signed contract. The Authority thus recommends that the Accounting Officer should ensure that signed contracts are comprehensive enough to spell out the obligations of each party in accordance with Regulation 9 of the PPDA (Contracts) Regulations, 2023.

2.1.14 Missing Records on Procurement Action Files.

Section 44 of the PPDA Act, Cap 205 provides that the Procuring and Disposing Entity shall maintain records on its procurement and disposal proceedings for a period of seven years from the date of a decision to terminate the procurement and disposal action, or the date of contract completion, whichever comes later.

Five procurements worth UGX 850,299,735 had missing contract management records on the procurement action files such as commencement letters, contract management plans, completion reports and progress reports as indicated in Table 10 below:

Table 10: Procurements with Missing Records

S/N	Subject of Procurement	Amount (UGX)
1.	Construction of 2 – Classroom Block at Canon Ibula Primary School in Bulamagi Sub County	84,282,180
2.	Construction of 2 – Classroom Block at Ibanda Primary School in Kidaago Sub County	81,862,015
3.	Design, Supply & Installation of UGIFT micro scale irrigation systems for the selected farmers in Iganga District	533,248,000
4.	Construction of 2 – Classroom Block at Kamira SDA Primary School in Nambale Sub County	83,200,000
5.	Rehabilitation of 2 – Classroom Block at Nakalama Primary School in Nakalama Sub County	67,707,540
	Total	850,299,735

Implication

Poor record keeping limits the audit trail thus hindering transparency and accountability in the procurement process.

Management Response

Management asserted that the missing documents in table above were available on the procurement action files.

Recommendation

The Authority noted the management response; however, the documents were not availed for verification, the Authority thus recommends that the Head, Procurement and Disposal Unit should ensure that all records regarding procurement and disposal proceedings are properly kept and filed in their respective files in accordance with Section 44 of the PPDA Act Cap. 205.

2.2 COMPLIANCE OF THE ENTITY' DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, Cap 205 AND PPDA REGULATIONS, 2023.

2.2.1 Failure to prepare a disposal plan

Section 60 (1-2) of the PPDA Act Cap 205 states that a Procuring and Disposing Entity shall, on a quarterly basis and in any other case, wherever necessary, review and update its procurement and disposal plan.

The Authority noted that the Entity prepared the annual procurement plan for year 2023/2024, however, it did not include a disposal plan which contravenes Section 60 (1-2) of the PPDA Act Cap 205.

Implication

Failure to prepare a disposal plan exposes the Entity to the risk of not disposing of items due for disposal or not following appropriate disposal procedures in case of a disposal.

Management Response

Management acknowledged the audit finding and pledged to comply.

Recommendation

The Accounting Officer should always prepare a disposal plan capturing all items identified in the Board of Survey as due for disposal in line with Section 60 (1-2) of the PPDA Act Cap 205.

2.2.2 Failure to Dispose Boarded off Items.

Regulations 2 (1) and (2) of the PPDA (Disposal of Public Assets) Regulations, 2023 provides that for the purposes of disposal planning, an Accounting Officer shall, in each financial year, cause the public assets of a Procuring and Disposing Entity to be reviewed, to identify the public assets to be disposed of in the following financial year. A Procuring and Disposing Entity may use the board of survey or a User Department to identify the public assets to be disposed of.

The Authority reviewed the Entity's Board of survey report for the Financial Year 2022/2023 and noted that the assets in Table 11 were due for disposal. However, the Entity did not conduct any disposal process in the financial year 2023/2024

Table 11: Assets recommended in the Board of Survey Report.

S/N	Item	Dept/Section	Unique identifier	Book Value (UGX)
1.	Grader KOMATSU	Works	UG0280R	80,000,000
2.	Nissan had body her	Health	UG1827M	10,000,000
3.	D/cabin Pick-up	Water	UG3094R	22000000
4.	Pickup ford	-	UAA613E	3,000,000
5.	Pick up Toyota	Production	UG1028A	2,000,000
6.	Motorcycle	YLP	UG0530Y	100,000
7.	Fridge	Water	No tag	200,000
8.	D/cabin Pick-up	Production	UAA845E	10,000,000
9.	Wooden table	Education	No tag	100,000
10.	2 Global Position System	Water	No tag	50,000
11.	Old file with vouchers (2001-2006)	Water	No tag	100,000

S/N	Item	Dept/Section	Unique identifier	Book Value (UGX)
12.	Fuel tank Metallic	Works	No tag	500,000
13.	Motorcycle	Works Yard	UAC404U	500,000
14.	Motorcycle	Works Yard	UPU014	500,000
15.	Roller	Works Yard	UR3423	10,000,000
16.	Laptop	Production	No tag	100,000
17.	Wheel chair	Ituba Health Center II	No tag	100,000
18.	BP machine	Naibiri Health Center II	No tag	100,000
19.	Three wooden doors and frames	Water	No tag	600,000
20.	Mettalic door and frame	Water	No tag	700,000
21.	Two Wooden tables	Water	No tag	400,000
22.	CPU	Commercial Office	Dicoss/EIF/IGA/C PU- 002	100,000
	Total			141,150,000

Physical inspection around the district noted obsolete items not disposed of as shown in Figure 2 below:

Figure 2: Some of the obsolete assets that are due for disposal





Implication

Failure to dispose boarded of obsolete items exposes the assts to further loss of value due to deterioration, vandalism and theft.

Management Response

Management noted the audit observation and pledged to dispose of the obsolete assets after securing clearances from line Ministries who have the asset logbooks.

Recommendation

The Authority noted managements response and recommends that the Accounting Officer should ensure that User Department(s) that is responsible for the management of public assets, initiate a process for disposal of a public asset by making a request for disposal to the Accounting Officer as per Regulation 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 Failure to Prepare Contract Management Plans

Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023 provides that Upon receipt of the contract, the contract manager shall prepare a contract management plan using Form 49 in Schedule 2 to the Regulations, and forward a copy of the contract management plan to the Procurement and Disposal Unit for purposes of monitoring.

For three procurements worth UGX 209,390,000 listed in Table 12 below, the Contract Managers did not prepare contract management plans.

Table 12: Procurements without contract management plans

S/N	Subject of Procurement	Value in UGX
1.	Supply and delivery of 35 manual Hay Balers & 25 metallic Jacto pump plant sprayers.	27,500,000
2.	Procurement of Ultra Sound Scan, 2 Probs, Patient Monitors, X-rays films and UPS (1500 WATTS)	123,440,000
3.	Procurement of One Heavy Duty Three Phase Power Isolator,	58,450,000

S/N	Subject of Procurement	Value in UGX
	Inverter Processor Board, Prep, Exposure Board and General Servicing of the X ray machine	
	Total	209,390,000

Implication

Failure to prepare contract management plans hinders effective contract management and exposes the Entity to the risk of not achieving the intended procurement objectives.

Management Response

Management asserted that the contract management plans were prepared and available for verification.

Recommendation

The Authority noted the management response; however, management did not provide the documents for verification. The Authority thus recommends that the Contract Managers should prepare contract management plans using Form 49 of the PPDA Contracts Regulations in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section presents the scores per area assessed under different performance audit objectives.

3.0 Overall Audit Conclusion

The performance of Iganga District Local Government for the Financial Year 2023/2024 was **Moderately Satisfactory** with overall weighted average risk rating of **42.2%**. The risk rating is as in Table 13 below:

Table 13: Risk rating Table

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

3.1 Entity's risk assessment

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 14 below:

Table 14: Risk Computation

Risk Category	No.	%No	Value (UGX)	% Value	Weights	Total Weighted score	
						by value	by No.
High	0	0	0	0	0.6	0	0
Medium	9	81.8	1,143,869,762	72.2	0.3	21.6	24.5
Low	2	18.2	439,160,128	27.8	0.1	2.8	1.8
Total	11	100	1,583,029,890	100	1	24.4	26.3

$$\text{Weighted Average (By NO.)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{26.3 \times 100}{60} = 43.8\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{24.4 \times 100}{60} = 40.6\%$$

$$\text{Combined Weighted Average} = \frac{43.8 + 40.6}{2} = 42.2\%$$

Figure 2: Graphical Representation of the Entity's Risk Assessment by Number

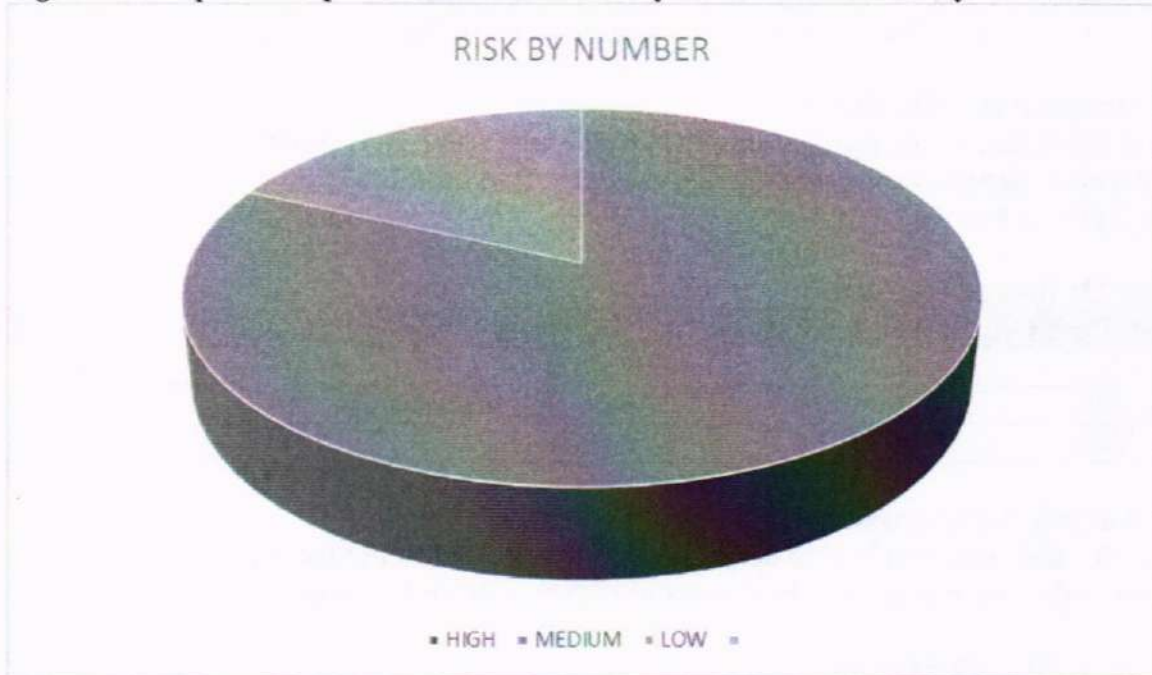
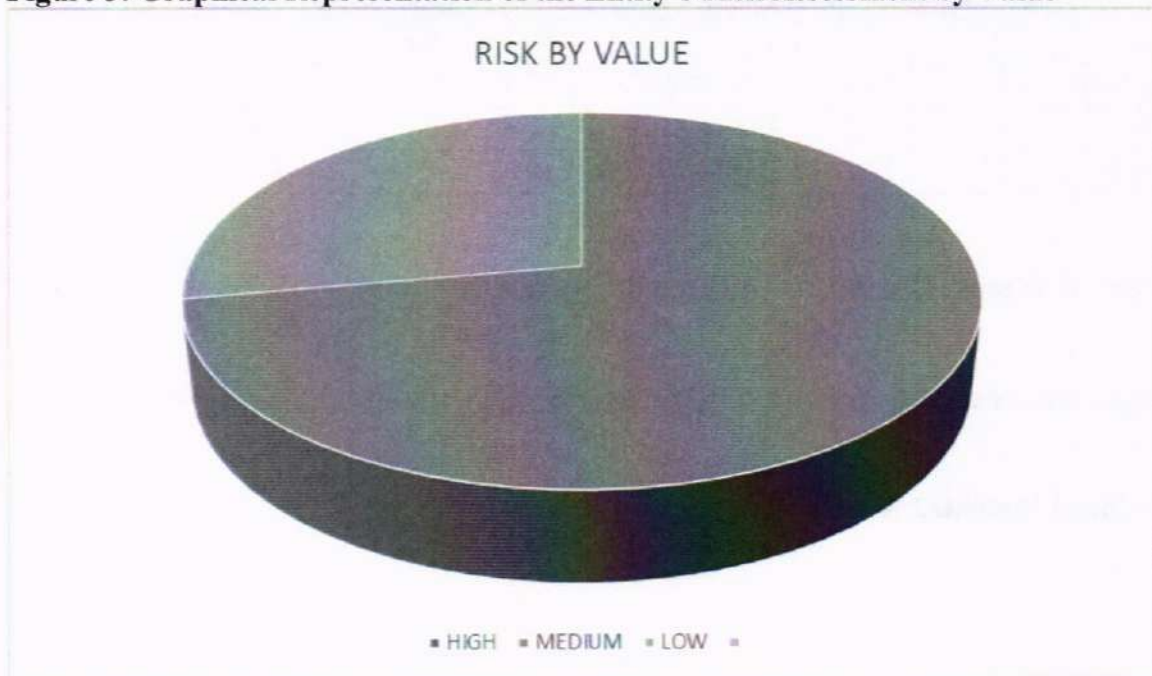


Figure 3: Graphical Representation of the Entity's Risk Assessment by Value



3.2 Recommended Action Plan

Iganga District Local Government should implement the following recommendations in Table 15 below within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 15: Action Plan

No.	Responsible Officer	Recommendation	Target Date
1.	The Permanent Secretary/Secretary to the Treasury, Ministry of Finance, Planning and Economic Development should;	Task the Accounting Officer to refund UGX 32,179,000 paid as VAT to non-VAT registered companies in the Financial Year 2022/2023 that was recommended for recovery in the PPDA audit report for the period and was not recovered.	June 2025
2.	The Permanent Secretary Ministry of Local Government should;	Task the Accounting Officer to show cause why disciplinary action should not be taken against him: i) For persistently not implementing previous audit recommendations in accordance with Section 10 of the PPDA Act, Cap 205; ii) Failure to submit the Procurement and Disposal Plan for the financial year under review to the Authority contrary to Section 58 (1) of the PPDA Act, 205; and iii) Failure to submit monthly procurement reports to the Authority contrary to Regulation 15(1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023	June 2025
3.	The District's Council Committee of Finance and Budget Committee should;	Task the Internal Auditor to show cause why disciplinary action should not be taken against them for not investigating the cash advances in Table six of the PPDA audit report of financial year 2022/2023 as advised in the previous audit in accordance with Section 10 (b) (iii) of the PPDA Act, Cap. 205.	June 2025
4.	The Accounting Officer should;	i) Provide the Procurement and Disposal Unit with adequate storage facilities to enable proper and safe storage of records as stipulated in Section 44(1) of the PPDA Act, Cap 205; ii) Task the Head of Procurement and Disposal Unit to show cause why disciplinary action should not be taken against him for: (a) Delaying to submit five procurements worth UGX 841,262,308 to Contracts Committee for approval for an average of 41 days contrary to Section 51 of the PPDA Act, Cap. 205;	June 2025

		<p>(b) Not issuing notices of best evaluated bidders for all sampled procurements to all bidders who participated in the procurement and evidence thereof put on file in accordance with Regulation 3 (4 & 5) of the PPDA (Contracts) Regulations, 2023</p> <p>iii) Task the Contracts Committee members to show cause why disciplinary action should not be taken against them for approving direct disbursement of funds worth UGX 38,515,000 to public officers to acquire goods and works without following public procurement procedures contrary to Section 57 of the PPDA Act, Cap. 205;</p> <p>iv) Establish the possible causes of the low bidder response and devise mechanisms of increasing competition in the Entity's procurement processes to achieve value for money;</p> <p>v) Ensure that signed contracts are comprehensive enough to spell out the obligations of each party in accordance with Regulation 9 of the PPDA (Contracts) Regulations, 2023; and</p> <p>vi) Dispose of all obsolete assets in a timely manner following the PPDA Disposal of Public Assets Regulations, 2023.</p>	
5.	The Head Procurement and Disposal Unit should;	Ensure that all records regarding procurement and disposal proceedings are properly kept and filed on their respective files in accordance with Section 44 of the PPDA Act Cap. 205.	June 2025
6.	The Contracts Committee should;	Critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies in accordance with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.	June 2025
7.	The Head of Internal Audit should	Ensure that procurement and disposal procedures are audited on a quarterly basis in accordance with Regulation 27 (a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.	June 2025

ANNEX 1: CASE BY CASE ANALYSIS

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	<p>Subject: Procurement of Ultra Sound Scan, 2 Probs, Patient Monitors, X-rays films and UPS (1500 WATTS) Ref: Igan 836/SUPLS/23-24/00016 Actual: 123,440,000 Provider: Kaatis (U) Ltd UGX at 123,440,000</p>	<ul style="list-style-type: none"> • Failure to obtain three quotations • The bidding document lacked statement of requirements
2.	<p>Subject: Procurement of One Heavy Duty Three Phase Power Isolator, Inverter Processor Board, Prep, Exposure Board and General Servicing of the X ray machine Ref: Igan 836/SUPLS/23-24/00016 Actual: 58,450,000 Provider: Kaatis (U) Ltd</p>	<ul style="list-style-type: none"> • Failure to seek CC approval of the method, shortlist and evaluation team • Failure to obtain three quotations • The bidding document lacked statement of requirements
3.	<p>Partial Construction of Piped Water Scheme-Borehole Pumped Ref: Igan 836/WRKS/23-24/00015 Actual: 111,180,000 Provider: LHM Ground Water Exploration and Geo Mapping Services Ltd UGX</p>	<ul style="list-style-type: none"> • Incomplete requisition without bills of quantities • Delay of the procurement process • Inadequate bidding document • Low bidder participation • Failure to deliver Notice of Best Evaluated Bidder • Inadequate contract • Missing records on procurement action files
4.	<p>Subject: Construction of 2 – Classroom Block at Canon Ibula Primary School in Bulamagi Sub County Ref: IGAN836/WRKS/23-24/00004 Actual: 84,282,180 Provider: New Comrade Electrical (U) Ltd UGX at 84,282,180</p>	<ul style="list-style-type: none"> • Incomplete requisition without statement of requirements • Inadequate bidding documents • Delays in the procurement process • Failure to deliver Notice of Best Evaluated Bidder • Signing of inadequate contracts • Missing records on procurement action files
5.	<p>Subject: Supply and delivery of 35 manual Hay Balers & 25 metallic Jacto pump plant sprayers. Ref: IGAN836/SUPLS/23-24/00023 Actual: 27,500,000 Provider: Grinz General Contractors Ltd</p>	<ul style="list-style-type: none"> • Incomplete requisition without statement of requirements • Failure to deliver Notice of Best Evaluated Bidder • Signing of inadequate contracts • Delayed Delivery of goods • Missing records on procurement action files • Failure to appoint Contract Managers

6.	<p>Subject: Design, Supply & Installation of UGIFT micro scale irrigation systems for the selected farmers in Iganga District. Ref: Igan 836/WRKS/23-24/00021 LOT 5 Actual: 533,248,000 Provider: Karf Aqua Engineering Solutions ltd.</p>	<ul style="list-style-type: none"> • Delay of the procurement process • No evidence of sending bidding document to the shortlisted bidders • Low bidder participation • Failure to deliver Notice of Best Evaluated Bidder • Failure to appoint Contract Managers • Missing records on procurement action files
7.	<p>Subject: Construction Of 2 – Classroom Block at Ibanda Primary School in Kidaago Sub County Ref: Igan836/Wrks/23-24/00001 Actual : 81,862,015 Provider: M/s: Dankik Enterprises Ltd</p>	<ul style="list-style-type: none"> • Incomplete requisition without Bills of quantities and drawings • Failure to indicate reference on the requisition Form LG PP Form 1 • Failure to include reference number on the evaluation report • Low Bidder Participation • Failure to deliver Notice of Best Evaluated Bidder • Signing of inadequate contracts • Missing records on procurement action files
8.	<p>Subject: Rehabilitation Of 2 – Classroom Block at Nakalama Primary School in Nakalama Sub County Ref: Igan836/Wrks/23-24/00006 Actual: 67,707,540 Provider: M/S Calypta Construction Ltd</p>	<ul style="list-style-type: none"> • Incomplete requisition without Bills of quantities and drawings • Failure to indicate reference on the requisition Form LG PP Form 1 • Low Bidder Participation • Evaluation conducted by some members that were not approved by Contracts Committee
9.	<p>Subject: Construction Of 2 – Classroom Block at Kamira SDA Primary School in Nambale S/C Ref: Iganga 836/WRKS/2023-24/00002 Actual: 83,200,000 Provider: Abayaku General Services Ltd</p>	<ul style="list-style-type: none"> • Incomplete requisition without Bills of quantities and drawings • Failure to indicate reference on the requisition Form LG PP Form 1 • Low Bidder Participation • Inadequate bidding documents • Failure to deliver Notice of Best Evaluated Bidder • Missing records on procurement action files
NO	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	<p>Subject: Sitting, Drilling, Casting and Installation of 08 No. Deep Boreholes Ref: Igan836/Wrks/23-24/00012 Estimate: 220,000,000 Actual: 219,580,064 Provider: Icon Projects Ltd</p>	<ul style="list-style-type: none"> • No Evidence of issuing the Best Evaluated Bidder Notice • No contract implementation plan

2.	Subject: Sitting, Drilling, Casting and Installation Of 08 No. Deep Boreholes Ref: Igan836/Wrks/23-24/00013 Estimate: 220,000,000 Actual: 219,580,064 Provider: Icon Projects Ltd	<ul style="list-style-type: none">• No Ethical Code of conduct on file• No Evidence of issuing the Best Evaluated Bidder Notice• No contract implementation plan
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ANNEX 2: PROCUREMENT AND DISPOSAL AUDIT SAMPLE LIST FOR IGANGA DISTRICT LOCAL GOVERNMENT FOR FINANCIAL YEAR 2023/2024

No	Proc Reference No	Subject of procurement	Method of Procurement	Provider	Date of award	Contract amount UGX
1.	IGAN836/WRKS/23-24/00012	Sitting, Drilling, Casting and Installation of 08 No. Deep Boreholes Lot 1.	Open Domestic Bidding	Icon Projects Ltd.	15 th September, 2023	219,580,064
2.	IGAN836/WRKS/23-24/00013	Sitting, Drilling, Casting and Installation of 08 No. Deep Boreholes Lot 1.	Open Domestic Bidding	Icon Projects Ltd.	15 th September, 2023	219,580,064
3.	IGAN836/WRKS/23-24/00015	Partial Construction of Piped Water Scheme-Borehole Pumped	Open Domestic Bidding	LHM Ground Water Exploration and Geo Mapping Services Ltd	15 th September, 2023	111,180,000
4.	IGAN836/SUPLS/23-24/00030/1	Procurement of Ultra Sound Scan, 2 Probs, Patient Monitors, X-rays films and UPS (1500 WATTS)	Framework	Kaatis (U) Ltd	29 th February 2024	123,440,000
5.	IGAN836/Wrks/23-24/00001	Construction Of 2 – Classroom Block at Ibanda Primary School in Kidaago Sub County	Open Domestic Bidding	Dankik Enterprises Ltd	15 th September, 2023	81,862,015
6.	IGAN836/WRKS/23-24/00002	Construction of 2 – Classroom Block at Kamira SDA Primary School in Nambale S/C	Open Domestic Bidding	Abayaku General Services Ltd	15 th September 2023	83,200,000
7.	IGAN836/WRKS/23-24/00004	Construction of 2 – Classroom Block at Canon Ibula Primary School in Bulamagi S/C	Open Domestic Bidding	New Comrade Electrical (U) Ltd	15 th September 2023	84,282,180

No	Proc Reference No	Subject of procurement	Method of Procurement	Provider	Date of award	Contract amount UGX
8.	IGAN836/WRKS/23-24/00006	Rehabilitation of 2 – Classroom Block at Nakalama Primary School in Nakalama S/C	Open Domestic Bidding	Calypta Construction Ltd	15 th September 2023	67,707,540
9.	IGAN836/WRKS/23-24/00021 LOT 5	Design, Supply & Installation of UGIFT micro scale irrigation systems for the selected farmers in Iganga District.	Restricted Domestic Bidding	Karf Aqua Engineering Solutions ltd.	7 th February, 2024	533,248,000
10.	IGAN836/SUPLS/23-24/00038	Procurement of One Heavy Duty Three Phase Power Isolator, Inverter Processor Board, Prep, Exposure Board and General Servicing of the Photocopier	Frame work	Kaatis (U) Ltd	19 th October, 2023	58,450,000
11.	IGAN836/SUPLS/23-24/00023	Supply and delivery of 35 manual Hay Balers & 25 metallic Jacto pump plant sprayers.	Selective Domestic Bidding	Grinz General Contractors Ltd.	17th January, 2024	27, 500,000
	TOTAL					1,583,029,890

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 management	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 issue and receipts of bids, usage of non-	This implies lack of efficiency, standardisation and avoiding competition.

RISK	DESCRIPTION	AREA	IMPLICATION
	framework to ensure a formal and effective system of management controls is put in	pre-qualified firms and splitting procurement requirements.	
	Such 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	Planning: Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
	improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in	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
	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.