



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

**PROCUREMENT AND DISPOSAL COMPLIANCE INSPECTION
REPORT FOR FINANCIAL YEAR 2023/2024**

IGANGA MUNICIPAL COUNCIL

APRIL 2025

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LIST OF ACRONYMS

BEB	Best Evaluated Bidder
BoS	Board of Survey
BoQs	Bills of Quantities
BPLM	Bachelors in Procurement and Logistic Management
CC	Contracts Committee
CV	Curriculum Vitae
MC	Municipal Council
ESHS	Environmental, Social, Health and Safety
FY	Financial Year
HC	Health Centre
GCC	General Condition of Contract
IFMS	Integrated Financial Management System
ITB	Instruction to the Bidder
LTD	Limited
LPO	Local Purchase Order
MoWT	Ministry of Works and Transport
NDB	National Domestic Bidding
SB	Selective Bidding
TC	Town Council
ODB	Open Domestic Bidding
PDU	Procurement and Disposal Unit
PGD	Post Graduate Diploma
PPDA	Public Procurement and Disposal of Public Assets Authority
P/S	Primary School
PSST	Permanent Secretary- Secretary to the Treasury
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
UGX	Uganda Shillings
URA	Uganda Revenue Authority
VAT	Value Added Tax

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal compliance inspection of the Procurement and Disposal Activities of Iganga Municipal Council that covered a sample of 13 procurement transactions under Financial Year 2023/2024.

The overall objective of the procurement and disposal compliance inspection was to assess and establish the degree of compliance of Iganga Municipal Council's procurement system and processes with the provisions of the PPDA Act, Cap 205 and PPDA Regulations, 2023 and assess the level of procurement performance over the period.

From the findings of the procurement and disposal compliance inspection exercise, the performance of Iganga Municipal Council for the Financial Year 2023/2024 was **moderately satisfactory** with an overall weighted average risk rating of **61.3%**. 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 Entity conducted procurements worth UGX 520,057,646 outside the procurement plan, overrunning the budget by 99.7%. A comparison of the procurement plan and the purchase activity register revealed that the Entity implemented procurements worth UGX 1,041,535,486 against the procurement plan of UGX 521,057,646 contrary to Section 60 (7) of the PPDA Act, Cap 205 which exposed the Entity to the risk of budget overrun and accumulated domestic arrears;
2. The Accounting Officer did not fully implement 54% of the previous audit recommendations contrary to Section 10 (1) (a) of the PPDA Act Cap 205, which hindered improved performance of the Entity;
3. For nine procurements worth UGX 103,347,030, the Contracts Committee irregularly authorized cash payments and the User Departments misused the Force Account Mechanism by not following the procurement process such as works projects implemented without the input and supervision of the Municipal Engineering Department and staff advanced cash worth 33,298,100 to procure supplies among others Contrary to Sections 33 (a) and 130 of the PPDA Act Cap 205 which exposed the Entity to the risk of financial loss and delivery of substandard works;
4. For two procurements worth UGX 108,757,500, the Head Procurement and Disposal Unit delayed for 104 working days to submit procurements to the Contracts Committee to approve the bidding documents, procurement method and issuing the bidding documents contrary to Section 51 of the PPDA Act, Cap 205 thus denying timely service delivery to the intended beneficiaries;
5. In two procurements worth 108,757,500, the Head Procurement and Disposal Unit did not involve the Contracts Committee or the User Departments in the bid closing and opening contrary to Regulation 29 (1) of the PPDA (Evaluation) Regulations, 2023 which hindered transparency in the procurement process;
6. In the procurement for the partial construction of in-patient at Nabidhonga Health Centre III worth UGX 14,371,200, the Accounting Officer paid VAT worth UGX 2,192,217 to Non-VAT registered providers Kikyagro General Enterprises Ltd which caused a financial loss;

7. Failure to conduct Disposal of Obsolete items including Tata Lorry, double cabin pickups among others contrary to Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023 these exposed assets to the risk of further loss of value due to deterioration, vandalism and theft;
8. For five procurements worth UGX 733,890,000, the Accounting Officer did not appoint Force Account Contract Managers and Supervisors contrary to Regulations 5 and 6 of the PPDA (Force Account Mechanism) Regulations, 2014 which exposed the Entity to the risk of poor-quality work and delayed project implementation;
9. For all the sampled procurements worth UGX 385,842,500, the Contract Managers did not prepare contract implementation plans and did not archive procurement records contrary to Section 33 (o) of the PPDA Act, Cap 205 and Regulation 50 (3) of the PPDA (Contract) Regulations, 2023 which hindered effective contract management, transparency and accountability; and
10. In the Construction of a classroom block and office and a store at Iganga MC P/S worth UGX 94,386,300, shoddy work was observed as the store had cracks which denied the school from attaining value for money.

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

1. The Permanent Secretary Ministry of Local Government should task the Accounting Officer to show cause why disciplinary action should not be taken against her for:
 - i. Conducting procurements worth UGX 520,057,646 (99.7) outside the procurement plan contrary to Regulation 4 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 which exposed the Entity to the risk of budget overrun and accumulated domestic arrears; and
 - ii. Failure to fully implement 54% of the previous audit recommendations.
2. The Accounting Officer should:
 - i. Task the Contracts Committee to show cause why disciplinary action should not be taken against them for:
 - (a) Awarding the contracts above the approved procurement plan contrary to Regulation 4 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 which exposed the Entity to the risk of budget overrun and accumulated domestic arrears; and
 - (b) Irregular authorization of cash payments and misuse of Force Account Mechanism in nine procurements worth UGX 103,347,030 by not following the procurement process such as allowing User Departments to use cash procurements and implementing construction works without technical input from the Engineering Department Contrary to Sections 33 (a) and 130 (5) of the PPDA Act Cap 205 which exposed the Entity to the risk of financial loss and delivery of substandard works;
 - ii. Ensure that Force Account Mechanism requirements are followed in accordance with Section 130 of the PDDA Act, Cap 205 and Regulations 5 and 6 of the PPDA (Force Account Mechanism) Regulations, 2014;

- iii. Task the Head Procurement and Disposal Unit to show cause why disciplinary action should not be taken against him for causing delays of 208 working days in two procurements worth UGX 108,386,300 hindering timely provision of service delivery;
 - iv. Recover or refund UGX 2,192,217 paid as VAT to a non-VAT registered provider Kikyagro General Enterprises Ltd;
 - v. Ensure that the disposal process for the obsolete assets is expedited in accordance with the PPDA Disposal of Assets Regulations, 2023; and
 - vi. Appoint Contract Managers to supervise the works executed using the Force Account Mechanism in accordance with Regulations 5 and 6 of the PPDA (Force Account Mechanism) Regulations, 2014.
3. The Contracts Committee should:
 - (a) Desist from approving evaluation reports with contract values above the procurement plan without Accounting Officer's confirmation of availability of extra funds in accordance with Regulation 7 (1) of the PPDA (Contracts) Regulations, 2023;
 - (b) Desist from approving procurements not in the procurement plan in accordance with Section 60 of the PPDA Act, Cap 205.
 4. The Head Procurement and Disposal Unit should:
 - i. Always invite a member of the Contracts Committee or a person nominated by the User Department to witness the bid opening process in a bid to promote transparency and accountability in line with Regulation 29 (1) of the PPDA (Evaluation) Regulations, 2023; and
 - ii. Archive all documents pertaining to a particular procurement on their respective files in accordance with Section 33 (o) of the PPDA Act, Cap 205.
 5. The Contract Managers should:
 - i. Prepare Contract Management Plans using Form 49 in Schedule 2 and forward a copy of the Contract Management Plan to the Procurement and Disposal Unit in accordance with Regulation 50 (4) of the PPDA (Contract) Regulations, 2023; and
 - ii. Ensure that the provider corrects the defects and meets all the performance or delivery obligations in accordance with the terms and conditions of the contract in accordance with Regulation 52 (3) (a) (1) of the PPDA (Contracts) Regulations, 2023.
 6. The Internal Audit Unit should investigate the cash procurements in Table 7 to confirm that there was value for money and submit a report to the Authority within four months.

Iganga Municipal Council should implement the recommended action plan on pages **17-18** of this report.

CHAPTER ONE: INTRODUCTION

1.1. Background

The Public Procurement and Disposal of Public Assets Authority carried out procurement and disposal compliance inspection on the procurement and disposal activities of Iganga Municipal Council that covered a sample of 13 procurement transactions under Financial Year 2023/2024. The procurement and disposal compliance inspection involved a review of procurement structures, asset procurement and disposal 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 Objectives

The overall objective of the procurement and disposal compliance inspection was to assess and establish the degree of compliance of Iganga Municipal Council's procurement system 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 audit period.

The Specific Objectives were to:

- i. 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 structure and conduct of procurement process;
- ii. Assess the degree of compliance of the Entity's Disposal process with the provisions of the PPDA Act, Cap 205 and the PPDA Regulations, 2023; and
- iii. 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 Compliance Audit

The Audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation on sample basis. The exercise covered a sample of 13 procurement transactions worth **UGX 1,103,828,557** conducted during the FY 2023/2024, review of procurement structures and review of the procurement plan performance. The list of sampled transactions is contained in **Annex B**.

1.4. Methodology

The auditors examined records and documents for each sampled procurement transaction 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 audit, the auditors held interviews with the staff from the Procurement and Disposal Unit (PDU) and User Departments that were necessary in obtaining crucial qualitative information about the internal control systems and processes in place.

Two officers conducted the exercise under the supervision of the Regional Manager and Director Performance Monitoring – Regional Offices. During the exercise, the team examined records and documents for each of the 13 sampled procurement transactions. The team reviewed the procurement plan for the Financial Year 2023/2024.

A debrief meeting to discuss preliminary findings was held with the Entity management and staff on 14th November 2024 before the procurement and disposal compliance inspection team could embark on preparation of the Management Letter. The Management Letter was sent to the Entity on 19th December 2024 with a request to submit a Management Responses by 8th January 2025, which was submitted to the Authority on 5th March 2025 by email.

1.5. Procurement Structure of the Entity

The key players in the procurement structure at the Entity are the Town Clerk as the Accounting Officer, the Contracts Committee (CC), the Procurement and Disposal Unit (PDU), ad-hoc Evaluation Committees and User Departments.

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, the Accounting Officer was Mr. Daniel Kasala and at the time of the Compliance Inspection, the current Town Clerk was Ms. Edith Turyasasirwa and was designated as the Accounting Officer of the Entity.

ii. The Contracts Committee

The Permanent Secretary/Secretary to the Treasury of Ministry of Finance, Planning & Economic Development approved five members of the Contracts Committee who also acted during the period under review as indicated in Table 1 below:

Table 1: Contracts Committee Members

S/N	Name	Job Title	Position on Committee	Date of Appointment
1.	Mr. Jonah Bururu	Information Technology Officer	Chairperson	20 th September 2023
2.	Mr. Denis Njuba	Veterinary Officer	Member	10 th April 2024
3.	Mrs. Susana Mirember	Education Officer Special Needs	Member	10 th April 2023
4.	Mr. Edwin Mawanda	Senior Education Officer	Secretary	20 th September 2023
5.	Mr. Paul Kiwanuka	Senior Clinical Officer	Member	10 th April 2024

iii. Staffing of the Procurement and Disposal Unit

The Procurement and Disposal Unit was manned by the following staff during the period as indicated in Table 2 below:

Table 2: Staff in the Procurement and Disposal Unit

S/N	Name	Position	Qualification
1.	Mr. Tonny Mwesigwa	Senior Procurement Officer	PGD Procurement and Supply Chain Management, PGD Project Planning and Management and Bachelors of Procurement & Logistics Management
2.	Miss Halima Kagoya	Procurement Officer	PGD, Procurement and Logistics Bachelors of Procurement and Logistics Management

This report presents the key findings and conclusions arising from the compliance inspection exercise.

CHAPTER TWO: FINDINGS AND RECOMMENDATIONS

2.1. COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP 205 AND REGULATIONS, 2023 WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURE AND CONDUCT OF PROCUREMENT PROCESS.

2.1.1 Conducted 99.7% procurement outside the procurement plan

Regulation 4 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 states that a procuring and disposing entity shall not initiate any procurement for which funds are not available or adequate in the budget of the Procuring and Disposing Entity.

The Authority noted that the Entity's total procurement budget for the Financial Year 2023/2024 was UGX 521,477,840 as noted from the Entity's consolidated procurement plans. The quarterly reports submitted to the Authority indicated a total procurement spend of UGX 787,164,434. A review of the IFMS purchase activity register further noted that the Entity procured items totaling to UGX 1,041,535,486. Thus, the Entity implemented procurements worth UGX 520,057,646 over and above the planned procurement plan as indicated in Table 3 below:

Table 3: Procurement Plan Implementation Rate.

Total procurement plan value (UGX)	521,477,840
Actual procurement spend reported to the Authority (UGX)	787,880,944
Purchase activity registered amount	1,041,535,486
Variance (UGX)	520,057,646
Percentage implementation rate (%)	199.7%
Variance (%)	99.7%

Note: This was extracted from the Entity's procurement plan, Purchase Activity Register and quarterly reports submitted to the Authority.

The 199% procurement plan implementation was attributed to award of three procurements with procurement plan value of UGX92,840,000 at a contract value of UGX 343,417,667 leading to a variance of UGX 343,417,667 and implementation of four unplanned procurements worth UGX 31,354,956 as indicated in Table 4 and Table 5 respectively.

Table 4: Procurements above the procurement plan estimates

S/N	Subject of procurement	Planned amount (UGX)	Award Amount (UGX)	Variance (UGX)
1.	Fuel, oil, and lubricants	45,840,000	380,551,667	334,711,667
2.	Supply of solar lights	40,000,000	45,000,000	5,000,000
3.	Construction of a septic tank at Nabidongha HC III	7,000,000	10,706,000	3,706,000
	Total	92,840,000	436,257,667	343,417,667

Source: Procurement plan, purchase activity register and quarterly reports submitted to the Authority.

Table 5: Procurements outside the procurement plan

SN	Subject of procurement	Provider	Amount (UGX)
1.	Being service for skirting of the corridor for the new building and partial painting	Swalilinto Engineering Co U Ltd	1,098,956
2.	Being Payment for Consultancy Services - Legal Fees	Balidawa - Ngobi & Co Advocates	5,000,000
3.	Being for Operation and Maintenance of the Municipal Administration Block to improve on the face lift	Swalilinto Engineering Company Uganda Ltd	14,550,000
4.	Being payment for construction of a placenta Pit at Buligo HC II	Basham Associates(U) Ltd	10,706,000
	Total		31,354,956

Implications

- Budget overrun by UGX 520,057,646 puts the Entity at a risk of domestic arrears.
- Un planned procurements exposed the Entity to the risk of re-allocation of funds thus planned activities may not be implemented.

Management Response

Management acknowledged the anomaly and attributed it to introduction of procurements in the course of the financial year and pledged to always update the procurement plan.

Recommendations

- The Permanent Secretary Ministry of Local Government should task the Accounting Officer to show cause why disciplinary action should not be taken against her for conducting procurements worth UGX 520,057,646 above the procurement plan contrary to Section 60 (7) of the PPDA Act, Cap 205 which exposed the Entity to the risk of domestic arrears.
- The Contracts Committee should:
 - Desist from approving evaluation reports with contract values above the procurement plan without Accounting Officer's confirmation of availability of extra funds in accordance with Regulation 7 (1) of the PPDA (Contracts) Regulations, 2023;
 - Desist from approving procurements not in the procurement plan in accordance with Section 60 of the PPDA Act, Cap 205.

2.1.2 Failure to fully implement 54% of the previous audit recommendations

Iganga Municipal Council was issued with previous audit report for the Financial Year 2019-2020 on 11th February 2021. Out of 11 recommendations made, five (45.5%) recommendations were fully implemented, two (18%) recommendations were partially implemented and four (36%) recommendations were not implemented as detailed in Table 6 below:

Table 6: Implementation of Previous Audit Recommendations

S/N	Recommended Action	Status
1.	The Accounting Officer should caution User Departments for failure to report on delegated procurements and the User Departments should report all delegated procurements in accordance with Regulation 41 (8)	Not implements

S/N	Recommended Action	Status
	of the Local Government (PPDA) Regulations, 2006	
2.	The Accounting Officer should ensure that the delays in the procurement at various stages are addressed in accordance with Section 48 of the PPDA Act, 2003	Not implemented
3.	The User Department should initiate procurements transactions together with clear description of the requisitions according to Regulation 65 (1) (a) of the Local Government (PPDA) Regulations 2006	Partially Implemented
4.	The Head Procurement and Disposal Unit should ensure that all procurements under framework contracts are conducted in accordance with the Guidelines on use of Framework Contracts for procurement of supplies, works and non-consultancy services by the Authority on 26 th September 2014	Partially implemented
5.	The Accounting Officer should take disciplinary action against the Head Procurement and Disposal Unit for abetting fraudulent practices and should submit to the Authority the list of companies and company Directors that engage in fraudulent practices for suspension	Not implemented
6.	The Accounting Officer should prevail over User Departments to nominate contract supervisors in accordance with Regulation 119(2) of the Local Government (PPDA) Regulations, 2006	Not implemented

Implication

Failure to implement previous audit recommendations denies the Entity an opportunity to continuously improve in their procurement processes.

Management Response

Management acknowledged the Authority's observation and pledged to improve going forward.

Recommendation

The Permanent Secretary Ministry of Local Government should task the Accounting Officer to show cause why disciplinary action should not be taken against her for failure to fully implement 54% of the previous audit recommendations.

2.1.3 Irregular use of Force Account Mechanism.

Section 130 (3) of the PPDA Act, Cap 205 states that where a Procuring and Disposing Entity uses force account mechanism, the supplies to be used for the assignment shall be procured in accordance with the requirements of the Act; and the Procuring and Disposing Entity shall determine that the direct, indirect and overhead costs to be incurred are less than would be incurred if the assignment was executed by a contractor.

For three procurements worth UGX 70,048,930 indicated in Table 7 below, a review of the Entity's Contracts Committee minutes, the Entity's purchase activity register from Integrated Financial Management System, and interview of User Departments and Procurements staff noted the following:

- (a) A market survey was not conducted to determine whether the direct, indirect and overhead costs to be incurred are less than would be incurred if the assignment was

executed by a contractor secured through the procurement process contrary to Section 130 (3) (b) the PPDA Act Cap 205.

- (b) The above works projects were implemented by the User Departments under Force Account Mechanism without supervision of the Municipal Engineering Department contrary to Section 130 (5) (c).

Table 7: Procurements Where Force Account Mechanism was irregularly used

S/N	Subject of procurement	Amount	PPDA Findings
1.	Maintenance of primary school in Iganga Municipal Council P/S Kasokoso P/S, Bulindo P/s and Nakavule P/S	25,098,000	The Contract Committee meeting held on 22 nd August 2023 approved/ delegated use of Force Account Mechanism without using a competitive procurement method.
2.	Construction/furnishing of the ground floor of the Central Division storage building	31,188,930	The Contract Committee meeting held on 17 th January 2024 approved the use of Force Account Mechanism without using a competitive procurement method.
3.	Construction of a septic tank at Nabidongha HC III	13,762,000	The Contract Committee meeting held on 14 th November 2023 approved the use of Force Account Mechanism by the User Department without following procurement procedures to acquire the supplies.
	Total	70,048,930	

Source: procurement plan for FY 2023/24, the Contract Committee minutes, IFMS purchase activity register.

Implications

- This exposed the Entity to the risk of financial loss and procurement of poor-quality assets and implementation of substandard works.
- This hindered achievement of value for money due to lack of transparency, fairness and competition in the procurement process.
- This exposed the Entity to the risk of reputational loss which discourage bidders from participating in the procurement process thus low bidder participation.

Management Response

Management acknowledged the Authority's observation and explained that the procurements approved by Contracts Committee were of low value and were not part of the procurement plan. Management pledged to improve in future.

Recommendations

- The Authority takes note of the response however, the Entity should regularly update the procurement plan and ensure that all procurements follow the procurements process thus the Authority recommends that the Accounting Officer should:
 - Desist from misuse of Force Account Mechanism Contrary to 130 (5) of the PPDA Act, Cap 205 which exposed the Entity to the risk of financial loss and delivery of substandard works;

- b) Ensure that Force Account Mechanism requirements are followed in accordance with Section 130 of the PPDA Act, Cap 205 and Regulations 5 and 6 of the PPDA (Force Account Mechanism) Regulations, 2014.
- ii. 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.

2.1.4 Delayed procurement process

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

For two procurements worth UGX 108,757,500, the Head Procurement and Disposal Unit delayed to submit the procurement to the Contracts Committee for approval of procurement method, bidding documents, and the Evaluation Committee by an average of 104 working days as indicated in the Table 8 below:

Table 8: Showing delays in the procurement process

S/N	Subject of Procurement	Contract value (UGX)	PPDA Findings	Delay in Days
1.	Partial construction of in-patient at Nabidhonga Health Centre III	14,371,200	The Requisition was initiated on 12 th July 2023, and approved by Contracts Committee on 14 th November 2023 and bidders were invited to bid on 8 th April 2024	184 working days
2.	Construction of a classroom block and office and a store at Iganga MC P/S	94,386,300	Requisition initiated on 5 th June 2023, and Accounting Officer approved requisition on 11 th July 2023, a delay of 24 working days	24 working days
	Total	108,757,500	Average Delay	104

Implication

Delayed procurement process denies timely service delivery to the intended beneficiaries.

Management Response

Management acknowledged the Authority's observation and attributed it to delayed submission of Bills of Quantities (BOQ) and drawings by the User Departments but pledged to improve going forward.

Recommendation

The Authority notes managements response, however, a procurement requisition should be supported by the Bills of Quantities thus not an adequate reason of delay. The Authority thus recommends that:

The Accounting Officer should task the Head Procurement and Disposal Unit to show cause why disciplinary action should not be taken against them for causing delays of 208 days in two procurements worth UGX 108,757,500 contrary to Section 51 of the PPDA Act, Cap 205.

2.1.5 Failure to involve Contracts Committee or the User Department in the bid closing and opening of bids exercise

Regulation 29 (1) of the PPDA (Evaluation) Regulations, 2023 requires that the bid opening shall be managed by the procurement and disposal unit and shall be witnessed by a member of the contracts committee or a person nominated by the User Department.

In two procurements worth UGX 108,757,500, the Authority noted that a member of the Contracts Committee or a person nominated by the User Department did not witness on the bid closing and opening forms in all the sampled procurements. Only a member from the Procurement and Disposal Unit witnessed the receipt of bids and bid opening process as indicated in Table 9 below:

Table 9: Procurements where the Contracts Committee or the User Department did not witness the bid closing and opening of bids

S/N	Subject of Procurement	Contract value (UGX)	PPDA Findings
1.	Partial construction of in-patient at Nabidhonga Health Centre III	14,371,200	Receipt of bids and bid opening not witnessed by a member of Contracts Committee or representative from User Department
2.	Construction of a classroom block and office and a store at Iganga MC P/S	94,386,300	Receipt of bids not witnessed by a member of Contracts Committee or representative from User Department
	TOTAL	108,757,500	

Implication

This hinders transparency in the procurement process.

Management Response

The indicated that Contracts Committee and User departments were involved in the entire exercise of bid closing and explained that it was an omission for them not to sign on the bid opening forms.

Recommendation

The Authority takes note of the management response however, this could not be confirmed without evidence of signed bid opening forms.

The Authority thus recommends that the Head Procurement and Disposal Unit should always invite a member of the Contracts Committee or a person nominated by the User Department to witness the bid opening process in a bid to promote transparency and accountability in line with Regulation 29 (1) of the PPDA (Evaluation) Regulations, 2023.

2.1.6 Payment of VAT to a non-VAT Registered Provider.

In the partial construction of in-patient at Nabidhonga Health Centre III worth UGX 14,371,200, the Accounting Officer signed a VAT inclusive contract and paid VAT of UGX. 2,192,217 to a non-VAT registered provider Kikyagro General Enterprises Ltd

Implication

This led to a financial loss of UGX 2,192,217.

Management Response

Management confirmed that they paid VAT to the provider and explained that they expected the provider to pay VAT to URA since the provider files monthly returns to Uganda Revenue Authority.

Recommendation

The Authority takes note of the management response; however, the Entity did not provide evidence that the provide is either VAT registered or that the provider files monthly VAT returns. The Authority thus recommends that the Accounting Officer should recover or refund UGX 2,192,217 paid to Kikyagro General Enterprises Ltd, a non-VAT registered provider.

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

2.1.1 Failure to Dispose of Obsolete Items.

Regulation 2 (1) 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.

The Authority reviewed the Entity's Board of Survey report for financial year 2022/2023 and noted that assets that had been earmarked for disposal in the financial year 2023/2024 had not been disposed of. The list of items recommended for disposal in the Board of Survey report are indicated in Table 10 below:

Table 10: Assets Identified for Disposal

S/N	Items to be Disposed of
1.	Tata Lorry UAY 880
2.	Pick up no: UAG 496G
3.	CPU and monitors at Municipal Headquarters

Source: Entity's Board of Survey Report for financial year 2022/2023.

Physical inspection around the municipality headquarters also observed obsolete items that have not been disposed of as indicated in Figure 1 below:

Figure 1: Obsolete items in the Municipality Compound



Implications

- Failure to dispose of assets inhibits achievement of value for money due to further loss of asset value caused by further deterioration, theft and vandalism.
- Obsolete assets occupy space in the compound that could have been utilized for other purposes and pose a health and safety hazards.

Management Response

The Entity acknowledged the observation and attributed it to the delayed appointment of a technical person from the Ministry of Works and transport. Management pledged to follow up with the Ministry Works and ensure that the exercise is concluded.

Recommendation

The Accounting Officer should liaise with MoWT to expedite the process of valuing the obsolete assets so that they are disposed of in a timely manner in accordance with the PPDA (Disposal of 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 appoint Force on Account Contract Managers and Supervisors

Circular No. 3 of 2012 to Local Governments on use of Force Account Mechanism issued by PPDA on 21st September 2012, requires the Accounting Officer to appoint a competent and qualified member of staff of the Procuring and Disposing Entity as a Supervisor to supervise the works, and as a Contract Manager to manage works executed using the Force Account Mechanism

In five Procurements implemented under Force Account worth UGX 733,890,000 listed in Table 11 below, the Accounting Officer did not appoint of the Force Account Supervisor and Contract Manager.

Table 11: Procurements Without Force Account Mechanism Supervisors and Managers

S/N	Subject of procurement	Value (UGX)
1.	Supply of culverts (450mm,600mm, 900mm, 1200mm) for road construction along Gasemba road, Bulolo Road, Muguba Road and other selected roads in Iganga MC	143,580,000
2.	Supply of Marram/gravel for road construction along selected roads in Iganga Municipal council	46,995,000
3.	Supply of Hardcore slates and stone aggregates for stone pitching concrete cover and end structures along Municipal roads	116,480,000
4.	Request for Cement for stone pitching, Culvert concrete and End Structure construction along roads in Iganga MC	69,880,000
5.	Supply of fuel, Supply of oils and other Lubricants for excavators, Graders, Rollers, water bowser for road construction works in Iganga MC	356,955,000
	Total	733,890,000

Implications

- Failure to appoint Force Account Supervisors and Force Account Managers hinders the Procuring and Disposing Entity's ability to fully achieve the intended service delivery.
- It also exposed the Entity to the risk of poor quality and delays in the Project implementation.

Management Response

Management indicated that the evidence of appointment of Force Account Contract Managers was available for verification.

Recommendation

The Authority takes note of the response however no evidence was provided for verification, the Authority recommends that the Accounting Officer should always appoint Contract Managers to

supervise the works executed using the Force Account Mechanism in accordance with Regulations 5 and 6 of the PPDA (Force Account Mechanism) Regulations, 2014.

2.3.2 Failure to Prepare Contract Implementation Plans and archive procurement records.

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

In seven procurements worth UGX 842,629,500, the Contract Managers did not prepare contract implementation plans and that the procurement action files lacked contract management records as indicated in the Table 12 below:

Table 12: Procurements with irregularities during contract management.

S/N	Subject of procurement	Contract Value (UGX)	Missing records
1.	Partial construction of in-patient at Nabidhonga Health Centre III	14,371,200	<ul style="list-style-type: none"> Contract implementation plans
2.	Construction of a classroom block and office and a store at Iganga MC P/S	94,368,300	<ul style="list-style-type: none"> Progress reports, completion certificates/ reports and payment certificates
3.	Supply of culverts (450mm,600mm, 900mm, 1200mm) for road construction along Gasemba road, Bulolo Road, Muguba Road and other selected roads in Iganga MC	143,580,000	<ul style="list-style-type: none"> Contract implementation plan Contract management records of (Progress reports, Delivery notes, goods received Notes and Payment records)
4.	Supply of Marram/gravel for road construction along selected roads in Iganga Municipal Council	46,995,000	
5.	Supply of Hardcore slates and stone aggregates for stone pitching concrete cover and end structures along Municipal roads	116,480,000	
6.	Request for Cement for stone pitching, Culvert concrete and End Structure construction along roads in Iganga MC	69,880,000	
7.	Supply of fuel, Supply of oils and other Lubricants for excavators, Graders, Rollers, water bowser for road construction works in Iganga MC	356,955,000	
	Total	842,629,500	

Implications

- Lack of contract implementations plans hinders effective contract management and exposes the Entity to the risk of not achieving the intended project objectives.
- Poor record keeping of contract management records hinders transparency and accountability in the contract management process.

Management Response

Management acknowledged the observation and attributed it to capacity gap from the User Departments. Management indicated that they had attached the contract implementation plans on respective files.

Recommendation

The Authority takes note of the response however no evidence was provided for verification. The Authority thus recommends that the Contract Managers should prepare contract management plans using Form 49 in Schedule 2 of the PPDA (Contracts) Regulations 2023 and forward a copy of the contract management plan to the Procurement and Disposal Unit in accordance with Regulation 50 (3) of the PPDA (Contract) Regulations, 2023.

2.3.3 Poor workmanship of the construction of a classroom block floor

During physical verification for the Construction of a classroom block and office and a store at Iganga MC P/S worth UGX 94,386,300 by Basham Associates (U) Ltd, the Authority observed that the store had developed cracks that needed to be rectified as shown in figure 2 below:

Figure 2: Classroom block floor with defects



Cracked floor of the store

Implication

Failure to execute the contract as per agreement denies the intended beneficiaries from receiving the desired service delivery.

Management Response

Management acknowledged that the walls had cracks as per the PPDA observation and explained that the Entity had retained 5% of the contractor's price to cater for such defects.

Recommendation

The Authority takes note of the Entity response and recommends the Contract Managers should ensure that the providers correct the defects and meets all the performance or delivery obligations in accordance with the terms and conditions of the contract in accordance with Regulation 52 (3) (a) (1) 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 Iganga Municipal Council for the Financial Year 2023/2024 was **Moderately Satisfactory** with overall weighted average risk rating of **61.3%**.

The risk rating is as follows:

Table 13: Risk Rating Table

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

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 14 below: -

Table 14: Weighted Score of Iganga District Local Government

Risk Category	No.	No.%	Value (UGX)	Value. %	Weights	Total Weighted Average	
						By No.	By Value
High	10	45.5	197,733,330	16.4	0.6	27.3	9.8
Medium	10	45.5	917,330,257	76	0.3	13.6	22.8
Low	-	-	-	-	0.1		-
Satisfactory	2	9.4	92,112,000	7.6	0		-
Total	22	100	1,207,175,587	100	1	40.9	32.6

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{40.9}{60} \times 100 = 68.2\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{32.6}{60} \times 100 = 54.4\%$$

$$\text{Combined Weighted Average} = \frac{68.2 + 54.4}{2} = 61.3\%$$

Figure 3: Risk Rating by Number

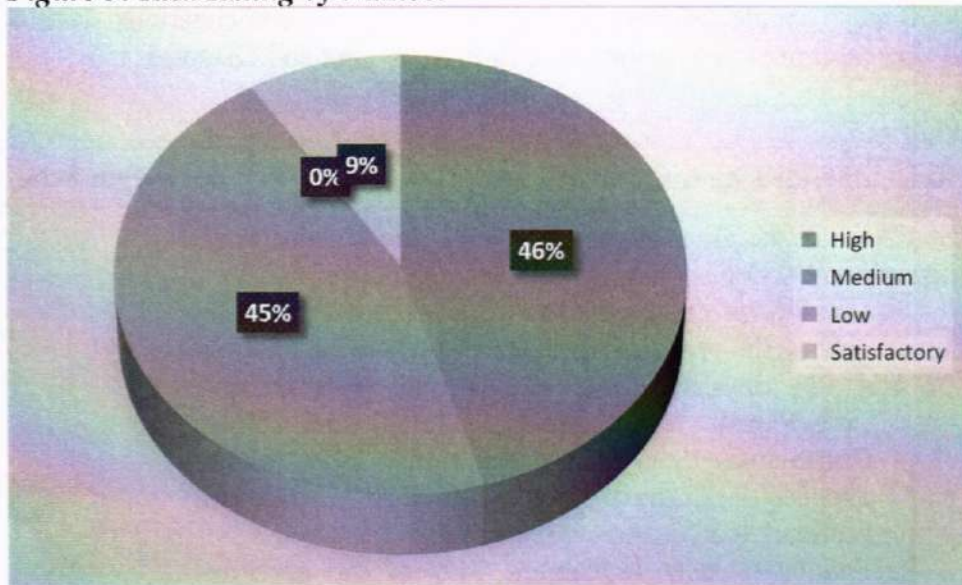
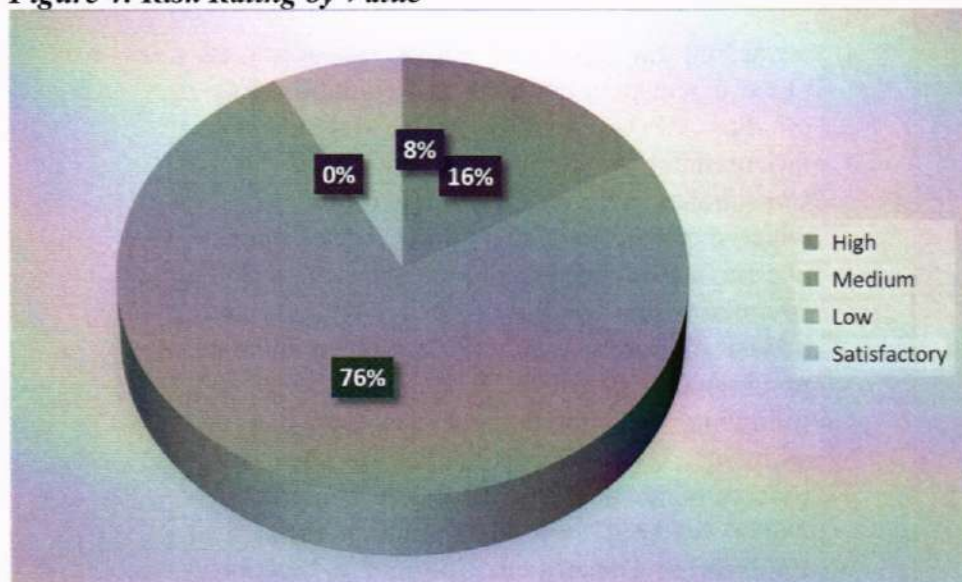


Figure 4: Risk Rating by Value



3.2. Recommended Action Plan

Iganga Municipal Council should implement the following recommendations within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 15: Action Plan

Origin	Recommended Action	Target Date
The Permanent Secretary Ministry of Local Government	Should task the Accounting Officer to show cause why disciplinary action should not be taken against her for: <ol style="list-style-type: none"> i. Conducting procurements worth UGX 520,057,646 outside the procurement plan contrary to Regulation 4 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 which exposed the Entity to the risk of budget overrun and accumulated domestic arrears; and ii. Failure to fully implement 54% of the previous audit recommendations. 	
The Accounting Officer should	<ol style="list-style-type: none"> i. Task the Contracts Committee to show cause why disciplinary action should not be taken against them for: <ol style="list-style-type: none"> a) Awarding the contracts above the approved procurement plan contrary to Regulation 4 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 which exposed the Entity to the risk of budget overrun and accumulated domestic arrears; and b) Irregular authorization of cash payments and misuse of Force Account Mechanism in nine procurements worth UGX 103,347,030 by not following the procurement process such as allowing User Departments to use cash procurements and implementing construction works without technical input from the Engineering Department Contrary to Sections 33 (a) and 130 (5) of the PPDA Act Cap 205 which exposed the Entity to the risk of financial loss and delivery of substandard works. ii. Ensure that Force Account Mechanism requirements are followed in accordance with Section 130 of the PDDA Act, Cap 205 and Regulations 5 and 6 of the PPDA (Force Account Mechanism) Regulations, 2014; iii. Task the Head Procurement and Disposal Unit to show cause why disciplinary action should not be taken against him for causing delays of 208 	

Origin	Recommended Action	Target Date
	<p>working days in two procurements worth UGX 108,386,300 hindering timely provision of service delivery;</p> <p>iv. Recover or refund UGX 2,192,217 paid as VAT to a non-VAT registered provider Kikyagro General Enterprises Ltd;</p> <p>v. Ensure that the disposal process for the obsolete assets is expedited in accordance with the PPDA Disposal of Assets Regulations, 2023; and</p> <p>vi. Appoint Contact Managers to supervise the works executed using the Force Account Mechanism in accordance with Regulations 5 and 6 of the PPDA (Force Account Mechanism) Regulations, 2014.</p>	
The Contracts Committee	<p>i. Desist from approving evaluation reports with contract values above the procurement plan without Accounting Officer's confirmation of availability of extra funds in accordance with Regulation 7 (1) of the PPDA (Contracts) Regulations, 2023; and</p> <p>ii. Desist from approving procurements not in the procurement plan in accordance with Section 60 of the PPDA Act, Cap 205.</p>	
The Head Procurement and Disposal Unit	<p>i. Always invite a member of the Contracts Committee or a person nominated by the User Department to witness the bid opening process in a bid to promote transparency and accountability in line with Regulation 29 (1) of the PPDA (Evaluation) Regulations, 2023; and</p> <p>ii. Archive all documents pertaining to a particular procurement on their respective files in accordance with Section 33 (o) of the PPDA Act, Cap 205.</p>	
User Departments	<p>i. Prepare Contract Management Plans using Form 49 in Schedule 2 and forward a copy of the Contract Management Plan to the Procurement and Disposal Unit in accordance with Regulation 50 (4) of the PPDA (Contract) Regulations, 2023; and</p> <p>ii. Ensure that the provider corrects the defects and meets all the performance or delivery obligations in accordance with the terms and conditions of the contract in accordance with Regulation 52 (3) (a) (1) of the PPDA (Contracts) Regulations, 2023.</p>	
The Internal Audit Unit	Should investigate the cash procurements in Table 7 to confirm that there was value for money and submit a report to the Authority within four months.	

Annex A: Summary Case by Case

NO	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	Igan707/Wrks/23-24/001 Construction of a two Classroom Block with an office and a store at Iganga Municipal Council primary school Open Bidding Basham Associates (U) Ltd Contract amount: 94,386,300	<ul style="list-style-type: none"> • Delayed procurement process • Failure to involve Contracts Committee or User Department in bid closing • Inconsistencies at the evaluation stage • Failure to prepare Contract management plans • Poor work Manship Cracked floor of the store
2.	Maintenance of primary school in Iganga Municipal Council P/S Kasokoso P/S, Bulindo P/s and Nakavule P/S Amount: 25,098,000	Contract Committee (CC) meeting held on 22 nd August 2023 approved/ delegated use of Force Account Mechanism
3.	Documentary casting and video-graphic of Iganga MC Amount: 6,000,000	CC meeting held on 15 th December 2023 approved direct procurement by the User department because the Entity did not have prequalified firms and standard cost of hiring a firm was too expensive
4.	Construction/furnishing of the ground floor of the Central Division storage building Amount: 31,188,930	CC meeting held on 17 th January 2024 approved the use of Force Account Mechanism
5.	Supply of assorted Council Chairs Amount: 6,000,000	CC meeting held on 12 th June 2024 granted permission to the Municipal Planner to procurement furniture directly
6.	Construction of a septic tank at Nabidongha HC III Amount: 13,762,000	CC meeting held on 14 th November 2023 approved the use of Force Account Mechanism by the User Department
7.	Assorted office stationery for HR, Planning, and Administration Amount: 10,149,050	
8.	Supply of assorted office stationery for Planning unit Amount: 6,149,050	
9.	Cartridges for Central Registry Amount: 1,000,000	
10.	Printing papers for Central Registry Amount: 4,000,000	

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.		•
2.	Supply of road construction and maintenance materials of sand, cement, marram, aggregates, hardcore slates,	<ul style="list-style-type: none"> • Failure to appoint the Supervisor and contract manager • Failure to prepare Contract management

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	culverts, gravel under framework Contract amount: 413,035,000	plans
3.	Igan773/wrks/23-24/001 Partial construction of in-patient at Nabidhonga Health Centre III Selective bidding Kikyagro General Enterprises Ltd Contract amount: 14,371,200	<ul style="list-style-type: none"> • Delayed procurement process • Failure to involve Contracts Committee or User Department in bid closing and opening process • Payment of VAT to a non-VAT registered provider • Failure to prepare Contract management plans
4.	Igan707/Spls/23-24/002 Supply of fuel for excavator, Grader, Roller, water bowser etc. for road construction works in central and road construction Open Bidding (Framework) Total Naluvule Service station Contract amount: 380,551,667	<ul style="list-style-type: none"> • Failure to appoint the Supervisor and contract manager • Failure to prepare Contract management plans • Procurements above the procurement plan estimate
5.	Supply of solar lights Open Bidding (Framework) Kauma Construction Co Ltd Contract amount: 45,000,000	<ul style="list-style-type: none"> • Procurements above the procurement plan estimate • Failure to prepare Contract management plans
6.	Construction of a septic tank at Nabidongha HC III Basham Associates U Ltd Contract amount: 10,706,000	<ul style="list-style-type: none"> • Procurements above the procurement plan estimate • Failure to prepare Contract management plans
7.	Being service for skirting of the corridor for the new building and partial painting Swalilinto Engineering Co U Ltd Contract amount: 1,098,956	<ul style="list-style-type: none"> • Procurements outside the procurement plan • Failure to prepare Contract management plans
8.	Being Payment for Consultancy Services - Legal Fees Balidawa - Ngobi & Co Advocates Contract amount: 5,000,000	
9.	Being for Operation and Maintenance of the Municipal Administration Block to improve on the face lift Swalilinto Engineering Company Uganda Ltd Contract amount: 14,550,000	
10.	Being payment for construction of a placenta Pit at Buligo HC II Direct Procurements Basham Associates(U) Ltd Contract amount: 10,706,000	
11.	Being payment for completion of the administration store, security house and	

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	installation of a main gate Swalilinto Engineering Company Uganda Ltd Contract amount: 22,311,434	

NO	SATISFACTORY CONTRACTS	
1.	lgan707/Srvn/23-24/009 Management and Collection of Local Revenue from Loading and Offloading Open Bidding Bumaga Investments Limited Contract amount: 54,000,000	
2.	lgan707/Srvn/23-24/0010 Management and Collection of Local Revenue from Loading and Offloading Open Bidding Subam Investments Ltd Contract amount: 38,112,000	

Annex B: Sample List for Iganga Municipal Council for Financial Year 2023/2024

No.	Reference number	Subject of procurement	Procurement method	Provider	Contract value (UGX)
1.	Igan707/Wrks/23-24/001	Construction of a two Classroom Block with an office and a store at Iganga Municipal Council Primary School	Open Bidding	Basham Associates (U) Ltd	94,386,300
2.	Igan773/wrks/23-24/001	Partial construction of in-patient at Nabidhonga Health Centre III	Selective bidding	Kikyagro General Enterprises Ltd	14,371,200
3.	Igan707/Spls/23-24/001 Igan707/Spls/23-24/004 Igan707/Spls/23-24/003 Igan707/Spls/23-24/005	Supply of 600 mm diameter culverts for road construction along Muguba Road Supply of 900 nm diameter Culverts for road construction along Igamba Nkono, Naktu & Nabidinga, Buligo, Walugogo, Kosokoso and Bugumba Supply of gravel for road construction along Iganga Municipal Roads Supply of ordinary port land cement and lime for road construction along Buligo Road Supply of Hardcore slates for stone pitching concrete cover and end structures along Municipal roads	Open Bidding (Framework)	Basham Associates (u) Ltd Basham Associates (u) Ltd Nabitende Investments Ltd Selema Entreprises Uganda Limite Kauma Construction Co. Ltd	413,035,000
4.	Igan707/Spls/23-24/002	Supply of fuel for excavator, Grader, Roller, water bowser etc. for road construction works in central and road construction	Open Bidding (Framework)	Total Naluvule Service station, Nexus Petroleum Ltd, Rubis Energy Uganda Ltd, Total Iganga Service Station	380,551,667
5.	Igan707/rvn/23-24/009	Management and Collection of Local Revenue from Loading and Offloading	Open Bidding	Bumaga Investments Limited	54,000,000
6.	Igan707/rvn/23-24/0010	Management and Collection of Local Revenue from Loading and Offloading	Open Bidding	Subam Investments Ltd	38,112,000
Added list of procurements looked at during the compliance inspection					
7.		Being service for skirting of the corridor for the new	Direct	Swalilinto Engineering Co	1,098,956

No.	Reference number	Subject of procurement	Procurement method	Provider	Contract value (UGX)
		building and partial painting	procurement	U Ltd	
8.		Being Payment for Consultancy Services - Legal Fees	Direct procurement	Balidawa - Ngobi & Co Advocates	5,000,000
9.		Being for Operation and Maintenance of the Municipal Administration Block to improve on the face lift	Direct procurement	Swalilinto Engineering Company Uganda Ltd	14,550,000
10.		Being payment for construction of a placenta Pit at Buligo HC II	Direct procurement	Basham Associates(U) Ltd	10,706,000
11.		Being payment for completion of the administration store, security house and installation of a main gate	Direct procurement	Swalilinto Engineering Company Uganda Ltd	22,311,434
12.		Supply of solar lights	Open Bidding	Kauma Construction Co Ltd	45,000,000
13.		Construction of a septic tank at Nabidongha HC III	Direct procurement	Basham Associates U Ltd	10,706,000
		TOTAL			1,103,828,557

Annex C: 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	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	This implies lack of efficiency, standardization and avoiding competition.

RISK	DESCRIPTION	AREA	IMPLICATION
	using the existing management framework to ensure a formal and effective system of management controls is put	and records of issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	
	in place. 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 improve efficiency or to	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	This leads to failure to declare conflict of interest

RISK	DESCRIPTION	AREA	IMPLICATION
	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 place and monitor compliance with detailed procedures.	of Conduct	and lack of transparency.

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.