



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**
"Regulating for Results"

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

NABILATUK DISTRICT LOCAL GOVERNMENT

AUGUST 2025

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Acronyms

AO	Accounting Officer
CC	Contracts Committee
EC	Evaluation Committee
FY	Financial Year
HPDU	Head, Procurement and Disposal Unit
ODB	Open Domestic Bidding
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SBD	Standard Bidding Document
SDB	Selective Domestic Bidding
DLG	District Local Government

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out a Compliance Inspection of Nabilatuk District Local Government that covered a representative sample of ten procurement transactions for the Financial Year 2023/2024.

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

From the findings of the compliance inspection exercise, the performance of Nabilatuk District Local Government in the Financial Year 2023/2024 was **unsatisfactory** with an overall weighted average risk rating of **71%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the audit report.

The following key exceptions were noted:

1. The Authority noted structural weaknesses in the Entity's procurement setup. The Procurement and Disposal Unit was inadequately staffed, with only one officer (the Senior Procurement Officer) managing the entire unit, contrary to Section 28(1)(c) of the PPDA Act, Cap. 205. Additionally, the Contracts Committee was not fully constituted, with only four members instead of the five required under Section 29 of the Act. These gaps significantly compromise the efficiency and effectiveness of the Entity's procurement and disposal processes, hinder timely decision-making due to challenges in establishing quorum, and weaken oversight and accountability in the procurement function;
2. The Entity failed to implement 78% of the previous audit recommendations for the Financial Year 2021-2022. Of the nine recommendations made, only two (22%) were fully implemented, two (22%) partially implemented, and five (56%) were not implemented contrary to Section 10 of the PPDA Act, Cap. 205 which affected the Entity's performance;
3. Failure to update the procurement plan which resulted into a non-implementation rate of 16% (UGX 460,318,638). Only 84% of planned procurements, worth UGX 2,383,196,362, were implemented, contrary to Section 60(7) of the PPDA Act, Cap. 205;
4. Failure by the Procurement and Disposal Unit to submit monthly procurement reports for the period from January to June 2024 resulted in 18 procurements worth approximately UGX 186,625,028 approved under selective bidding not being reported, contrary to Regulation 15(1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023. This non-compliance undermines transparency and accountability in the Entity's procurement processes and weakens the Authority's oversight role in ensuring compliance;
5. User Departments did not prepare Statements of Requirements during the initiation of nine out of 10 sampled procurements worth UGX 752,936,023. This risked the Entity receiving non-responsive bids that may not align with the actual needs of the end users;
6. The Procurement and Disposal Unit issued bidding documents containing irregular provisional sums in three procurements worth UGX 297,309,799. This created opportunities for the misuse of public funds and increased the risk of inflated contract prices, thereby compromising the economy and efficiency of the procurement process, contrary to Section 51 of the PPDA Act, Cap. 205;

7. In two procurements worth UGX 155,559,150, the Entity received an average of only two bids in response to invitations under open bidding method, an indicator of lack of confidence by bidders in the Entity's procurement processes leading to low bidder participation contrary to Section 49 of the PPDA Act, Cap. 205;
8. The Authority found that in five procurements worth UGX 380,530,489, Evaluation Committees failed to strictly apply the evaluation criteria outlined in the bidding documents, recommending bidders who did not meet the criteria. This non-compliance with Regulation 5(2) of the PPDA (Evaluation) Regulations, 2023 combined with the acceptance of invalid documents, undermines fairness and transparency, and erodes bidder confidence, thereby reducing competition;
9. The Accounting Officer failed to obtain the Attorney General's clearance for the contract on the rehabilitation of Lorengedwat piped water system worth UGX 205,280,741, in breach of Regulation 6(1)(f) of the PPDA (Contracts) Regulations, 2023. This omission exposed the Entity to the risk of entering into legally unenforceable or unfavorable contracts;
10. The Accounting Officer failed to appoint a Board of Survey during FY 2022/2023, hindering the verification and identification of assets due for disposal, in breach of Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023. In addition, the Authority did not access any disposal plan from the Entity to indicate the assets that were due for disposal; and
11. Laxity in contract management and supervision was noted in nine contracts worth UGX 752,936,023. Key issues included incomplete works, omission of Special Conditions of Contract, undefined timelines, lack of Performance Securities, poor finishes, and absence of progress reports. This violation of Regulation 52 of the PPDA (Contracts) Regulations, 2023, undermined contract compliance, safety, accountability, and value for money in project delivery.

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

1. The Permanent Secretary, Ministry of Local Government should task the Accounting Officer to show cause as to why disciplinary action should not be taken against him for failure to implement 78% of the PPDA recommendations in line with Section 10 of the PPDA Act, Cap 205.
2. The Accounting Officer should;
 - i. Prioritize and expedite the recruitment of a qualified Procurement Officer in accordance with Section 28(1)(c) of the PPDA Act, Cap. 205;
 - ii. Continue engaging the relevant authorities to expedite the approval of the 5th member to fully constitute the Contracts Committee in accordance with Section 29(2) of the PPDA Act, Cap. 205;
 - iii. The Authority shall undertake suspension investigations against Grace of God Ministries Limited for submission of a forged Tax Clearance Certificate in accordance with Section 128 of the PPDA Act, Cap. 205.
 - iv. Ensure regular updates of the procurement plan (at least quarterly) based on actual revenue and implementation progress, in line with Section 60(7) of the PPDA Act, Cap. 205. All variances should be well documented to promote transparency and effective service delivery;

- v. Ensure that for each month, the Entity submits to the Authority by the fifteenth day of the following month, a report on the procurement activities undertaken by the Procuring and Disposing Entity in the month in accordance with Regulation 15(1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023;
- vi. Task the District Engineer and the District Water Officer to show cause as to why disciplinary action should not be taken against them for failure to prepare Statements of Requirements during initiation contrary to Section 36(1)(c) of the PPDA Act; Cap. 205;
- vii. Ensure that in future procurements, User Departments should not include supervisory fees to the supervising staff of the Procuring and Disposing Entity under the provisional sums of the Bills of Quantities, as this practice compromises economy and efficiency and contravenes Section 51 of the PPDA Act, Cap. 205. All Bills of Quantities should be thoroughly reviewed to ensure that any provisional sums are justified and aligned to promote the efficient use of public resources;
- viii. Ensure that all procurements are conducted in a fair, transparent, and competitive manner in line with Sections 48 and 49 of the PPDA Act, Cap. 205, while also enhancing bidder engagement and keeping bid document costs reasonable to promote wider participation;
- ix. Task Evaluation Committee members involved in the following procurements to show cause as to why disciplinary action should not be taken against them for breaching evaluation procedures under Regulation 5 of the PPDA (Evaluation) Regulations, 2023. Procurement of Nakudep water systems, Sakale and Napingae staff houses, Nabilatuk piped water system design, and Sakale pit latrine, all of which had evaluation irregularities such as noncompliance with evaluation criteria and introduction of new criteria.
- x. Ensure strict adherence to Regulation 6(1)(f) of the PPDA (Contracts) Regulations, 2023 and Statutory Instrument No. 97 of 2014 by obtaining the Attorney General's clearance for all contracts exceeding UGX 200,000,000 prior to contract signing, regardless of phased contract structuring;
- xi. Appoint a Board of Survey annually in accordance with Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023 and ensure a disposal plan is prepared to guide the disposal process.
- xii. Task the Contract Managers responsible for the following procurements to show cause why disciplinary action should not be taken against them for failure to execute their roles in line with Regulation 52(1) & (2) of the PPDA (Contracts) Regulations, 2023: Rehabilitation of Lorengedwat and Nakudep piped water systems, Desilting of Namata-Lopeilap valley tank, Construction of 2-unit and 3-unit staff houses at Sakale HC II and Napingae Primary School respectively, Feasibility studies for Nabilatuk and Nacele water systems, Construction of a two-stance pit latrine at Sakale HC II, and Renovation of staff house at Nayonaiangikalio HC II, due to omissions such as, failure to enforce submission of Performance Securities, and failure to prepare and submit contract management reports;
- xiii. Ensure that all future contracts include clearly defined Special Conditions of Contract (SCC), contract durations, and all supporting documentation to strengthen enforceability, enhance accountability, and improve contract performance tracking;
- xiv. Ensure that contractors for the four projects namely, *the construction of a 3-unit staff house at Napingae Primary School, a 2-unit staff house at Sakale HC II, renovation of the staff house at Nayonaiangikalio HC II, and construction of a two-stance pit latrine with a bathing shelter at Sakale HC II* complete all outstanding and defective works within one month of receipt of this report, as a condition for the release of retention payments. To support this,

- the District Engineer should immediately develop a detailed snag list for each project, clearly identifying all incomplete and defective items to guide contractors in rectifying the deficiencies in line with contract specifications; and
- xv. Formally task both the Environmental Officer and the District Community Development Officer with regularly monitoring and reporting on the implementation of environmental safeguards and safety measures at all construction sites to ensure full compliance with environmental and safety standards.
3. The Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 48 of the PPDA Act, Cap. 205 before approving the evaluation reports.
 4. The Head Procurement and Disposal Unit should;
 - i. Ensure that the Evaluation Committee members strictly adhere to the evaluation criteria in the bidding document in accordance with Section 76 (3) of the PPDA Act, CAP. 205; and
 - ii. Preside over contract managers to see that they retain copies of Performance Securities and properly document progress reports and a copy submitted to the Accounting Officer, and the Procurement and Disposal Unit for record keeping as required under Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023. All records should be maintained and made readily available for audit verification in line with best practices in contract management.

Nabilatuk District Local Government should implement the recommended action plan on **pages 36 to 38**.

CHAPTER 1: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection exercise of Nabilatuk District Local Government that covered a representative sample of 10 procurement transactions under the Financial Year 2023/24. The inspection involved a review of the procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act Cap. 205 and the attendant PPDA Regulations.

1.2 Overall Objective

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

The specific objectives were to:

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

1.3 Audit Scope

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

Table 1: Distribution of the Transaction Population and Sample

Procurement method	Popn Value (UGX)	Sample Value (UGX)	% Value	Popn no	Sample no	% No
Open Domestic Bidding	1,272,652,362	701,504,123	55	20	7	35
Force Account	1,110,544,000	400,000,000	36	6	1	17
Selective bidding	Not reported	51,431,900	0	18	2	11
Total	2,383,196,362	1,152,936,023	48.4	21	10	47.6

Note: The sample was drawn from the Entity's Quarter 1 and Quarter 2 procurement reports. Monthly reports for Quarters 3 and 4 were not submitted. However, the audit team adjusted the sample to include two procurements under selective bidding from the 18 transactions that were not reported.

1.4 Methodology

The Authority examined records and documents for each sampled procurement transaction and/or disposal and obtained the relevant evidence to support audit findings and 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 Authority held interviews with the staff from the Procurement and Disposal Unit and User Departments necessary to obtain crucial qualitative information about the internal control systems and processes in place.

A debrief meeting to discuss preliminary findings was held with the Entity management and staff on **21st March 2025** before the team could embark on preparation of the management letter. The Authority prepared the management letter, which was sent to the Entity on **5th June 2025** with a request to submit a management response by **10th June 2025** which was submitted on **17th June 2025**.

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

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

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

2.1.1 Procurement structures

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

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. Mr. Emmy Olaboro Ejuku served as the designated Accounting Officer during the Financial Year 2023-2024. He was later replaced by Mr. Richard Madete, who assumed the role of Accounting Officer for the Financial Year 2024-2025.

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

i. **Under staffing of the Procurement and Disposal Unit**

The audit revealed that the Procurement and Disposal Unit was inadequately staffed, contrary to Section 28(1)(c) of the PPDA Act, Cap. 205. The Unit was being managed by only one officer, Mr. Julius Nyeko, the Senior Procurement Officer.

Implication

Failure to duly staff the Procurement and Disposal Unit results into inefficiency and ineffectiveness in many areas of the procurement and disposal function.

Management Response

Management has assigned an existing inventory assistant to act as a procurement officer. The additional support will assist the senior procurement officer in managing tasks more efficiently. Furthermore, management plans to recruit a procurement officer in accordance with the recruitment plan for the next financial year to ensure adequate staffing level in the procurement unit.

Recommendation

The Authority acknowledges the Entity's response and recommends that the Accounting Officer prioritizes and expedites the recruitment of a qualified Procurement Officer to ensure full compliance with Section 28(1)(c) of the PPDA Act, Cap. 205. Adequate staffing of the Procurement and Disposal Unit is critical for improving operational efficiency, strengthening internal controls, and upholding compliance with procurement regulations.

ii. **Composition and tenure of the Contracts Committee**

During the inspection period, the Entity's Contracts Committee was not fully constituted contrary to the provisions of Section 29 of the PPDA Act, Cap. 205. The Contracts Committee was comprised of only four members as shown in Table 2 below:

Table 2: List of Contracts Committee Members

No	Name	Position	Date of appointment	Title	Tenure
1.	Mr. Lokut Simon Peter	District Production Officer	4 th March 2025	Chairperson	First
2.	Ms. Chalei Jacinta	Snr. Asst. Secretary	4 th March 2025	Member	First
3.	Ms. Loput Judith	Member	6 th May 2025	Senior Commercial Officer	Second term
4.	Mr. Ilukol Raphael Lokira	Member	6 th May 2025	Senior Lands Management Officer	Second term

Implications

- The Contracts Committee might encounter challenges constituting a quorum to transact business in the Entity which may delay procurement activities and service delivery to the intended beneficiaries.
- This may affect the effectiveness and efficiency of the Contracts Committee as it conducts its oversight function.

Management response

Management acknowledges the audit finding and clarifies that five Contracts Committee members were submitted for approval in July 2024. Two were approved, one was rejected, and three were resubmitted in March 2025 of which two have since been approved. Despite continuous follow-up, delays beyond our control have affected the approval process. The Entity is still awaiting approval of one remaining member and remains committed to resolving the matter promptly.

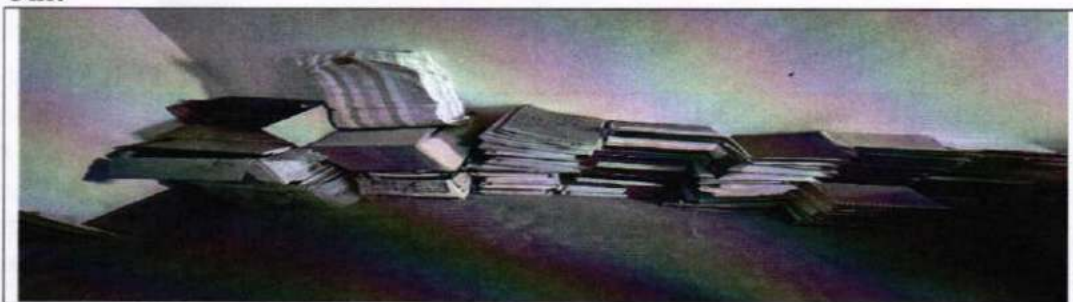
Recommendation

The Authority acknowledges the Entity's efforts to constitute the Contracts Committee and the steps taken to secure approvals. However, the Accounting Officer is advised to continue engaging the relevant authorities to expedite the approval of the 5th member to fully constitute the Committee in accordance with Section 29(2) of the PPDA Act, Cap. 205.

2.1.2 Poor storage of procurement records

The audit revealed that the Procurement and Disposal Unit lacks a proper storage room for the bids received and the procurement action files. The bids were on the floor in the Procurement and Disposal Unit as illustrated in the Table 3 below:

Table 3: Evidence of poor storage of procurement records at the Procurement and Disposal Unit



Implication

Poor storage of documents leads to damage of documents and unauthorized personnel accessing confidential information which is against the principle of confidentiality.

Management response

Management recognizes the importance of maintaining organized and secure procurement records, to address the issue, management has planned to procure filing cabinets for procurement unit in the next financial year for the storage of procurement records.

Recommendation

The Accounting Officer should equip the Procurement and Disposal Unit with cabinets and storage space in order to maintain and archive records of the procurement and disposal process in accordance with Section 44 (1) of the PPDA Act, Cap. 205.

2.1.3 Failure to fully implement 78% of the previous audit recommendations

The Authority noted that the Entity had been issued its previous audit report for the Financial Year 2021/2022 in June 2023. Out of nine recommendations made, two recommendations representing 22% were fully implemented, two recommendations representing 22% were partially implemented and five representing 56% were not implemented as detailed in Table 4 below:

Table 4: Status of implementation of previous audit recommendations

No.	Recommendation	Status	Management response
1.	The Accounting Officer and management should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance of the Entity.	Partially implemented	<i>Management acknowledges the audit findings and confirms that the procurement plan was reviewed, updated, and submitted in line with legal requirements. However, a gap was noted in reviewing items funded through local revenue, as shortfalls in actual collections affected implementation. Management is committed to strengthening monitoring to ensure regular</i>

No.	Recommendation	Status	Management response
	and any other statutory deductions during the payment process and should recover withholding tax worth UGX 300,000 from Kalondo Garage.		<i>tax to Kalondo Garage, caused by manual payment processes, and will work with URA to resolve it, noting that the current IFMS system will prevent future errors.</i>
iii.	File acknowledgement receipts from the Uganda Revenue Authority as evidence that the Entity remitted withholding tax in worth UGX 9,554,076 in four transactions as detailed in Table 12 of the report.	Not implemented	<ul style="list-style-type: none"> • <i>Additionally, we admit the failure to provide URA receipts for UGX 9,554,076 withheld tax and commit to promptly following up to ensure full compliance.</i>

Implication

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

Recommendations

- The Permanent Secretary, Ministry of Local Government should task the Accounting Officer to show cause as to why disciplinary action should not be taken against him for failure to implement 78% of the PPDA recommendations in line with Section 10 of the PPDA Act, Cap 205.
- The Authority shall undertake suspension investigations against Grace of God Ministries Limited for submission of a forged Tax Clearance Certificate in accordance with Section 128 of the PPDA Act, Cap. 205.

2.1.4 Failure to update the Procurement Plan

The Authority assessed the Entity's procurement plan for the FY 2023-24. Table 5 below details information about the plan and utilization of funds. The procurement plan implementation rate by value was 84% with a variance of UGX 460,318,638 representing 16% of the procurement plan total estimate not implemented as shown in Table 5 below.

Table 5: Procurement plan implementation

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	2,843,515,000
Total procurement spend value inclusive of VAT (UGX)	2,383,196,362
Procurement plan implementation rate (%)	84%
Implementation variance (UGX)	460,318,638
Non implementation rate (%)	16%

Implication

Procurements estimated at UGX 460,318,638 were not implemented which deprived service delivery to the intended beneficiaries.

Management Response

All planned procurements were implemented as scheduled, with the exception of those financed through local revenue. The inherent variability in local revenue collections often affects the Entity's ability to fully execute planned procurements, as actual revenues may not align with initial projections. Furthermore, the final contract values in some procurements were lower than the budgeted amounts, resulting in unutilized balances.

Authority's comment

The Authority notes the Entity's response regarding the impact of local revenue variability and lower-than-expected contract values on procurement plan implementation. However, the Entity failed to provide documentary evidence to account for the UGX 460,318,638 variance.

Recommendation

The Accounting Officer should ensure regular updates of the procurement plan (at least quarterly) based on actual revenue and implementation progress, in line with Section 60(7) of the PPDA Act, Cap. 205. All variances should be well documented to promote transparency and effective service delivery.

2.1.5 Non-Submission of Monthly Procurement Reports to the Authority

The Entity failed to submit monthly procurement reports to the Authority for the period January 2024 to June 2024, contrary to Regulation 15(1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023, which requires every Procuring and Disposing Entity to submit monthly reports using Form 2 of the Schedule by the 15th day of the following month.

In addition, the Authority noted that on 8th December 2023, under Minute No. 03, the Contracts Committee approved 18 procurements using the Selective Bidding Method. However, these procurements were not reported to the Authority, contrary to Regulation 15(1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023. The details of these procurements are summarized in Table 6 below.

Table 6: Unreported Procurements

No	Subject of procurement	Provider	Contract value (UGX)
1.	Renovation of staff house at Natirae HCII	Kichanga Ventures SMC	24,200,000
2.	Renovation of staff house at Nayonaiangikalio HCII	Ink fold Ventures Ltd	27,200,000
3.	Minor renovation of staff house at Lorengedwat S/C	Asine Investments Limited	Approved for negotiation
4.	Phase I fencing of Nabilatuk Sub-County headquarters	Porokori Family Enterprises	Approved for negotiation
5.	Construction of 2 stances pit latrine at Sakale HC II with a bathing shelter	Gadlo Engineering Services Ltd	24,231,900
6.	Construction of a3 stances pit latrine with a urinal at Sakale OPD	Kutonak 2015 Quick Supplies	20,972,270

No	Subject of procurement	Provider	Contract value (UGX)
7.	Construction of 2 stances pit latrines with 2 bathing shelters at Sakale HC II	Nabilatuk Good Feeding Restaurant	22,339,800
8.	Construction of 2 stances pit latrines at Naputiro Lokaala with a urinal	Arigos Agro-input agencies	19,851,258
9.	Renovation of market shade at Lolachat sub-county	Nakobekobe Building Contractors & Enterprises	Approved for negotiation
10.	Minor renovation of staff house at Lolachat S/C and old Nabilatuk sub-county office	Moruangibuin Contractors Ltd	Approved for negotiation
11.	Construction of cattle crash at Naatirae sub-county	Moruangibuin Disabled Enterprises	Approved for negotiation
12.	Construction of cattle crash at Kosike sub-county	Losimit Enterprises Company Ltd	Approved for negotiation
13.	Construction of 2 stances pit latrine at Cucu Primary School	Malstake Holdings Ltd	15,829,800
14.	Construction of 2 stances latrine at Naweet Primary School	Nabilatuk Hitech Investments	Approved for negotiation
15.	Supply of Agricultural tools, field equipment, pesticides, and Acaricides		Approved for negotiation
16.	Supply of council regalia	Protracted Links Uganda	Approved for negotiation
17.	Supply of 2 motor cycles to production department	Kalipa and Miles General Enterprises	32,000,000
18.	Survey of Natirae, Nabilatuk Secondary School, and Tilting of Kosike subcounty land	Oklan Consultant Surveyors	Approved for negotiation
		TOTAL	186,625,028

Note; This total does not represent the full value of all 18 procurements, as several were only approved for negotiation and had no contract value at the time of review.

Implication

This undermines the principles of transparency and accountability as well as the oversight role of the Authority in monitoring compliance of the Entity.

Management Response

Management acknowledges the findings related to the unreported procurements however, we would look like to clarify that the procurement reports were submitted via email. To ensure complete transparency and compliance, we shall provide hard copies of these reports to the Authority.

Authority's comment

The Authority acknowledges the Entity's response; however, the reports in question were not received by the Authority despite several reminders and the Entity did not provide evidence to support the response.

Recommendation

The Accounting Officer should ensure that for each month, the Entity submits to the Authority by the fifteenth day of the following month, a report on the procurement activities undertaken by the Procuring and Disposing Entity in the month in accordance with Regulation 15(1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.1.6 Failure to submit statements of requirements at initiation

The Authority noted that User Departments did not prepare Statements of Requirements during the initiation of nine procurements valued at UGX 752,936,023, as detailed in Table 7 below.

Table 7: Procurements with irregularities during initiation

No	Procurement	Contract Value (UGX)
1.	Subject: Rehabilitation of Lorengedwat piped water system Procurement method: Open Bidding Contractor: Bethel Contractors Company Ltd	205,280,741
2.	Subject: Rehabilitation of Nakudep Mini piped water system Procurement method: Open Bidding Contractor: Baken Investment Ltd	76,809,889
3.	Subject: Desilting of valley tank at Namata- Lopeilap Lotaruk Procurement method: Open Bidding Contractor: Engedi Company Ltd	60,000,000
4.	Subject: Construction of 2-unit staff house at Sakale HC II Procurement method: Open Bidding Contractor: Golan General Supplies and Constructors Ltd	95,559,150
5.	Subject: Construction of 3-unit staff house at Napongae Primary School Procurement method: Open Bidding Contractor: Arki Timers Ltd	124,940,760
6.	Subject: Feasibility Studies and design of piped water system at Nabilatuk District Head Quarters and Nacele Village Procurement method: Open Bidding Contractor: Sadrine Infrastructure Services	58,988,790
7.	Subject: Drilling and Installation of three boreholes Procurement method: Open Domestic Bidding Contractor: Skylight Africa Limited	79,924,793
8.	Subject: Construction of two stances pit latrine at Sakale Health Centre with a bathing Shelter Procurement method: Selective Bidding Contractor: Gadlo Engineering Services Limited	24,231,900

No	Procurement	Contract Value (UGX)
9.	Subject: Renovation of Staff House at Nayonaiangikalio HC II Procurement method: Selective Bidding Contractor: Ink folds Ventures Limited	27,200,000
	TOTAL	752,936,023

Implication

Failure to initiate procurement transactions with clear statement of requirements may result into receipt of non-responsive bids that do not meet the end users' requirements.

Management Response

We recognize the auditor's findings regarding the failure of User Departments to submit statements of requirements at the initiation of procurement process; we wish to recognize that these submissions often occur later than desired not at the initiation level. However, management is committed to enhancing its procurement process by establishing and setting deadlines for submissions of statement of requirements

Recommendation

The Accounting Officer should task the District Engineer and the District Water Officer to show cause as to why disciplinary action should not be taken against them for failure to prepare Statements of Requirements during initiation contrary to Section 36(1)(c) of the PPDA Act; Cap. 205.

2.1.7 Inclusion of irregular provisional sums for project supervision in the Bills of Quantities

In three procurements worth UGX 297,309,799, the Procurement and Disposal Unit issued bidding documents with irregular provisional sums for project supervision in the Bills of Quantities. The details are provided in Table 8 below;

Table 8: Procurements with irregular provisional sums for project supervision included in the Bills of Quantities

No	Subject of Procurement	Contract Amount (UGX)	Findings
1.	Subject: Rehabilitation of Nakudep Mini piped water system Procurement method: Open Bidding Contractor: Baken Investment Ltd	76,809,889	Irregular inclusion of provisional sum for project supervision: Item E under the preliminaries section of the Bills of Quantities (BoQs) included a provisional sum of UGX 4,000,000 as supervision fees by the project supervisor.
2.	Construction of 3-unit staff house at Napongae Primary School	124,940,760	Irregular provisional sum: Item No. 24 in the BoQs included a provisional sum of UGX 2,500,000 for supervision by the District Engineer, which was irregular.

No	Subject of Procurement	Contract Amount (UGX)	Findings
3.	Subject: Construction of 2-unit staff house at Sakale HC II Procurement method: Open Bidding Contractor: Golan General Supplies and Constructors Ltd	95,559,150	<ul style="list-style-type: none"> Irregular inclusion of provisional sum for project supervision: Item No 26 in the Bills of Quantities (BoQs) for Golan Ltd included a provisional sum of UGX 2,500,000 as supervision fees by the district engineer which was irregular.
TOTAL		297,309,799	

Implication

Including provisional sums for PDE staff in the Bills of Quantities opens up opportunities for misuse of public funds and increases the risk of inflated contract prices.

Management Response

We appreciate this feedback as it highlights an area for improvement in our bidding process in future.

Recommendation

The Accounting Officer should ensure that in future procurements, User Departments should not include supervisory fees to the supervising staff of the Procuring and Disposing Entity under the provisional sums of the Bills of Quantities, as this practice compromises economy and efficiency and contravenes Section 51 of the PPDA Act, Cap. 205. All Bills of Quantities should be thoroughly reviewed to ensure that any provisional sums are justified and aligned to promote the efficient use of public resources.

2.1.8 Low bidder participation

The audit revealed that in two procurements worth UGX 155,559,150, the Entity received only two bids in response to invitations to bid. This low bidder turnout suggests a lack of confidence in the Entity's procurement processes contrary to Section 49 of the PPDA Act, Cap. 205. Details of these procurements are provided in Table 9 below;

Table 9: Procurements with low response from bidders

No	Procurement	Contract value (UGX)	Procurement method	Bids received
1.	Subject: Desilting of valley tank at Namata- Lopeilap Lotaruk Procurement method: Open Bidding Contractor: Engedi Company Ltd	60,000,000	Open bidding	2
2.	Subject: Construction of 2-unit staff house at Sakale HC II Procurement method: Open Bidding	95,559,150	Open bidding	2

No	Procurement	Contract value (UGX)	Procurement method	Bids received
	Contractor: Golan General Supplies and Constructors Ltd			
	Total	155,559,150		

Implication

Low bidder participation limits competition, reducing the Entity's ability to compare prices and select the most cost-effective and qualified provider.

Management Response

Management acknowledges the finding on low bidder participation but clarifies that the procurements were conducted under National Open Domestic Bidding in line with procedures applicable at the time. The advert was widely circulated, and no barriers were imposed on bidders. However, time constraints limited the possibility of re-advertisement. Management remains committed to improving procurement practices and promoting wider bidder participation.

Recommendations

The Authority notes the Entity's response and recommends that;

1. The Accounting Officer should ensure that procurements are conducted in a fair, transparent and competitive manner in accordance with Section 48 and 49 of the PPDA Act, Cap. 205.
2. The Accounting Officer should improve on engagements with bidders with the view of encouraging them to participate in the Entity's procurement and disposal processes and also ensure that the cost of purchasing bid documents is reasonable to encourage competition.

2.1.9 Delays in the procurement process

The Authority noted an **average delay of 1.4 months** across different stages of the procurement process such as delayed review of bidding document by the Contracts Committee and delayed submission of evaluation reports to the Contracts Committee in six procurements worth UGX 523,838,570 contrary to Section 51 of the PPDA Act, Cap. 205 which requires that all procurements be carried out in a manner that ensures economy, efficiency, and value for money. These delays are shown in Table 10 below;

Table 10: Procurements with delays in the procurement process

No	Subject of the procurement	Contracts Value (UGX)	Findings	Management response
1.	Subject: Renovation of Staff House at Nayonaiangikalio HC II Procurement method: Selective Bidding	27,200,000	Delayed Contracts Committee approval of procurement: The Authority noted a delay of five months between the Accounting Officer's confirmation of	<i>We appreciate the audit finding as an opportunity for reflection and improvement, we are fully committed to enhancing the efficiency of our procurement processes.</i>

No	Subject of the procurement	Contracts Value (UGX)	Findings	Management response
	Contractor: Ink folds Ventures Limited		funding on 10 th July 2023 and the Contracts Committee's approval of the procurement method, bidding document, and Evaluation Committee on 8 th December 2023	<i>and we shall take the necessary steps to ensure timely contract approvals in future.</i>
2.	Subject: Rehabilitation of Lorengedwat piped water system Procurement method: Open Bidding Contractor: Bethel Contractors Company Ltd	205,280,741	Delayed Submission of the Evaluation Report to the Contracts Committee: Although bid evaluation was completed on 2 nd October 2023, the report was submitted to the Contracts Committee on 16 th October 2023, indicating a delay of 14 days.	<i>Management acknowledges the impact of delayed evaluation reports and commits to implementing measures to ensure timely completion and submission in the future.</i>
3.	Subject: Rehabilitation of Nakudep Mini piped water system Procurement method: Open Bidding Contractor: Baken Investment Ltd	76,809,889	Delayed Submission of the Evaluation Report to the Contracts Committee: Although bid evaluation was completed on 2 nd October 2023, the report was submitted to the Contracts Committee on 16 th October 2023, indicating a delay of 14 days.	<i>Management acknowledges the importance of timely submission of evaluation reports and commits to strengthening processes to ensure timely completion and reporting going forward.</i>
4.	Subject: Desilting of valley tank at Namata- Lopeilap Lotaruk Procurement method: Open Bidding Contractor: Engedi Company Ltd	60,000,000	Delayed Submission of the Evaluation Report to the Contracts Committee: Although bid evaluation was completed on 2 nd October 2023, the report was submitted to the Contracts Committee on 16 th October 2023, indicating a delay of 14 days.	<i>Management recognizes the importance of timely evaluation report submissions and is committed to improving processes to prevent future delays.</i>
5.	Subject: Construction of 2-	95,559,150	Delayed submission of the Evaluation Report to the Contracts	<i>Timely Submission of Evaluation Reports: Management</i>

No	Subject of the procurement	Contracts Value (UGX)	Findings	Management response
	unit staff house at Sakale HC II Procurement method: Open Bidding Contractor: Golan General Supplies and Constructors Ltd		Committee: Although evaluation was completed on 2 nd October 2023, the report was submitted on 16 th October 2023, a delay of two weeks that hindered timely decision-making and contributed to overall procurement inefficiencies.	<i>acknowledged delays in submitting evaluation reports and committed to improving internal processes to ensure that future evaluations are completed and submitted on time.</i>
6.	Subject: Feasibility Studies and design of piped water system at Nabilatuk District Head Quarters and Nacele Village Procurement method: Open Bidding Contractor: Sadrine Infrastructure Services	58,988,790	<ul style="list-style-type: none"> • Delayed bid submission: The bid closing date was 18th August 2023; however, the Best Evaluated Bidder (BEB), Sadrine Infrastructure Services, submitted their bid on 25th August 2023, six days after the official bid closure date. • Delayed evaluation of bids: Bids were opened on 18th August 2023, but evaluation was not concluded until 2nd October 2023, a delay of 1 month and 14 days. 	<ul style="list-style-type: none"> • <i>Bid delays were caused by late submission of terms of reference, leading to an extended but unofficial bidding period. Management commits to improving document submission and formalizing changes in the process.</i> • <i>Management pledges to enhance procurement efficiency and ensure timely bid evaluations.</i>
	TOTAL	523,838,570		

Implication

Delays in the procurement process create lengthy lead times which consequently impede timely service delivery.

Recommendation

The Accounting Officer should ensure that all procurements are conducted in a manner which promotes economy, efficiency and value for money in accordance with Section 51 of the PPDA Act, Cap. 205.

2.1.10 Non-Compliance with Evaluation Criteria

The Authority noted irregularities in five procurements worth UGX 380,530,489, where Evaluation Committees recommended award of contracts to bidders who did not meet the criteria

stated in the bidding documents contrary to Regulation 5(2) of the PPDA (Evaluation) Regulations, 2023 which prohibits the use of any evaluation criteria not specified in the bidding documents and forbids the introduction of new criteria during the evaluation process. These are detailed in Table 11 below;

Table 11: Procurements with non-compliance with evaluation criteria

No	Subject of the procurement	Contracts Value (UGX)	Findings	Management response
1.	<p>Subject: Rehabilitation of Nakudep Mini piped water system</p> <p>Procurement method: Open Bidding</p> <p>Contractor: Baken Investment Ltd</p>	76,809,889	Bid submission sheet signed by Mr. Robert Mabano yet Mr. James Kizza had authorized Powers of Attorney POA.	<i>Management acknowledges the oversight in bid signing and commits to strengthening the evaluation process to ensure that only individuals with valid powers of attorney sign bid documents.</i>
2.	<p>Subject: Construction of 2-unit staff house at Sakale HC II</p> <p>Procurement method: Open Bidding</p> <p>Contractor: Golan General Supplies and Constructors Ltd</p>	95,559,150	<ul style="list-style-type: none"> • Irregular inclusion of provisional sum for project supervision: Item No 26 in the Bills of Quantities (BoQs) for Golan Ltd included a provisional sum of UGX 2,500,000 as supervision fees by the district engineer which was irregular. • Invalid Tax Clearance Certificate; Golan General Supplies and Constructors Ltd submitted an Invalid Tax Clearance Certificate Number MO012400712022 	<ul style="list-style-type: none"> • <i>Management acknowledged that supervision fees were previously included in the Bills of Quantities but committed to excluding them going forward. Instead, such fees will be handled administratively to ensure clarity and proper cost separation.</i> • <i>Management acknowledges the issue and will prevent recurrence by training evaluation committees on tax verification and enforcing stricter checks under the supervision of the</i>

No	Subject of the procurement	Contracts Value (UGX)	Findings	Management response
				<i>Head of Procurement.</i>
3.	Subject: Construction of 3-unit staff house at Napingae Primary School Procurement method: Open Bidding Contractor: Arki Timers Ltd	124,940,760	Missing Powers of Attorney: The BEB did not submit Powers of Attorney as required.	<i>We are committed to enhancing our evaluation process, the head procurement unit will take lead in this initiative, ensuring that all evaluation are conducted with utmost diligence and adherence to quality standards.</i>
4.	Subject: Feasibility Studies and design of piped water system at Nabilatuk District Head Quarters and Nacele Village Procurement method: Open Bidding Contractor: Sadrine Infrastructure Services	58,988,790	<ul style="list-style-type: none"> • Simultaneous opening and evaluation of technical and financial proposals: Both technical and financial proposals were opened and evaluated at the same time, contrary to the procedures outlined in Regulations 62 and 66 of the PPDA (Procurement of Consultancy Services) Regulations, 2023. Furthermore, no separate evaluation reports were prepared for the technical and financial evaluations as required. • Lack of scoring: The evaluation report did not include scores for either the technical or financial evaluation, making it difficult to assess the basis for the final recommendation. 	<ul style="list-style-type: none"> • <i>Training will be provided to address issues with simultaneous technical and financial proposal evaluations.</i> • <i>The Head of Procurement will oversee improvements to ensure thorough and quality evaluations.</i>

No	Subject of the procurement	Contracts Value (UGX)	Findings	Management response
			<ul style="list-style-type: none"> • Questionable work experience: The BEB claimed relevant work experience dating from 2015 to 2020, yet the company was only incorporated in December 2021, casting doubt on the validity of the experience presented. 	<ul style="list-style-type: none"> • <i>The Head of Procurement will oversee improvements to ensure thorough and quality evaluations.</i>
5.	<p>Subject: Construction of two stances pit latrine at Sakale Health Centre with a bathing Shelter</p> <p>Procurement method: Selective Bidding</p> <p>Contractor: Gadlo Engineering Services Limited</p>	24,231,900	<ul style="list-style-type: none"> • Invalid Tax Clearance Certificate; The Tax Clearance Certificate submitted by Gadlo Engineering Services Limited (BEB), was addressed to Napak DLG under the business name Dachems Uganda Limited. • The bidding document required submission of a list of technical personnel and their academic documents. However, Gadlo Engineering Services Limited did not attach academic documents, yet was marked compliant. • Gadlo only submitted a bank statement for one month- August 2020 instead of the required three months but was still marked compliant. • No activity work schedule was 	<p><i>Management takes note of the observations. Gaps in evaluation—such as missing bank statements, activity schedules, certificates, and proof of experience—highlight lapses in the process. The Head of Procurement will take a more active role to ensure strict adherence to evaluation criteria going forward.</i></p>

No	Subject of the procurement	Contracts Value (UGX)	Findings	Management response
			<p>submitted by the bidder.</p> <ul style="list-style-type: none"> Gadlo did not present a Certificate in Building and Concrete Practice, yet was marked compliant. No evidence of experience in similar works was provided, yet the bidder was marked compliant. 	
	TOTAL	380,530,489		

Implication

Unfair evaluation of bids can result in biased selection, potentially causing bidder dissatisfaction, and diminished trust in the procurement systems of the Entity, consequently leading to legal disputes and low bidder participation.

Recommendations

1. The Accounting Officer should task Evaluation Committee members to show cause as to why disciplinary action should not be taken against them for deviating from the evaluation criteria and procedures during evaluation contrary to Regulation 5 of the PPDA (Evaluation) Regulations, 2023.
2. The Head Procurement and Disposal Unit should ensure that the Evaluation Committee members strictly adhere to the evaluation criteria in the bidding document in accordance with Section 76 (3) of the PPDA Act, Cap. 205. Additionally, the Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 48 of the PPDA Act, Cap. 205 before approving the evaluation reports.

2.1.11 Failure to obtain Attorney General's clearance for Contract above UGX 200 million

The Authority noted that the Accounting Officer did not obtain clearance from the Attorney General for the contract for the Rehabilitation of Lorengedwat Piped Water System, valued at UGX 205,280,741. This action is in contravention of Regulation 6(1)(f) of the PPDA (Contracts) Regulations, 2023, which requires Procuring and Disposing Entities to secure all necessary approvals including Attorney General's clearance, where applicable before issuing any contract, purchase order, or other communication that binds the Entity to a contract.

Implications

- The Entity committed the government to contractual obligations without obtaining the required legal consent.

- There is a risk of entering into contracts with unfavorable terms, potentially leading to financial loss or legal disputes.

Management response

We acknowledge the oversight regarding the failure to obtain the attorney Generals clearance for the contract exceeding 200,000,000/= million, initially, the planned budget for the project was set at UGX 155,280,741/=. However, during the negotiation process, the contract amount was adjusted to UGX 205,280,741/=

To clarify, the contract was intended to be signed in two phases, the first phase would be 150,000,000/= which did not require submission for clearance to the solicitor General. The second phase amounting to 50,000,000/= was added subsequently

We recognise that our procurement plan submitted to the authority reflected the initial figure of UGX 155,280,741/=. However, the updated plan accurately reflects the updated total of UGX 205,280,741/= We understand the importance of adhering to legal requirements and we shall take the necessary steps to make sure that all future contracts exceeding UGX 200Million receive the appropriate clearance before executions, which has been the normal practice.

Recommendation

The Authority acknowledges management's explanation regarding the phased structuring of the contract and subsequent budget adjustments. However, the Accounting Officer is advised to ensure full compliance with Regulation 6(1)(f) of the PPDA (Contracts) Regulations, 2023, by obtaining Attorney General's clearance for all contracts whose total value exceeds UGX 200,000,000 regardless of whether the contract is implemented in phases.

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

2.2.1 Failure to appoint a board of survey

The inspection revealed that Nabilatuk District Local Government did not comply with the assets disposal requirements during the financial year 2023/2024. Specifically, the Accounting Officer failed to appoint a Board of Survey in the financial year 2022/2023 to verify assets and identify those due for disposal contrary to Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023. In addition, the Authority did not access any disposal plan from the Entity to indicate the assets that were due for disposal.

Implication

Failure to appoint a Board of Survey undermines the Entity's ability to verify government assets and determine those due for disposal, thereby weakening the overall accountability and management of public assets.

Management response

We wish to confirm that a board of survey was established and a comprehensive report has been prepared outlining assets to be disposed, and the process of disposal is set to begin soon.

Authority's comment

While the Entity stated that a Board of Survey was established and a report prepared, no documentary evidence was provided to support this claim.

Recommendation

The Accounting Officer should appoint a Board of Survey annually in accordance with Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023 and ensure a disposal plan is prepared to guide the disposal process.

always ensure that a disposal plan is prepared and appoint a Board of Survey annually to verify all assets and identify obsolete items in accordance with Regulation 2 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 Irregularities during contracting and contract execution

The Authority observed irregularities during contracting and contract management in nine procurements worth UGX 752,936,023 as indicated in Table 11 below;

Table 11: Transactions with irregularities at contracting and contract management

No	Subject of Procurement	Contract value (UGX)	Findings	Management response
1.	<p>Subject: Rehabilitation of Lorengedwat piped water system Procurement method: Open Bidding Contractor: Bethel Contractors Company Ltd</p>	205,280,741	<ul style="list-style-type: none"> • The Contract had no Special Conditions of Contract • No evidence of submission of a Performance Security and an advance payment security. 	<ul style="list-style-type: none"> • <i>Management acknowledges the omission of special conditions in the signed contract but clarifies they were included in the bidding documents. It was a procedural oversight, and steps will be taken to ensure such conditions are consistently included in future contract agreements.</i> • <i>Management confirms that Performance Securities were submitted as required, acknowledged during bid opening, and recorded accordingly. While bank drafts are typically returned after contract execution, management commits to photocopying and properly documenting returned Performance Securities for future audits.</i> <p>Authority's comment The Entity failed to provide documentary evidence to support the response. Contrary to the Entity's claim that a Performance Security was submitted and acknowledged during bid opening, it should be noted that a Performance Security can only be submitted upon contract award.</p>

No	Subject of Procurement	Contract value (UGX)	Findings	Management response
2.	<p>Subject: Rehabilitation of Nakudep Mini piped water system</p> <p>Procurement method: Open Bidding</p> <p>Contractor: Baken Investment Ltd</p>	76,809,889	<ul style="list-style-type: none"> • The Contract had no Special Conditions of Contract • No evidence of submission of a Performance Security and an advance payment security. 	<ul style="list-style-type: none"> • <i>Management acknowledges the omission of special conditions in the signed contract but clarifies they were included in the bidding documents. It was a procedural oversight, and steps will be taken to ensure such conditions are consistently included in future contract agreements.</i> • <i>Management confirms that Performance Securities were submitted as required, acknowledged during bid opening, and recorded accordingly. While bank drafts are typically returned after contract execution, management commits to photocopying and properly documenting returned Performance Securities for future audits.</i> <p>Authority's comment The Entity failed to provide documentary evidence to support the response. Contrary to the Entity's claim that a Performance Security was submitted and acknowledged during bid opening, it should be noted that a Performance Security can only be submitted upon contract award.</p>
3.	<p>Subject: Desilting of valley tank at Namata-Lopeilap Lotaruk</p> <p>Procurement method: Open Bidding</p> <p>Contractor: Engedi Company Ltd</p>	60,000,000	<ul style="list-style-type: none"> • The start date and intended completion date were not stated in the signed contract. • The Contract had no Special 	<ul style="list-style-type: none"> • <i>The feedback is appreciated, and steps will be taken to ensure project timelines are clearly stated in future</i> • <i>Management acknowledges the omission of special conditions in the signed contract but</i>

No	Subject of Procurement	Contract value (UGX)	Findings	Management response
			<p>Conditions of Contract</p> <ul style="list-style-type: none"> No evidence of submission of a Performance Security and an advance payment security. 	<p><i>clarifies they were included in the bidding documents. It was a procedural oversight, and steps will be taken to ensure such conditions are consistently included in future contract agreements.</i></p> <ul style="list-style-type: none"> <i>Management confirms that Performance Securities were submitted as required, acknowledged during bid opening, and recorded accordingly. While bank drafts are typically returned after contract execution, management commits to photocopying and properly documenting returned Performance Securities for future audits.</i> <p>Authority's comment The Entity failed to provide documentary evidence to support the response. Contrary to the Entity's claim that a Performance Security was submitted and acknowledged during bid opening, it should be noted that a Performance Security can only be submitted upon contract award.</p>
4.	<p>Subject: Construction of 2-unit staff house at Sakale HC II Procurement method: Open Bidding Contractor: Golan General Supplies and Constructors Ltd</p>	95,559,150	<ul style="list-style-type: none"> The Special Conditions of Contract (SCC) were not included in the signed contract, which weakened enforceability of key contractual terms. 	<ul style="list-style-type: none"> <i>Management acknowledges the omission of special conditions in the signed contract but clarifies they were included in the bidding documents. It was a procedural oversight, and steps will be taken to ensure such conditions are consistently included in future contract agreements.</i>

No	Subject of Procurement	Contract value (UGX)	Findings	Management response
			<ul style="list-style-type: none"> There was no evidence of submission of the Performance Security, exposing the Entity to financial risk. 	<ul style="list-style-type: none"> <i>Management confirms that Performance Securities were submitted as required, acknowledged during bid opening, and recorded accordingly. While bank drafts are typically returned after contract execution, management commits to photocopying and properly documenting returned Performance Securities for future audits.</i> <p>Authority's comment The Entity failed to provide documentary evidence to support the response. Contrary to the Entity's claim that a Performance Security was submitted and acknowledged during bid opening, it should be noted that a Performance Security can only be submitted upon contract award.</p>
5.	<p>Subject: Construction of 3-unit staff house at Napongae Primary School</p> <p>Procurement method: Open Bidding</p> <p>Contractor: Arki Timers Ltd</p>	124,940,760	<ul style="list-style-type: none"> The Special Conditions of Contract (SCC) were not included in the signed contract, which weakened enforceability of key contractual terms. There was no evidence of submission of required Performance Security, exposing the 	<ul style="list-style-type: none"> <i>Management acknowledges the omission of special conditions in the signed contract but clarifies they were included in the bidding documents. It was a procedural oversight, and steps will be taken to ensure such conditions are consistently included in future contract agreements.</i> <i>Management confirms that Performance Securities were submitted as required, acknowledged during bid opening, and recorded accordingly. While bank drafts are typically returned after contract execution,</i>

No	Subject of Procurement	Contract value (UGX)	Findings	Management response
			<p>Entity to financial risk.</p> <ul style="list-style-type: none"> • No progress reports were availed to track implementation. 	<p><i>management commits to photocopying and properly documenting returned Performance Securities for future audits.</i></p> <p>Authority's comment The Entity failed to provide documentary evidence to support the response. Contrary to the Entity's claim that a Performance Security was submitted and acknowledged during bid opening, it should be noted that a Performance Security can only be submitted upon contract award. <i>Progress reports were prepared and submitted throughout the construction phases, these reports detailed the milestones achieved, challenges faced, and actions taken to address issues that arose during the project implementation</i></p> <p>Authority's comment The Entity failed to provide documentary evidence of progress reports to support the response.</p>
6.	<p>Subject: Feasibility Studies and design of piped water system at Nabilatuk District Head Quarters and Nacele Village Procurement method: Open Bidding Contractor: Sadrine Infrastructure Services</p>	58,988,790	<ul style="list-style-type: none"> • The Terms of Reference were not included in the signed contract, which weakened enforceability of key contractual terms. • The contract duration was not specified. 	<ul style="list-style-type: none"> • <i>Management acknowledges the omission of the Terms of Reference in the signed contract but clarifies they were included in the bidding documents. It was a procedural oversight, and steps will be taken to ensure such conditions are consistently included in future contract agreements.</i> • <i>Management takes note of this</i>

No	Subject of Procurement	Contract value (UGX)	Findings	Management response
				progress reports to support the response.
7.	Subject: Construction of two stances pit latrine at Sakale Health Centre with a bathing Shelter Procurement method: Selective Bidding Contractor: Gadlo Engineering Services Limited	24,231,900	The contract lacked Special Conditions of Contract (SCC).	<i>Management acknowledges the omission of special conditions in the signed contract but clarifies they were included in the bidding documents. It was a procedural oversight, and steps will be taken to ensure such conditions are consistently included in future contract agreements.</i>
8.	Subject: Renovation of Staff House at Nayonaiangikalio HC II Procurement method: Selective Bidding Contractor: Ink folds Ventures Limited	27,200,000		
9.	Subject: Drilling and Installation of three boreholes Procurement method: Open Domestic Bidding Contractor: Skylight Africa Limited	79,924,794		
	Total	752,936,023		

Implications

- Without contract management records, it was not possible to verify whether the works, items, or services delivered met the specified requirements.
- The absence of Special Conditions of the Contract limits contract enforceability of the contract and increases the risk of disputes and poor accountability.

Recommendations

The Authority notes management's response. However, no evidence was provided to support claims regarding the submission of bid securities, progress reports, or other contract management records for the projects listed above, therefore, the Authority recommends that:

1. The Accounting Officer should task the respective contract managers of the procurements in Table 11 above to show cause why disciplinary action should not be taken for failure to execute their roles and responsibilities, in accordance with Regulation 52(1) & (2) of the PPDA (Contracts) Regulations, 2023.
2. The Accounting Officer should ensure that all future contracts include clearly defined Special Conditions of Contract (SCC), contract durations, and all supporting documentation to

strengthen enforceability, enhance accountability, and improve contract performance tracking.

3. The Heads of User Departments should ensure that Contract Managers retain copies of Performance Securities and properly document progress reports and a copy submitted to the Accounting Officer and the Procurement and Disposal Unit for record keeping as required under Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023. All records should be maintained and made readily available for verification in line with best practices in contract management.

2.3.2 Physical verification

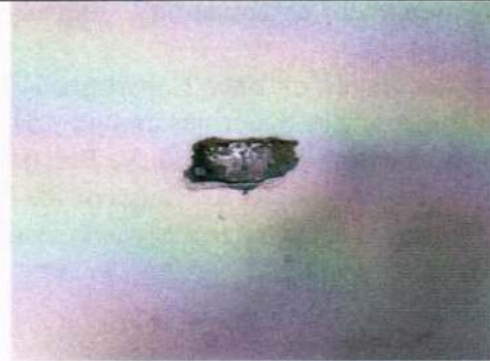
On 19th March 2025, the Authority conducted physical verification of six projects worth UGX 877,212,551 and noted issues in four projects worth UGX. 271,931,810 for management's attention as per Table 12 below:

Table 12: Issues noted during physical verification

NO	ISSUES NOTED
1.	<p>Subject: Construction of 3-unit staff house at Napongae Primary School Reference number: Nabi900/wrks/23-24/00002 Procurement method: Open Bidding Contractor: Arki Timers Ltd Contract value: UGX 124,940,760 Contract date: 21st November 2023 Site handover date: 1st December 2023 Completion date: 6th March 2024 Contract manager: Mr. Bullon Cyprian – Asst Engineering officer (Civil) and Karobe Raymond- District Education Officer</p> <p>Incomplete and Defective Works:</p> <ul style="list-style-type: none"> • Lightning arrestors were not installed. • Electrical installations were not done. • Rainwater gutters were not provided. • Trees were not planted as required. • Bathrooms and curtain rods were missing, despite being included in the BoQs. • Chimney bases were not constructed. • Ramps were not provided. • The water tank was not installed.



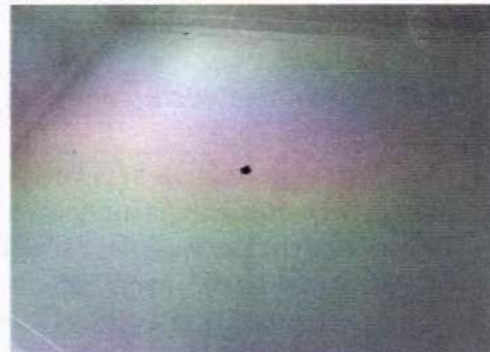
Project signpost



Incomplete electrical fixture installation on wall sockets



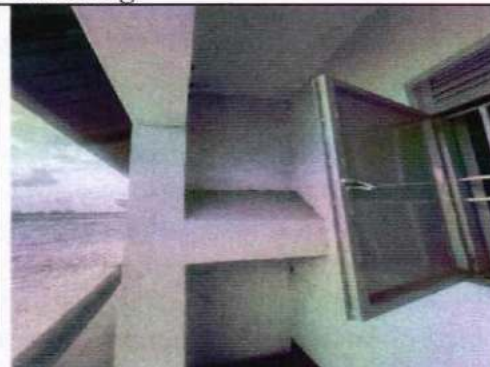
Project engraving



Incomplete electrical fixture installation on ceiling






No lightning arrestors, No rumps, no rain water gutters, no water tank, no bathrooms, and no curtain rods



Chimney constructed but with no base

2. **Subject:** Construction of 2-unit staff house at Sakale HC II
Reference number: Nabi900/wrks/23-24/00003
Procurement method: Open Bidding
Contractor: Golan General Supplies and Constructors Ltd
Contract value: UGX 95,559,150
Contract date: 21st November 2023
Contract manager: Mr. Loduk Emmanuel - Engineering Assistant (Civil)
Site possession date: 1st December 2023
Completion date: 6th March 2024

	<p>Defects liability period: 6 months</p> <p>Incomplete or defective works:</p> <ul style="list-style-type: none"> • Lightning arrestors were not installed. • No project signpost was erected. • Project engravement was not done. • Ramps were not constructed. <div style="display: flex; justify-content: space-around;">   </div> <p><i>No lightning arrestors, no project engravement, and no ramps</i></p> <p><i>No project signpost</i></p>
3.	<p>Subject: Renovation of Staff House at Nayonaiangikalio HC II</p> <p>Reference number: NABI900/WRKS/23-24/00008</p> <p>Procurement method: Selective Bidding</p> <p>Contractor: Inkfolds Ventures Limited</p> <p>Contract value: UGX 27,200,000</p> <p>Contract date: 2nd April 2024</p> <p>Contract manager: Not appointed</p> <p>Site possession date: 5th April 2024</p> <p>Completion date: 25th June 2024</p> <p>Defects liability period: 6 months</p>
	 <p><i>Front view of staff house with no trees planted</i></p>
4.	<p>Subject: Construction of two stances pit latrine at Sakale Health Centre with a bathing Shelter</p> <p>Reference number: NABI900/WRKS/23-24/00011</p> <p>Procurement method: Selective Bidding</p> <p>Contractor: Gadlo Engineering Services Limited</p> <p>Contract value: UGX 24,231,900</p>

Contract date: 4th March 2024
Contract manager: Mr. Loduk Emmanuel - Engineering Assistant (Civil)
Site possession date: 7th March 2024
Completion date: 7th June 2024
Defects liability period: 6 months



Front view of two stances pit latrine



Cracks on splash apron



Cracks on splash apron

Implication

Incomplete or poorly managed projects impact the safety, compliance, and the overall success of the projects.

Management Response

Management acknowledges the audit findings regarding incomplete and defective works on the construction of the three-unit staff house at Napongae Primary School, two-unit staff house at Sakale HC II, renovation of the staff house at Nayonai-angikalio HC II, and the two-stance pit latrine with a bathing shelter at Sakale Health Centre.

We take these concerns seriously and have instructed the respective contractors to promptly address and rectify all identified defects. Completion of these works will be a condition for the release of retention payments. A comprehensive report confirming compliance with required standards will be submitted to the Authority upon satisfactory completion.

Recommendations

1. The Accounting Officer should ensure that contractors for the four projects namely, *the construction of a 3-unit staff house at Napingae Primary School, a 2-unit staff house at Sakale HC II, renovation of the staff house at Nayonaiangikalio HC II, and construction of a two-stance pit latrine with a bathing shelter at Sakale HC II* complete all outstanding and defective works within one month of receipt of this report, as a condition for the release of retention payments. To support this, the District Engineer should immediately develop a detailed snag list for each project, clearly identifying all incomplete and defective items to guide contractors in rectifying the deficiencies in line with contract specifications.
2. The Environmental Officer and the District Community Development Officer should be formally tasked with regularly monitoring and reporting on the implementation of environmental safeguards and safety measures at all construction sites to ensure full compliance with environmental and safety standards.

CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This Section presents the scores per area assessed under different audit risk computation

3.1 Overall Performance Audit Conclusion

The performance of Nabilatuk District Local Government for the compliance inspection of FY 2023/2024 was **unsatisfactory** with an overall weighted average risk rating of **71%**. The risk rating is as follows:

Table 13: Risk Rating

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

3.2 Entity's Performance

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

Table 14: Risk Computation

Risk category	No.	No. %	Value (UGX)	Value %	Weights	Total weighted Average	
						By No.	By Value
High	4	40	303,720,600	26	0.6	24	16
Medium	4	40	369,290,630	32	0.3	12	10
Low	1	10	79,924,793	7	0.1	1	1
Satisfactory	1	10	400,000,000	35	0	0	0
Total	10	100	1,152,936,023	100	1	37	26

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{37}{60} \times 100 = 62\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{26}{60} \times 100 = 43\%$$

$$\text{The average weighted risk rating} = \frac{62+43}{2} = 52.5\%$$

NOTE:

The Authority did not get access to monthly reports on procurements conducted from January to June 2024 and as such the Procuring and Disposing Entity is rated 71% and is unsatisfactory.

3.3 Chart Representation of Risk Rating

Figure 1: Chart Representation of Risk Rating by Number

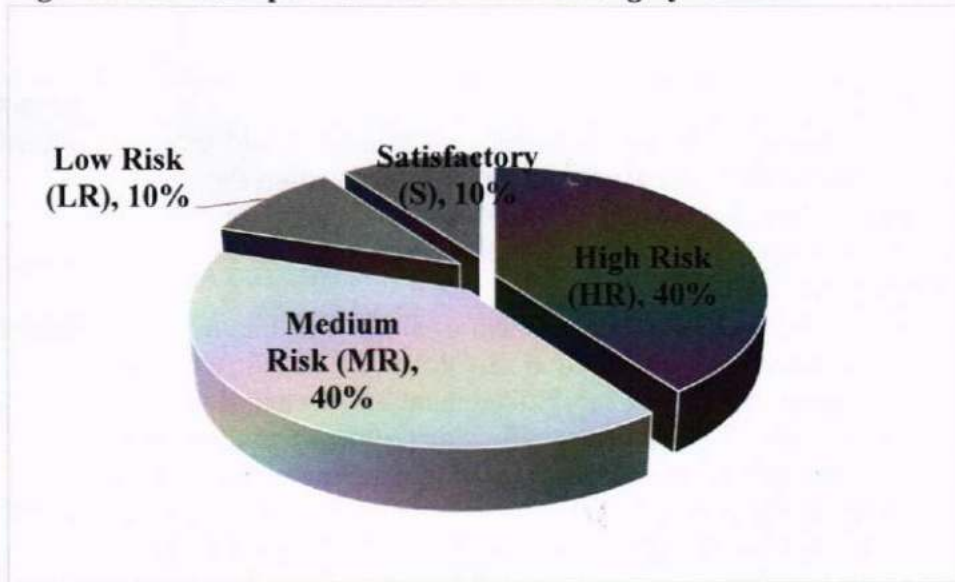
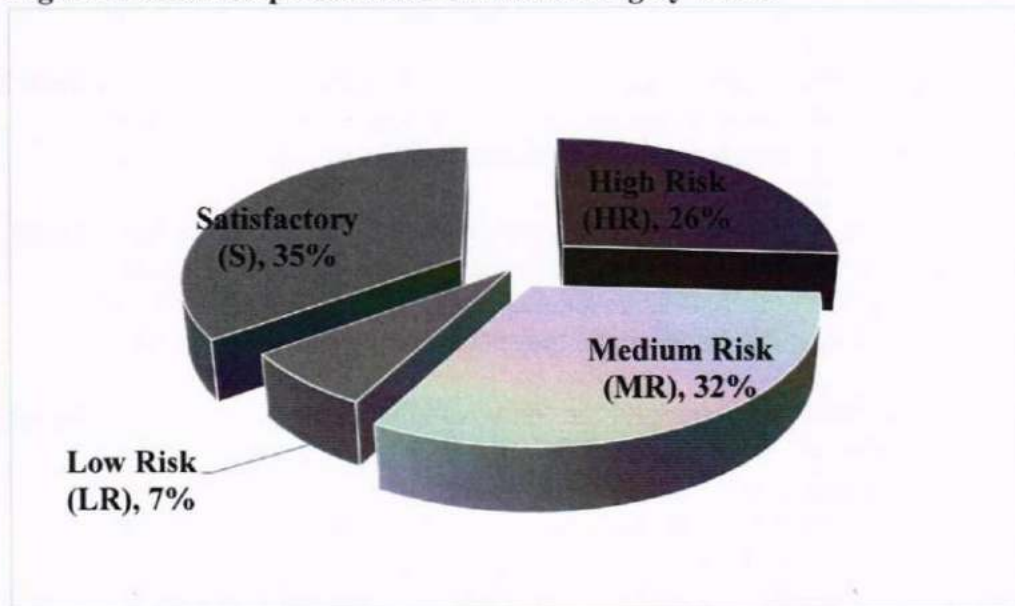


Figure 2: Chart Representation of Risk Rating by Value



3.4 Recommended Action Plan

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

Table 15: Action plan

No.	Recommendations	Target Date
1.	The Permanent Secretary, Ministry of Local Government should task the Accounting Officer to show cause as to why disciplinary action should not be taken against him for failure to implement 78% of the PPDA recommendations in line with Section 10 of the PPDA Act, Cap 205.	Immediate
2.	<p>The Accounting Officer should;</p> <ul style="list-style-type: none"> i. Prioritize and expedite the recruitment of a qualified Procurement Officer in accordance with Section 28(1)(c) of the PPDA Act, Cap. 205. Adequate staffing of the Procurement and Disposal Unit is critical for improving operational efficiency, strengthening internal controls, and upholding compliance with procurement regulations. ii. Continue engaging the relevant authorities to expedite the approval of the 5th member to fully constitute the Contracts Committee in accordance with Section 29(2) of the PPDA Act, Cap. 205 iii. The Authority shall undertake suspension investigations on Grace of God Ministries Limited for submission of a forged Tax Clearance Certificate in accordance with Section 128 of the PPDA Act, Cap. 205. iv. Equip the Procurement and Disposal Unit with cabinets and storage space in order to maintain and archive records of the procurement and disposal process in accordance with Section 44 (1) of the PPDA Act, Cap. 205. v. Ensure regular updates of the procurement plan (at least quarterly) based on actual revenue and implementation progress, in line with Section 60(7) of the PPDA Act, Cap. 205. All variances should be well documented to promote transparency and effective service delivery; vi. Ensure that for each month, the Entity submits to the Authority by the fifteenth day of the following month, a report on the procurement activities undertaken by the Procuring and Disposing Entity in the month in accordance with Regulation 15(1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023. vii. Task the District Engineer and the District Water Officer to show cause as to why disciplinary action should not be taken against them for failure to prepare Statements of Requirements during initiation contrary to Section 36(1)(c) of the PPDA Act; Cap. 205. viii. Ensure that all procurements are conducted in a manner which promotes economy, efficiency and value for money in accordance with Section 51 of the PPDA Act, Cap. 205. ix. Ensure that all procurements are conducted in a fair, transparent, and competitive manner in line with Sections 48 and 49 of the 	<p>Immediate</p> <p>Immediate</p> <p>Immediate</p> <p>Immediate</p> <p>Continuous</p> <p>Immediate</p> <p>Immediate</p> <p>Continuous</p> <p>Continuous</p>

No.	Recommendations	Target Date
	PPDA Act, Cap. 205, while also enhancing bidder engagement and keeping bid document costs reasonable to promote wider participation.	
	x. Task Evaluation Committee members involved in the following procurements to show cause as to why disciplinary action should not be taken against them for breaching evaluation procedures under Regulation 5 of the PPDA (Evaluation) Regulations, 2023: Nakudep water systems, Sakale and Napongae staff houses, Nabilatuk piped water system design, and Sakale pit latrine;	Immediate
	xi. Ensure strict adherence to Regulation 6(1)(f) of the PPDA (Contracts) Regulations, 2023, and Statutory Instrument No. 97 of 2014 by obtaining the Attorney General's clearance for all contracts exceeding UGX 200,000,000 prior to contract signing, regardless of phased contract structuring.	Continuous
	xii. Appoint a Board of Survey annually in accordance with Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023 and ensure a disposal plan is prepared to guide the disposal process.	Immediate
	xiii. Task the Contract Managers responsible for the following procurements to show cause why disciplinary action should not be taken for failure to execute their roles in line with Regulation 52(1) & (2) of the PPDA (Contracts) Regulations, 2023: Rehabilitation of Lorengedwat and Nakudep piped water systems, Desilting of Namata-Lopeilap valley tank, Construction of 2-unit and 3-unit staff houses at Sakale HC II and Napongae Primary School respectively, Feasibility studies for Nabilatuk and Nacele water systems, Construction of a two-stance pit latrine at Sakale HC II, and Renovation of staff house at Nayonaiangikalio HC II, due to omissions such as, failure to enforce submission of securities, and failure to prepare and submit contract management reports.	Immediate
	xiv. Ensure that all future contracts include clearly defined Special Conditions of Contract (SCC), contract durations, and all supporting documentation to strengthen enforceability, enhance accountability, and improve contract performance tracking.	Immediate
	xv. Ensure that contractors for the four projects namely, <i>the construction of a 3-unit staff house at Napongae Primary School, a 2-unit staff house at Sakale HC II, renovation of the staff house at Nayonaiangikalio HC II, and construction of a two-stance pit latrine with a bathing shelter at Sakale HC II</i> complete all outstanding and defective works within one month of receipt of this report, as a condition for the release of retention payments. To support this, the District Engineer should immediately develop a detailed snag list for each project, clearly identifying all incomplete and defective items to guide contractors in rectifying the deficiencies in line with contract specifications.	Immediate

No.	Recommendations	Target Date
	<p>xvi. Formally task both the Environmental Officer and the District Community Development Officer with regularly monitoring and reporting on the implementation of environmental safeguards and safety measures at all construction sites to ensure full compliance with environmental and safety standards.</p> <p>xvii. Ensure that in future procurements, User Departments should not include supervisory fees to the supervising staff of the Procuring and Disposing Entity under the provisional sums of the Bills of Quantities, as this practice compromises economy and efficiency and contravenes Section 51 of the PPDA Act, Cap. 205. All Bills of Quantities should be thoroughly reviewed to ensure that any provisional sums are justified and aligned to promote the efficient use of public resources;</p> <p>xviii. Endeavor to eliminate delays in the procurement process to ensure timely service delivery in accordance with Section 51 of the PPDA Act, Cap. 205.</p>	<p>Immediate</p> <p>Continuous</p> <p>Continuous</p>
3.	The Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 48 of the PPDA Act, Cap. 205 before approving the evaluation reports.	Continuous
4.	<p>The Head PDU should;</p> <p>i. Ensure that the Evaluation Committee members strictly adhere to the evaluation criteria in the bidding document in accordance with Section 76 (3) of the PPDA Act, Cap. 205.</p> <p>ii. Ensure that Contract Managers retain copies of Performance Securities and properly document progress reports and a copy submitted to the Accounting Officer and the Procurement and Disposal Unit for record keeping as required under Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023. All records should be maintained and made readily available for audit verification in line with best practices in contract management.</p>	<p>Continuous</p> <p>Continuous</p>

ANNEX A: CASE BY CASE ANALYSIS

HIGH-RISK PROCUREMENTS

NO	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	<p>Subject: Feasibility Studies and design of piped water system at Nabilatuk District Head Quarters and Nacele Village</p> <p>Reference number: Nabi900/srvcs/23-24/00002</p> <p>Procurement method: Open Bidding</p> <p>Contractor: Sadrine Infrastructure Services</p> <p>Contract value: UGX 58,988,790</p>	<ul style="list-style-type: none"> • Bid closing date was 18th August 2023, however the BEB Sadrine Infrastructure Services submitted their bid on 25th August 2023, 6 days after bid closure • Bid evaluation was delayed by 45 days, bids opened on 18th August 2023 but were only evaluated by 2nd October 2023. • Both technical and financial bids were opened and evaluated on the same date, 18th August 2023. Furthermore, there was no separate evaluation report for technical and financial. • No scores given both for technical and financial evaluation • The financial position of the BEB Sadrine Infrastructure Services was lacking as the bank statement for the last 4 months (April- August 2023) showed a bank balance of only UGX 5,473 from equity bank • The BEB Sadrine Infrastructure Services shows work experience from as far as 2015-2020 which was before its incorporation in December 2021 • SCC/ToRs not attached to the contract • Contract duration not stated • No evidence of submission of performance and advance payment securities • No contract management reports submitted
2.	<p>Subject: Construction of 2-unit staff house at Sakale HC II</p> <p>Reference number: Nabi900/wrks/23-24/00003</p> <p>Procurement method: Open Bidding</p> <p>Contractor: Golan General Supplies and Constructors Ltd</p> <p>Contract value: UGX 95,559,150</p>	<ul style="list-style-type: none"> • Bid evaluation was delayed by 45 days, bids opened on 18th August 2023 but were only evaluated by 2nd October 2023. • Golan General Supplies and Constructors Ltd submitted an invalid Tax Clearance Certificate (No. MO012400712022). • The BoQs included an irregular provisional sum of UGX 2.5 million for supervision by the District Engineer. • Special Conditions of Contract (SCC) were not included in the signed contract. • No evidence of submission of a Performance Security. • Incomplete or defective works these include; the installation of lightning arrestors, construction of

NO	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
		ramps, erection of a project signpost, and execution of project engravement.
3.	<p>Subject: Construction of 3-unit staff house at Napongae Primary School</p> <p>Reference number: Nabi900/wrks/23-24/00002</p> <p>Procurement method: Open Bidding</p> <p>Contractor: Arki Timers Ltd</p> <p>Contract value: UGX 124,940,760</p>	<ul style="list-style-type: none"> • Bid evaluation was delayed by 45 days, bids opened on 18th August 2023 but were only evaluated by 2nd October 2023. • Item No. 24 in the BoQs included a provisional sum of UGX 2.5 million for supervision by the District Engineer, which was irregular. • The signed contract did not include the Special Conditions of Contract (SCC). • There was no evidence of submission of performance or advance securities by the contractor. • No progress reports were prepared during project implementation. • Incomplete or defective works; lightning arrestors, electrical installations, rainwater gutters, and the water tank were not provided. Additionally, essential features specified in the Bills of Quantities—including bathrooms, curtain rods, chimney bases, and ramps—were not constructed. Landscaping elements like tree planting were also not implemented as required.
4.	<p>Subject: Construction of two stances pit latrine at Sakale Health Centre with a bathing Shelter</p> <p>Reference number: NABI900/WRKS/23-24/00011</p> <p>Procurement method: Selective Bidding</p> <p>Contractor: Gadlo Engineering Services Limited</p> <p>Contract value: UGX 24,231,900</p>	<ul style="list-style-type: none"> • The Tax Clearance Certificate submitted by Gadlo Engineering Services Limited (BEB), was addressed to Napak DLG under the business name Dachems Uganda Limited. • The bidding document required submission of a list of technical personnel and their academic documents. However, Gadlo Engineering Services Limited did not attach academic documents, yet was marked compliant. • Gadlo only submitted a bank statement for one month-August 2020 instead of the required three months but was still marked compliant. • No activity work schedule was submitted by the bidder. • Gadlo did not present a Certificate in Building and Concrete Practice, yet was marked compliant. • No evidence of experience in similar works was provided, yet the bidder was marked compliant. • The Contract has no Special Conditions of Contract • Defective works; Cracks on splash apron

MEDIUM RISK PROCUREMENTS

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	<p>Subject: Rehabilitation of Nakudep Mini piped water system</p> <p>Reference number: Nabi900/wrks/23-24/00005</p> <p>Procurement method: Open Bidding</p> <p>Contractor: Baken Investment Ltd</p> <p>Contract value: UGX 76,809,889</p>	<ul style="list-style-type: none"> • Item E under the preliminaries section of the Bills of Quantities (BoQs) included a provisional sum of UGX 4,000,000 as supervision fees by the project supervisor. • Bid evaluation was delayed by 45 days, bids opened on 18th August 2023 were only evaluated by 2nd October 2023. • Irregular bid authorization: The bid submission sheet was signed by Mabano Robert, despite Powers of Attorney being granted to Kiiza James. • Delayed evaluation report submission: The evaluation report, completed on 2nd October 2023, was submitted to the Contracts Committee on 16th October 2023, indicating a delay of 14 days. • The signed contract did not include the Special Conditions of Contract (SCC). • There was no evidence of submission of required performance or payment securities.
	<p>Subject: Desilting of valley tank at Namata- Lopeilap Lotaruk</p> <p>Reference number: Nabi900/srvcs/23-24/00001</p> <p>Procurement method: Open Bidding</p> <p>Contractor: Engedi Company Ltd</p> <p>Contract value: UGX 60,000,000</p>	<ul style="list-style-type: none"> • Bills of Quantities (BoQs) were not provided at the initiation of the procurement process. • Low bidder response: Although the procurement was conducted through open bidding, only two bidders submitted bids. • Bid evaluation was delayed by 45 days, bids opened on 18th August 2023 but were only evaluated by 2nd October 2023. • Delayed submission of evaluation report; it was submitted to the Contracts Committee on 16th October 2023, two weeks after evaluation was completed on 2nd October 2023. • Incomplete contract information: The signed contract did not indicate the project start and completion dates. • The Special Conditions of Contract (SCC) were not included in the signed contract. • Lack of evidence of Performance Securities
	<p>Subject: Renovation of Staff House at Nayonaiangikalio HC II</p> <p>Reference number: NABI900/WRKS/23-24/00008</p> <p>Procurement method: Selective Bidding</p>	<ul style="list-style-type: none"> • Bills of Quantities (BoQs) were not prepared at the initiation stage. • Only 4 out of the 32 prequalified providers for general construction/renovation works were invited to bid. • There was a five-month delay between the Accounting Officer's confirmation of funding on

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	Contractor: Inkfolds Ventures Limited Contract value: UGX 27,200,000	10 th July 2023 and the Contracts Committee's approval of the procurement method, bidding documents, and evaluation committee members on 8 th December 2023. <ul style="list-style-type: none"> • The contract lacks Special Conditions of Contract. • No tree planting
	Subject: Rehabilitation of Lorengedwat piped water system Reference number: Nabi900/wrks/23-24/00001 Procurement method: Open Bidding Contractor: Bethel Contractors Company Ltd Contract value: UGX 205,280,741	<ul style="list-style-type: none"> • Bills of Quantities (BoQs) were not provided at the initiation of the procurement process. • Bid evaluation was delayed by 45 days, bids opened on 18th August 2023 but were only evaluated by 2nd October 2023. • A provisional sum of UGX 4 million was included under Item E of the BoQs for project supervision, without supporting justification. • Delayed submission of evaluation report; it was submitted to the Contracts Committee on 16th October 2023, two weeks after evaluation was completed on 2nd October 2023. • The contract, valued at UGX 205,280,741, was executed without obtaining Solicitor General's clearance. • The signed contract did not include the Special Conditions of Contract (SCC). • There was no evidence of submission of required performance or payment securities.

LOW RISK PROCUREMENTS

NO	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	Subject: Drilling and Installation of three boreholes Reference number: NABI900/WRKS/23-24/00004 Procurement method: Open Domestic Bidding Contractor: Skylight Africa Limited Contract value: UGX 79,924,792.5	<ul style="list-style-type: none"> • Bills of Quantities (BoQs) were not provided at the initiation stage. • The Contract has no Special Conditions of Contract.

SATISFACTORY PROCUREMENTS

NO	SATISFACTORY
1.	Subject: Rehabilitation of Nabilatuk-Lorengedwat (Amuda) 32.8km Procurement method: Open Domestic Bidding Contractor: Force account Contract value: UGX 400,000,000

ANNEX B: SAMPLE LIST AND RATING PER CASE

No.	Reference number	Subject of procurement	Procurement method	Provider	Contract value (UGX)	Risk Rating
1.	Nabi900/wrks/23-24/00001	Rehabilitation of Lorengedwat piped water system	Open Domestic Bidding	Bethel Contractors Company Ltd	205,280,741	Medium
2.	Nabi900/wrks/23-24/00005	Rehabilitation of Nakudep Mini piped water system	Open Domestic Bidding	Baken Investment Ltd	76,809,889	Medium
3.	Nabi900/srvcs/23-24/00001	Desilting of valley tank at Namata- Lopeilap Lotaruk	Open Domestic Bidding	Engedi Company Ltd	60,000,000	Medium
4.	Nabi900/wrks/23-24/00003	Construction of 2-unit staff house at Sakale HC II	Open Domestic Bidding	Golan General Supplies and Constructors Ltd	95,559,150	High
5.	Nabi900/wrks/23-24/00002	Construction of 3-unit staff house at Napongae Primary School	Open Domestic Bidding	Arki Timers Ltd	124,940,760	High
6.	Nabi900/srvcs/23-24/00002	Feasibility Studies and design of piped water system at Nabilatuk District Head Quarters and Nacele Village	Open Domestic Bidding	Sadrine Infrastructure Services	58,988,790	High
7.	-	Rehabilitation of Nabilatuk-Lorengedwat (Amuda) 32.8km	Open Domestic Bidding	Force account	400,000,000	Satisfactory
8.	NABI900/WRKS/23-24/00004	Drilling and Installation of three boreholes	Open Domestic Bidding	Skylight Africa Limited	79,924,792.5	Low
9.	NABI900/WRKS/23-24/00011	Construction of two stances pit latrine at Sakale Health Centre with a bathing Shelter	Selective Bidding	Gadlo Engineering Services Limited	24,231,900	High
10.	NABI900/WRKS/23-24/00008	Renovation of Staff House at Nayonaingangialio HC II	Selective Bidding	Inkfolds Ventures Limited	27,200,000	Medium
				TOTAL	1,152,936,023	

ANNEX C: RISK RATING CRITERIA

RISK	DESCRIPTION	AREA	IMPLICATION
<p>HIGH</p>	<p>Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry a risk to the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management.</p> <p>Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".</p>	<p>Planning: Lack of or failure to procure within the approved plan</p>	<p>This implies emergencies and the use of the direct procurement method which affects competition and value for money.</p>
		<p>Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals, and usurping the powers of the PDU.</p>	<p>This implies the use of less competitive methods which affects transparency, accountability, and value for money.</p>
		<p>Evaluation: Use of inappropriate evaluation methodologies or failure to conduct an evaluation.</p>	<p>This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend an award to a responsive bidder.</p>
		<p>Record Keeping: Missing procurement files and missing key records on the files namely; solicitation documents, submitted bids, evaluation report, and contracts.</p>	<p>This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.</p>
		<p>Fraud/forgery: Falsification of Documents</p>	<p>This implies lack of transparency and value for money.</p>

RISK	DESCRIPTION	AREA	IMPLICATION
		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 framework to ensure a formal and effective system of management controls is put 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.	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-pre-qualified firms and splitting procurement requirements.	This implies lack of efficiency, standardisation and avoiding competition.
		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

RISK	DESCRIPTION	AREA	IMPLICATION
			lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best 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.	Planning: Lack of procurement reference numbers. Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to track the procurements which leads to poor record keeping. This leads to failure to declare conflict of interest 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.