



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**

COMPLIANCE INSPECTION REPORT OF FORT PORTAL REGIONAL REFERRAL HOSPITAL FINANCIAL YEAR 2024/2025

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ACRONYMS

BEB	Best Evaluated Bidder
PDU	Procurement and Disposal Unit
RRH	Regional Referral Hospital
LPO	Local Purchase Order
UGX	Ugandan shillings
MoFPED	Ministry of Finance Planning and Economic Development
SBD	Standard Bidding Document
FY	Financial Year
NOBEB	Notice of the Best Evaluated Bidder
PPDA	Public Procurement and Disposal of Public assets Authority
PPDA Act	PPDA Act, Cap.205

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection on the procurement and disposal activities of Fort Portal Regional Referral Hospital that covered a representative sample of 10 procurement transactions worth UGX 207,848,600 under Financial Year 2024/2025. The overall objective of the inspection was to assess and establish the degree of compliance of Fort Portal RRH's procurement and disposal system and processes with the provisions of the PPDA Act, Cap. 205, the attendant PPDA Regulations and to assess the level of procurement performance over the inspection period.

The assessment revealed that the performance of the hospital under Financial Year 2024/2025 was **moderately satisfactory** with an overall weighted average risk rating of **50%**. The details of the risk rating are in Chapter 3 of the report.

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

1. Non implementation of 50% of the previous PPDA compliance inspection recommendations for Financial Year 2022/2023 contrary to Section 10 (1) (a) of the PPDA Act, Cap 205. This raises concerns about the Entity's commitment to improving its procurement processes, addressing identified risks, and ensuring accountability;
2. Under staffing in the PDU contrary to Section 32 of the PPDA Act, Cap. 205. The unit was manned by only the Procurement Officer contrary to the Entity's established staff structure as approved by the Ministry of Public Service that provided for a Senior Procurement Officer and Procurement Officer. This compromises the efficiency and effectiveness of the unit in handling procurement and disposal matters which may cause noncompliance with the PPDA Act, Cap.205 and attendant Regulations;
3. The Entity issued inadequately prepared bidding documents in eight sampled procurements worth UGX 153,642,600 under the Request for Quotation method contrary to Regulation 33(3) of the PPDA (Rules and Methods of procurement of supplies, works and non-consultancy services) Regulations, 2023 i.e. the documents did not provide for bidders to submit; Powers of Attorney, Beneficial ownership forms, evidence of previous experience etc. Inadequately prepared bidding documents can expose the Entity to the risk of corruption, fraud, tax evasion and entering into contracts with bidders without the technical and financial capacity to perform a contract;
4. Inadequate bidding periods in six procurements worth UGX 124,284,200 under the Request for Quotation method. Bidders were given an average of only three working days instead of the mandatory five working days contrary to Regulation 56 (e) of the PPDA (Rules and Methods of procurement of supplies, works and non-consultancy services) Regulations, 2023. This limits sufficient time required for the bidders to prepare responsive bids taking into account the level of detail required and the complexity of bidding;
5. Irregularities in bid issuance, receipt and opening in eight procurements worth UGX 192,736,600 i.e. bid opening was in some instances not managed by the PDU or not witnessed by a member of the Contracts Committee or representative of the User Department contrary to Regulation 75 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023. This contravenes the principles of transparency and accountability and could expose the Entity to fraudulent practices at bid issuance, receipt and opening;

6. The Hospital failed to enforce the requirement to submit beneficial ownership information in all the 10 sampled contracts worth UGX 207,848,600 contrary to PPDA Circular No. 1 of 2021. This non-compliance increases the risk of corruption, fraud, and tax evasion by the ultimate beneficiaries of company proceeds;
7. Non-compliance with the Notice of the Best Evaluated Bidder requirement. The Entity's display for the NOBEB was done for an average of five working days as opposed to ten working days in six procurements worth UGX 138,530,600 contrary to Regulation 3 (1) of the PPDA (Contracts) Regulations, 2023. This implies that the aggrieved bidders may not have enough time to seek administrative review in the event that they are dissatisfied with the outcomes of the evaluation process which contravenes the key principles of transparency and fairness in the process;
8. Five procurements worth UGX 133,355,600 had a retrospective procurement process i.e. services were rendered and supplies received before the award of contract by the Contracts Committee contrary to laid down procurement procedures in the PPDA Act, Cap. 205. This undermines the checks and balances embedded in the procurement process and could expose the Entity to fraudulent practices;
9. Signing of LPOs by persons not ordained with the Powers of Attorney in eight procurements worth UGX 153,642,600 under the Request for Quotation method contrary to Regulation 10 (1) of the PPDA (Contracts) Regulations, 2023. This implies that contracts signed with bidders' representatives without powers of attorney are null and void and not enforceable by law in the event of any dispute which exposes the Hospital to a risk of financial loss with no redress in case of non- performance;
10. The Hospital did not undertake a Board of survey of the assets in the previous Financial Year 2023/2024. As a result, no disposal plan was prepared for the year under review and subsequently no disposal was conducted. This was contrary to Regulation 2 (1 and 2) of PPDA (Disposal of assets) Regulations, 2023 on disposal planning. Failure to dispose of such assets results into further deterioration and loss of value in the assets;
11. Three procurements worth UGX 34,533,400, representing 30% of the sampled procurements, had delayed payments to providers. Payments were not made within 30 days of the certification of payment claims and had an average length of delay of 40 days beyond the contractual payment period contrary to Clause GCC 19.4 of the Special Conditions of the Contract. This cripples the cash flow of the contractors that deal with government and discourages bidder participation in public procurement

In light of the above findings, Fort Portal Regional Referral Hospital should implement the following recommendations:

1. The Accounting Officer should;
 - i. Should engage and follow up with the Permanent Secretary/Secretary to the Treasury Ministry of Finance Planning and Economic Development and the Permanent Secretary Ministry of Health to consider deploying a Senior Procurement Officer at Fort Portal Regional Referral Hospital in line with the established Hospital structure to provide management support and ensure compliance with procurement regulations in accordance with Section 32 of the PPDA Act, Cap. 2023.

- ii. Constitute a task force of about three staff (including the Internal Auditor) to track the implementation of the Authority's recommendations and submit an implementation status report to the Authority within the specified timeframe to improve the Hospital's performance in accordance with Section 10 (2) of the PPDA Act, Cap. 205;
 - iii. Ensure that only the person with Powers of Attorney handles correspondences on behalf of the bidder as well as signing contracts/LPOs as a representative of the provider in accordance with Regulation 10 (1) of the PPDA (Contracts) Regulations, 2023;
 - iv. Task the Head PDU to ensure that the notice of best evaluated bidder is displayed for ten working days in accordance to Regulation 3 (1) of PPDA (Contracts) Regulations, 2023;
 - v. Ensure that public opening of bids is managed by the Procurement and Disposal Unit and witnessed by a member of the Contracts Committee or a person authorized by the User Department in accordance with Regulation 75 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023;
 - vi. Going forward, cause the public assets of a Procuring and Disposing Entity to be reviewed on a yearly basis, to identify the public assets to be disposed of in the following financial year in accordance with Regulation 2 (1) of the PPDA (Disposal of assets) Regulations, 2023; and
 - vii. Ensure that payments to providers are made within 30 days, or a period stated in the special conditions of contract, from certification of the invoices in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023.
2. The Head Procurement and Disposal Unit should;
- i. Require bidders to submit beneficial owner information through bidding forms and company Form 1 and include particulars of beneficial owners in monthly reports submitted to the Authority in accordance with the PPDA Circular No. 1 of 2021;
 - ii. Set an evaluation criterion that requires bidder's representatives to submit Powers of Attorney with their bids as a written confirmation of authorisation to sign on behalf of the bidder following Regulation 10 (1) of the PPDA (Contracts) Regulations, 2023;
 - iii. Set evaluation criteria that can assess the ability to perform the proposed contract, the technical and financial ability of the bidder in accordance with Regulation 47(3) of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023; and
 - iv. Prepare a disposal plan for all assets that were recommended for disposal by the Board of Survey report for FY 2024/2025 and subsequently conduct disposal of the planned assets in accordance with Regulation 2 (2) of the PPDA (Disposal of assets) Regulations, 2023 and have disposal conducted and concluded.
3. The Contracts Committee should;
- i. Play its oversight role and ensure that the Entity gives bidders the mandatory five working days of bidding period under the Quotation method in accordance to

Regulation 56 (e) of the PPDA (Rules and Methods of procurement of supplies, works and services) Regulations, 2023; and

- ii. Desist from conducting retrospective procurement processes and further ensure that all procurements undertaken by the Entity strictly follow the laid down procurement procedures in the PPDA Act, Cap. 205.

As the Accounting Officer, you are responsible for the overall procurement process in your Entity and are therefore required to ensure that the above recommendations and the specific actions listed under the action plan on **pages 30 and 32** of the report are implemented by the responsible persons within the specified period.

You are required to submit to the Authority a status of implementation of the recommendations within **four months** from the date of this letter. The Authority shall undertake a follow-up exercise on the implementation of these recommendations.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection on the procurement and disposal activities of Fort Portal Regional Referral Hospital that covered a representative sample of 10 procurement transactions UGX 207,848,600 under the Financial Year 2024/2025. The inspection involved a review of 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, the attendant PPDA Regulations.

1.2 Objective of the compliance inspection

The overall objective of the procurement and disposal inspection was to assess and establish the degree of compliance of the procurement and disposal system and processes with the provisions of the PPDA Act, Cap. 205, the attendant PPDA Regulations.

The specific objectives were to assess the:

1. Compliance of the Entity with the provisions of the PPDA Act, Cap. 205 and attendant Regulations 2014 with regard to the performance of the procurement structures and conduct of the procurement processes;
2. Compliance of the Entity's disposal processes with the provisions of the PPDA Act, Cap. 205, and attendant Regulations 2014; and
3. Efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements.

1.3 Structure of the Entity

According to Section 28 (1) of the PPDA Act, Cap. 205, the Accounting Officer of a Procuring and Disposing Entity shall have the overall responsibility for the successful execution of the procurement and disposal processes in a Procuring and Disposing Entity. The Hospital Director was Dr. Bahizi Archbald Newton Sebahire designated as the Accounting Officer for the Entity during the Financial Year 2024/2025.

Section 28 (1) (a) and (c) of the PPDA Act, Cap. 205 specifically gives the responsibility to the Accounting Officer to cause the establishment of a Procurement and Disposal Unit and Contracts Committee staffed at an appropriate level. The Entity had an established Contracts Committee and Procurement and Disposal Unit at the time of the inspection and their composition is detailed in Tables 1 & 2 below:

a) Procurement and Disposal Unit

The Procurement and Disposal Unit was not established to an appropriate level contrary to Section 32 of the PPDA Act, Cap. 205 as detailed in Table 1 below. The unit was manned by only a Procurement Officer at the time of inspection in October 2025 instead of the established structure of a Senior Procurement Officer and a Procurement Officer.

Table 1: Composition of the Procurement and Disposal Unit

No.	Name	Job title	Date of appointment in post	Years of experience at the Entity
1.	Mr. Obed Hareimana	Procurement Officer	25 th May 2022	3.5 years

b) Contracts Committee composition

The Authority found that the Contracts Committee was fully constituted in accordance with Section 29 of the PPDA Act, Cap. 205 as detailed in Table 2 below:

Table 2: Composition of the Contracts Committee

S/N	Name	Job title	Committee position	Date of appointment	Tenure
1.	Mr. Dan Niwaha	Bio Medical Engineer	Chairperson	22 nd September 2025	1 st term
2.	Ms. Jesse Wakko	Human Resource Officer	Secretary	4 th September 2023	1 st term
3.	Ms. Racheal Atumanyise	Lawyer	Member	6 th May 2024	3 rd term
4.	Mr. Simon Abeisa	Assistant accountant	Member	22 nd September 2025	1 st term
5.	Ms. Faith Kabahukya	Medical Officer	Member	19 th April 2023	3 rd term

1.4 Scope of the Compliance Inspection

The Authority carried out a compliance inspection of Fort Portal RRH from 6th September to 8th September 2025. The exercise covered a sample of 10 procurement transactions worth UGX 207,848,600 conducted during the Financial Year 2024/25, a review of procurement structures and the procurement plan performance. The list of sampled transactions is contained under **Appendix 1** and the analysis of the population and sample is shown in Table 3 below:

Table 3: Analysis of population and sample selected for audit of FY 2024/25

Procurement method	Population value (UGX)	Sample value (UGX)	%Value	Population No.	Sample No.	% No.
Open domestic bidding/ Framework contracts	2,374,130,592	54,206,000	2.3	200	2	1

Procurement method	Population value (UGX)	Sample value (UGX)	%Value	Population No.	Sample No.	% No.
Restricted domestic bidding	49,049,000	0	0	2	0	0
Request for Quotation	261,885,642	153,642,600	58.6	9	8	88.8
Micro procurement	63,435,966	0	0	24	0	0
Total	2,748,501,200	207,848,600	7.5%	235	10	4.2%

1.5 Methodology

The Entity was notified about the exercise on 5th August 2025. A sample of 10 procurement transactions was selected using the Entity's expenditure list for the Financial Year 2024/2025.

The exercise was conducted under the supervision of the Regional Manager. During the exercise, the team reviewed the procurement plan for the Financial Year 2024/2025, reviewed records and documents for each of the 10 sampled procurement transactions.

On completion of data collection, members of the team met with various stakeholders such as the Accounting Officer, Contracts Committee members, PDU staff and user department representatives to discuss and get clarifications on some of the preliminary findings.

The Authority prepared a management letter, which was issued to the Entity on 14th November 2025 with a request to submit a management response by 28th November 2025, which was submitted on 25th November 2025. The Authority studied and considered the management response before preparing the compliance inspection report. The report presents the key findings and conclusions arising from the compliance inspection.

1.6 Reporting

The findings are identified by exception, the level of risk and the recommendation. The procurements are rated in four categories according to the weakness identified namely; high risk, medium risk, low risk and satisfactory. The definition of the risk rating is in **Appendix 3**.

CHAPTER TWO: FINDINGS AND RECOMMENDATIONS OF THE AUTHORITY

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

2.1.1. Procurement structures

A review of the procurement structures of the Entity revealed the following:

a) Under staffing in the Procurement and Disposal Unit

The Authority found that the Procurement and Disposal Unit was not established to an appropriate level contrary to Section 32 of the PPDA Act, Cap. 205 which requires a procuring and disposing Entity to establish a Procurement and Disposal Unit at an appropriate level. The unit was manned by only a Procurement Officer at the time of inspection in October 2025 instead of the established structure of a Senior Procurement Officer and a Procurement Officer. According to the Accounting Officer, the Entity submitted the vacancy to the Ministry of Finance, Planning and Economic Development that is responsible for the recruitment and posting of procurement cadre in Central government Entities. However, the Ministry was yet to post a Senior Procurement Officer to the hospital.

Implication

Understaffing compromises the efficiency and effectiveness of the Procurement and Disposal Unit in regard to performance of their functions within the Entity.

Management response

The position of a Senior Procurement Officer is provided for in our structure, unfortunately, with our limited funding this structure is only filled at 23%. We have however written to MoFPED for additional wage to fill the some of these key positions.

Recommendation

The Authority noted the Entity's response and recommends that the Accounting Officer follows up with the Permanent Secretary/Secretary to the Treasury Ministry of Finance Planning and Economic Development and the Permanent Secretary Ministry of Health to consider deploying a Senior Procurement Officer at Fort Portal Regional Referral Hospital in line with the established Hospital structure to provide management support and ensure compliance with procurement regulations in accordance with Section 32 of the PPDA Act, Cap. 2023.

2.1.2. Failure to fully implement PPDA's previous audit recommendations

The Authority found that out of the 12 previous audit recommendations for Financial Year 2022/2023, Fort Portal Regional Referral Hospital fully implemented only five recommendations representing 42%, six recommendations representing 50% were not implemented while one recommendation 8% was partially implemented contrary to Section 10 (1) (a) of the PPDA Act, Cap. 205. The status of implementation is given in Table 4 below:

Table 4: Status of implementation of previous audit recommendations

No.	Recommendation	Implementation status	Management Response
1.	The Accounting Officer should ensure that the Procurement and Disposal Unit is staffed to appropriate levels in accordance with Section 26(1)(c) of the PPDA Act, Cap. 205	Not implemented	The position of a senior procurement officer is provided for in our structure, unfortunately, with our limited funding this structure is only filled at 23%. We have however written to MoFPED for additional wage to fill some of these key positions.
2.	The Accounting Officer should ensure that the Entity implements 100% of the Procurement plan	Partially Implemented	This is noted going forward the entity is committed to implementing all procurements as per the Procurement Plan.
3.	Accounting Officer should ensure that an asset register of the Entity's assets is maintained to enable identification by the reference number of the assets in the asset register of the PDE in accordance with Regulation 46(2)(n) of the PPDA (Disposal of public assets) Regulations, 2023	Implemented	N/A
4.	The Accounting Officer in execution of his/her duties should ensure that the planned timelines are adhered to in order to promote efficiency in service delivery in accordance with Section 48 of PPDA Act, Cap. 205	Not implemented	This is noted and going forward there will be strict adherence to the timelines.
5.	The Accounting Officer should consider submitting Delmaw Enterprises Limited to the Authority for blacklisting for failure to substantially perform their obligations as specified in the contract for supply and assorted equipment worth UGX 196,920,000 and in accordance with Section 94(e) of the PPDA Act, Cap. 205	Implemented	N/A
6.	The Head Procurement and Disposal Unit should update the procurement plan if amendments occur in	Implemented	N/A

No.	Recommendation	Implementation status	Management Response
	accordance with Section 58 (4) of the PPDA Act, 2003;		
7.	The Head Procurement and Disposal Unit should conduct market surveys to learn about new developments, changes and innovations in order to come up with appropriate specifications for products that can ably be supplied by the bidders;	Implemented	N/A
8.	The Head Procurement and Disposal Unit should prepare evaluation criteria and contract terms that safeguard the Entity from the risk of contracting ineligible and incapable providers in Regulation 47 (3) of PPDA (Rules and methods for procurement of supplies, works and non-consultancy services) Regulations, 2023;	Not implemented	This is noted and going forward PDU has enhanced the evaluation criteria for all procurements in line with the current standard bidding documents.
9.	The Head Procurement and Disposal Unit should consider entering into framework contracts for shorter periods to safeguard against the risks of inflation and long-term unforeseen market changes; and The Head Procurement and Disposal Unit should include a provision on price adjustment in a contract extending beyond eighteen months, where it is more economical for the Procuring and Disposing Entity to accept the inflation risk than to pay an additional cost for the supplier to accept the risk.in accordance with Regulation 38 (2) of the PPDA (Contracts) Regulations, 2023.	Not implemented	This is noted and the entity shall provide the clause for price adjustments in the new frame work contracts for FY 2025/2026,2026/2027 and 2027/2028
10.	The Contracts Committee should review the solicitation documents to ensure quality and fairness before approval so as to steer competition in accordance with Section 28 (1) (c) of the PPDA Act, 2003.	Not implemented	The Contracts committee has always reviewed the solicitation documents prior to approval an SOP has been developed for use as a guide during Contracts committee meeting.

No.	Recommendation	Implementation status	Management Response
			Authority's comment In the year under review, the inspection found recurring exceptions regarding quality assurance of the solicitation documents.
11.	The User Departments should prepare comprehensive work plans and include all procurement transactions to help the Procurement and Disposal Unit in preparation of consolidated procurement plan that covers all procurements in accordance with Section 34 (1) (a) of the PPDA Act, 2003;	Implemented	N/A
12.	The contract managers should ensure that the Entity meets all payment obligations following the terms and conditions of a contract in accordance with Regulation 49 of the PPDA (Contracts) Regulations, 2023.	Not implemented	This is noted and going forward, the contract managers will improve on contract management aspect.

Implication

Failure to implement audit recommendations raises concerns about the Entity's commitment to improve its procurement processes, addressing identified risks and ensuring accountability.

Management response

Most of the recommendations highlighted above were fully implemented and the Entity is committed to improving and has worked hand in hand with the Internal Auditor in order to enhance monitoring of the entity's performance for efficient and effective service delivery in Fort portal and Rwenzori region.

Recommendation

The Authority noted the Entity's response and recommends that the Accounting Officer should constitute a task force of about three staff (including the Internal Auditor) to track the implementation of the Authority's recommendations and submit an implementation status report to the Authority within the specified timeframe to improve the Hospital's performance in accordance with Section 10 (2) of the PPDA Act, Cap. 205.

2.1.3. Procurement Plan implementation

A review of the Entity's procurement plan and monthly reports for the Financial Year 2024/2025 revealed that the Entity had a total procurement plan value of UGX 2,759,944,891. The Entity procured items worth UGX 2,748,501,200 which amounted to 99.5 % of the planned procurement value for the Financial Year 2024/2025 as detailed in Table 5 below:

Table 5: Analysis of the procurement plan performance

Total procurement plan value inclusive of VAT (UGX)	2,759,944,891
Total procurement spend value inclusive of VAT (UGX)	2,748,501,200
Procurement plan implementation rate (%)	99.5
Implementation variance (UGX)	11,443,691

Recommendation

The Authority commends the Entity for the plan implementation and recommends the Accounting Officer to task the User Departments to regularly review and update their departmental procurement plans quarterly, or as needed, and submit them to the Procurement and Disposal Unit for updating, consolidation and approval by Contracts Committee before implementing any changes in accordance with Section 60 (7) of the PPDA Act, Cap. 205.

2.1.4. Non-Compliance with Beneficial Ownership Disclosure Requirements

Fort portal Regional Referral Hospital failed to enforce the requirement to submit beneficial ownership information for all the 10 sampled awarded contracts worth UGX 207,848,600 (*See Annex A*) and neither was this reported on to the Authority in the monthly procurement reports contrary to PPDA Circular No. 1 of 2021. Specifically, bidders were not required to disclose beneficial owner information in their submitted bids and consequently, the Entity omitted this crucial detail in their monthly reports to the Authority.

Implication

This non-compliance increases the risk of corruption, fraud, and tax evasion by the ultimate beneficiaries of company proceeds.

Management Response

The beneficial company owners have always been reported in the procurement monthly reports as per the PPDA guidelines and PDU is committed to improving in this area.

Authority's comment

The Authority noted Entity's response, however there was no evidence the Entity requested bidders to submit beneficial ownership information in their bids nor reported on the same in the monthly procurement reports.

Recommendation

The Procurement and Disposal Unit should:

1. Require bidders to submit beneficial owner information through bidding forms and company Form 1; and
2. Include particulars of beneficial owners in monthly reports submitted to the Authority in accordance with the PPDA Circular No. 1 of 2021.

2.1.5. Issuance of inadequately prepared bidding documents

The Entity issued inadequately prepared bidding documents i.e. the documents did not provide for submission of Powers of Attorney and submission of beneficial ownership form by the bidders. Bidders were not required to show evidence of previous experience etc. in eight sampled procurements worth UGX 153,642,600 under the Quotation Method as detailed in Table 6 below. This was contrary to Regulation 33(3) of the PPDA (Rules and Methods of procurement of supplies, works and non-consultancy services) Regulations, 2023.

Table 5: Procurements with inadequately prepared bidding documents

No.	Procurement subject	Amount (UGX)	PPDA findings
1.	Supply, installation and commissioning of the CCTV cameras	20,626,400	<p>Inadequate eligibility criteria:</p> <ul style="list-style-type: none"> ▪ The eligibility criteria provided for: <ol style="list-style-type: none"> a) a trading license requirement but was not specific to a valid one. This meant that even an expired license for the previous years would comply to the requirement. b) Fulfillment of obligation to pay taxes and social security contributions in Uganda by the bidders, however the required documents as evidence of payment were not specified. (The NSSF Clearance Certificate) ▪ The eligibility criteria did not provide for: <ol style="list-style-type: none"> a) Submission of a certificate of registration from URA by the bidders. b) Submission of Powers of Attorney by the bidders. c) Submission of the beneficial ownership form by the bidder's contrary to PPDA Circular No. 1 of 2021. <p>Inadequate technical evaluation criteria</p> <ul style="list-style-type: none"> ▪ The technical evaluation criteria in the bidding document did not assess the bidder's capacity to supply quality and fit for purpose goods i.e.
2.	Supply of reagents	53,780,000	
3.	Supply of Micro biology reagents	40,317,000	
4.	Supply of HB Electrophoresis cartridge of 25 tests	8,750,000	
5.	Provision of Hotel services under Regionalization budget	9,882,200	
6.	Refurbishment of the access road to the hospital main gate	8,732,000	
7.	Supply of tyres	5,175,000	
8.	Supply of Olympus Microscope CX23	6,380,000	
	Total	153,642,600	

No.	Procurement subject	Amount (UGX)	PPDA findings
			bidders were not required to show evidence of previous experience e.g. at least two previously executed contracts each with a value of not less than UGX 5,000,000, as well as evidence of financial capacity to perform the contract e.g. submission of bank statements for the previous three months with a minimum cash flow of UGX 10,000,000 per month.

Implications

- Inadequate evaluation criteria expose the Entity to award of contracts to non-compliant bidders with regard to fulfillment of obligations to pay taxes and bidders without the technical ability and financial capacity to perform the contract.
- Inadequate eligibility criteria lacking a requirement for the bidders to submit Powers of Attorney could expose the Entity to the submission of unauthorised bids from bidders whose representatives lack authorisation to sign and submit bids on behalf of the bidders.
- Non-compliance with the requirement for submission of the beneficial ownership form by bidders increases the risk of corruption, fraud, and tax evasion by the ultimate beneficiaries of company proceeds.

Management response

Management acknowledged the audit finding and reported that PDU strictly adheres to the criteria set in the standard bidding documents and in the on-going procurement process for frame work contracts and prequalification, all the above concerns were addressed, bidders were all required to submit the Powers of Attorney and other relevant documents listed in the SBD for framework contracts and prequalification.

Authority's comment

The Authority maintains that this was not done in the year under review (FY 2024/2025). The query was therefore maintained.

Recommendations

The Procurement and Disposal Unit should;

1. Set evaluation criteria that can assess the ability to perform the proposed contract, the technical and financial ability of the bidder in accordance with Regulation 47(3) of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023;
2. Set an evaluation criterion that requires bidder's representatives to submit Powers of Attorney with their bids as a written confirmation of authorisation to sign on behalf of the bidder following Regulation 10 (1) of the PPDA (Contracts) Regulations, 2023;
3. Require bidders to submit beneficial owner information through bidding forms and company Form 1 and include particulars of beneficial owners in monthly reports in accordance with the PPDA Circular No. 1 of 2021.

2.1.6. Irregularities under bidding

The following anomalies were noted under bidding:

a) Inadequate bidding periods for procurements under Quotation method

The Authority found that the Entity on average provided bidders a bidding period of only three working days instead of the mandatory five working days contrary to Regulation 56 (e) of the PPDA (Rules and Methods of procurement of supplies, works and non-consultancy services) Regulations, 2023 which provides for five working days under the quotation method. This was found in six procurements worth UGX 124,284,200 as detailed in Table 7 below

Table 6: Procurements with inadequate bidding period

No.	Procurement subject	Amount (UGX)	PPDA findings	Number of bidding days provided in the Solicitation documents
1.	Supply of reagents	53,780,000	Bids issued on 15 th April 2025 and closed on 17 th April 2025.	3 working days
2.	Provision of Hotel services under Regionalization budget	9,882,200	Bid issued on 7 th April 2025 and closed on 9 th April, 2025.	3 working days
3.	Supply of Olympus Microscope CX23	6,380,000	Bids issued on 4 th November 2024 and closed on 6 th November 2024.	3 working days
4.	Supply of Micro biology reagents	40,317,000	Bids issued on 8 th April 2025 and closed on 10 th April 2025.	3 working days
5.	Supply of HB Electrophoresis Cartridge of 25 tests	8,750,000	Bids issued on 11 th April 2025 and closed on 14 th April 2025	2 working days
6.	Supply of tyres for UG 3930M	5,175,000	Bids issued on 7 th March 2025 and closed on 12 th March 2025	3 working days
	Total	124,284,200		

Implications

- This limits sufficient time required for the bidders to prepare responsive bids taking into account the level of detail required and the complexity of bidding.

- This could also be a sign of collusion between the Procurement and Disposal Unit and a few bidders with intent to disrupt competition and defraud government thus compromising achievement of value for money.

Management response

Management acknowledged the audit finding and pledged to improve.

Recommendations

1. The Head Procurement and Disposal Unit should give bidders the mandatory five working days of bidding under the Quotation method in accordance to Regulation 56 (e) of the PPDA (Rules and Methods of procurement of supplies, works and services) Regulations, 2023.
2. The Contracts Committee should play its oversight role and ensure that the Entity gives bidders the mandatory five working days of bidding under the Quotation method in accordance to Regulation 56 (e) of the PPDA (Rules and Methods of procurement of supplies, works and services) Regulations, 2023.

b) Irregularities in bid issuance, receipt and opening

The Authority found that bid opening was in some instances not managed by the PDU or not witnessed by a member of the Contracts Committee or representative of the User Department in eight procurements worth UGX 192,736,600 contrary to Regulation 75 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023 which provides for public opening of bids to be managed by the Procurement and Disposal Unit and witnessed by a member of the Contracts Committee or a person authorized by the user department. The details of the procurements are shown in Table 8 below:

Table 7: Procurements with irregularities in bid issuance, receipt and opening

No.	Procurement subject	Amount (UGX)	PPDA finding
1.	Supply of reagents	53,780,000	Although bid opening on 17 th April 2025 was managed by the PDU, it was witnessed by Mr. Simon Abeisa, an Accounts Assistant and nominated member of the Evaluation Committee as opposed to a Contracts Committee member or a representative from the user department.
2.	Supply, installation and commissioning of CCTV cameras	20,626,400	Although bid opening on 7 th May 2025 was managed by the PDU, it was witnessed by Mr. Simon Abeisa, an Accounts Assistant and nominated member of the Evaluation Committee as opposed to a Contracts Committee member or a representative from the user department.
3.	Medical Equipment spares	20,095,000	

No.	Procurement subject	Amount (UGX)	PPDA finding
4.	Supply of drugs and sundries for private wing	34,111,000	The PDU neglected its role of managing bid receipt and opening as bids were issued, received and opened by Chairperson Contracts Committee Mr. Solomon Mulinzi without a representative from the Procurement and Disposal Unit (PDU). Although bids were received and opened by the Procurement Officer, bid opening was witnessed by Mr. Simon Abeisa, an Accounts Assistant and member of the Evaluation Committee as opposed to a Contracts Committee member or a representative from the User Department.
5.	Supply of tyres for UG 3930M	5,175,000	
6.	Supply of Micro biology reagents	40,317,000	
7.	Supply of HB Electrophoresis cartridge of 25 tests	8,750,000	
8.	Provision of hotel services under the Regionalization budget	9,882,200	
	Total	192,736,600	

Implications

- This contravenes the principle of transparency highlighted in Section 48 of the PPDA Act, Cap. 205, and could expose the Entity to fraudulent practices at bid issuance, receipt and opening.
- The PDU neglected its function of managing bid receipt and bid opening in cases no. 3-5 which could expose the Entity to fraudulent practices.

Management response

This was an oversight and has been addressed where currently bids received are witnessed by a member of Contracts Committee and the procurement processes fully managed by PDU.

Recommendation

The Authority noted the Entity's response and commends the Accounting Officer for ensuring that opening of bids is managed by the Procurement and Disposal Unit and witnessed by a member of the Contracts Committee or a person authorized by the User Department in accordance with Regulation 75 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023.

2.1.7. Lack of Contracts Committee approvals

There was no evidence of approval of the procurement process, procurement method, bidding document, shortlist of providers and Evaluation Committee by the Contracts Committee in three procurements worth UGX 23,807,200 contrary to Section 30 of the PPDA Act Cap. 205 which provides for the Contracts Committee approving procurement and disposal procedures, Evaluation Committees, bidding and contract documents. The three procurements are detailed in Table 9 below:

Table 8: Procurements without Contracts Committee approval

No	Subject of procurement	Amount (UGX)
1.	Provision of hotel services under Regionalization budget	9,882,200
2.	Supply of tyres for UG 3930M	5,175,000
3.	Supply of HB Electrophoresis cartridge of 25 tests	8,750,000
	Total	23,807,200

Implication

Lack of Contracts Committee approvals is an indicator of weak internal controls within the Entity's procurement and disposal system and is indicative of Contracts Committee failing to play its oversight role.

Management response

Most of the procurements highlighted above were under frame work contract arrangement where these contracts and processes were approved by Contracts Committee at the time service providers were being procured under framework contracts arrangement.

Authority's comment

The Authority noted the Entity's response and adjusted Table 9 above to exclude the two procurements under framework contract specifically the procurement of medical equipment spares and supply of drugs and sundries as per the evidence submitted by the Entity. The remaining three procurements were under the Quotation method which the Entity did not address in the management response. The query was therefore maintained.

Recommendation

The Contracts Committee should carry out its functions and approve all procurement procedures in accordance with Section 30 of the PPDA Act Cap. 205.

2.1.8. Failure to sign the ethical code of conduct by all Evaluation Committee members

The Evaluation Committee members did not sign the ethical code of conduct contrary to Form 13 schedule as stipulated under PPDA (Evaluation) Regulations, 2023. This anomaly was found in two procurements worth UGX 54,206,000 as shown in Table 10 below:

Table 9: Procurements with unsigned Ethical code of conduct

No.	Procurement subject	Amount (UGX)	PPDA finding
1.	Medical Equipment spares	20,095,000	Ethical Code of Conduct not signed by all the Evaluation Committee members i.e. Jeniffer Mbabu-Senior Medical Records Officer and Reuben Mwesigye-Assistant Bio Medical Engineer did not sign the ethical code of conduct
2.	Supply of drugs and sundries for private wing	34,111,000	Ethical Code of Conduct not signed by all the members of Evaluation Committee i.e. Jeniffer Mbabu- Senior Medical Records Officer and Reuben Mwesigye-Assistant Bio Medical

			Engineer did not sign the ethical code of conduct.
	Total	54,206,000	

Implication

This compromises the key principles of transparency, integrity, fairness and accountability during evaluation and as such protects the evaluation process against corruption and misconduct.

Management response.

This was an oversight and PDU has always ensured that Evaluation Committee members sign the code of ethical conduct (PP Form 13) prior to conducting evaluation and moving forward at every sitting, the standard operating procedure shall be followed.

Recommendation

The Authority noted the Entity’s response and recommends that the Chairperson Evaluation Committee as well as the Head Procurement and Disposal Unit should ensure that the ethical code of conduct is signed by all members nominated on the evaluation committee during evaluation of bids as stipulated under Form 13 schedule of PPDA (Evaluations) Regulations, 2023.

2.1.9 Irregularities in contracting

The following anomalies were noted under contracting:

a) Non-Compliance with Notice of Best Evaluated Bidder Requirement

The Authority found that the Entity’s display of the Notice of the Best Evaluated Bidder for an average of five working days in six procurements worth UGX 138,530,600 contrary to Regulation 3 (1) of the PPDA (Contracts) Regulations, 2023 that provides for display of the notice for ten working days. The procurements are detailed in Table 11 below:

Table 10: Procurements with non-compliance with the Notice of the Best Evaluated Bidder

No.	Subject of procurement	Amount (UGX)	Display date	Removal date	Working days displayed
1.	Supply of reagents	53,780,000	23/4/2025	29/4/2025	5
2.	Supply, installation and commissioning of CCTV cameras	20,626,400	12/5/2025	16/5/2025	5
3.	Supply of Micro biology reagents	40,317,000	11/5/2025	16/5/2025	5
4.	Supply of HB Electrophoresis cartridge of 25 tests	8,750,000	16/4/2025	22/4/2025	5
5.	Provision of Hotel services under Regionalization budget	9,882,200	10/4/2025	16/4/2025	5
6.	Supply of tyres for UG 3930M	5,175,000	14/3/2025	15/3/2025	1

No.	Subject of procurement	Amount (UGX)	Display date	Removal date	Working days displayed
	TOTAL	138,530,600			

Implication

Aggrieved bidders may not have enough time to seek for administrative review in the event that they are dissatisfied with the outcomes of the evaluation process which contravenes the key principles of transparency and fairness in the evaluation process.

Management response

This was an oversight and the entity shall strictly adhere to the set timelines for display of the Notice of the Best Evaluated Bidder in line with Regulation 3 (1) of the PPDA (Contracts) Regulations, 2023.

Recommendation

The Authority noted the Entity's response and recommends Accounting Officer to ensure that the Notice of Best Evaluated Bidder is displayed for ten working days in accordance to Regulation 3 (1) of PPDA (Contracts) Regulations, 2023.

b) Retrospective award of contracts/ Retrospective procurement processes

The Authority found retrospective procurement processes in five procurements worth UGX 133,355,600. In some cases, display of the notice of best evaluated bidder was done before award of contracts by the Contracts Committee; supplies were received and services rendered before award of contracts by the Contracts Committee as detailed in the Table 12 below:

Table 11: procurements with retrospective contract award

No.	Procurement subject	Amount (UGX)	PPDA findings	Management response
1.	Supply of reagents	53,780,000	<ul style="list-style-type: none"> The Contracts Committee approved the procurement method, shortlist of providers, bidding document and Evaluation Committee on 23rd May 2025 when bids were issued on 15th April 2025. The Contracts Committee awarded the contract on 17th June 2025 after expiry of the Notice of the 	<p><i>This anomaly is noted however these reagents were so urgent and being a hospital setup, the entity did handle this as an emergency.</i></p> <p>Authority's comment This was not an emergency situation, as the urgency resulted from delays caused by user department failing to</p>

No.	Procurement subject	Amount (UGX)	PPDA findings	Management response
			<p>Best Evaluated Bidder on 29th April 2025.</p> <p>Retrospective procurement process</p> <ul style="list-style-type: none"> • The Local Purchase order was issued on 29th April 2025 i.e. 49 days before Contracts Committee award of contract on 17th June 2025. • Supplies were received on 2nd May 2025 i.e. 46 days before the Contracts Committee award of contract on 17th June 2025. • Payment was made on 6th May 2025 i.e. 42 days before Contracts Committee award of contract on 17th June 2025. 	<p>initiate the planned procurement in a timely manner, thereby not allowing sufficient time for the procurement process to proceed as scheduled. This query was therefore maintained.</p>
2.	Supply, installation and commissioning of CCTV cameras	20,626,400	<ul style="list-style-type: none"> • The Contracts Committee approved the procurement method, bidding document, shortlist and Evaluation Committee on 23rd May 2025 after bidding documents being issued on 2nd May 2025. • The Contracts Committee approved the award decision on 17th June 2025 after expiry of the Notice of the Best Evaluated Bidder on 16th May 2025 	<p><i>The contracts committee was not fully constituted at that time and when new members came onboard these procurements were brought to their attention for approval.</i></p> <p>Authority's comment Although the Contracts Committee was not fully constituted, the Committee had 3 members which was</p>

No.	Procurement subject	Amount (UGX)	PPDA findings	Management response
			<p>Retrospective procurement process</p> <ul style="list-style-type: none"> The supplies were received on 22nd May 2025 i.e. 15 days before issuance of the LPO to the provider (6th June 2025) and 26 days before Contracts Committee approval of award of contract on 17th June 2025. The Local Purchase Order was issued to the provider on 6th June 2025 i.e. 11 days prior to Contracts Committee award of contract on 17th June 2025. 	<p>quorum for the meetings to proceed in accordance with Regulation 7 (2) of the PPDA (PDE) Regulations, 2023. This query was therefore maintained.</p>
3.	Supply of Micro biology reagents	40,317,000	<p>Retrospective award of contract by CC: The Contracts Committee approved the evaluation report and awarded the contract on 17th June 2025 i.e. 32 days after the display of the Best evaluated bidder from 11th May 2025 to 16th May 2025.</p>	<p><i>This anomaly is noted however these reagents were so urgent and being a hospital setup, the Entity did handle this as an emergency.</i></p> <p>Authority's comment This was not an emergency situation, as the urgency resulted from delays caused by the user department failing to initiate the planned procurement in a timely manner, thereby not allowing sufficient time for the procurement process to proceed as scheduled. This</p>

No.	Procurement subject	Amount (UGX)	PPDA findings	Management response
				query was therefore maintained.
4.	Supply of HB Electrophoresis cartridge of 25 tests	8,750,000	Retrospective award of contract by CC: The Contracts Committee awarded the contract on 17 th June 2025 i.e. 32 days after expiry of Notice of Best Evaluated Bidder from 16 th April 2025 to 22 nd April 2025.	<p><i>The contracts committee was not fully constituted at that time and when new members came onboard these procurements were brought to their attention for approval.</i></p> <p>Authority's comment</p> <p>Although the Contracts Committee was not fully constituted, the Committee had 3 members which was quorum for the meetings to proceed in accordance with Regulation 7 (2) of the PPDA (PDE) Regulations, 2023. This query was therefore maintained.</p>
5.	Provision of hotel services under Regionalization budget	9,882,200	Retrospective award of contract by CC: The Contracts Committee awarded the contract on 17 th June 2025 i.e. 32 days after expiry of the Notice of best evaluated bidder on 16 th April 2025. The Notice of best evaluated bidder displayed from 10 th April 2025 to 16 th April 2025.	<p><i>The Contracts Committee was not fully constituted at that time and when new members came onboard these procurements were brought to their attention for approval.</i></p> <p>Authority's comment</p> <p>Although the Contracts Committee was not</p>

No.	Procurement subject	Amount (UGX)	PPDA findings	Management response
				fully constituted, the Committee had 3 members which was quorum for the meetings to proceed in accordance with Regulation 7 (2) of the PPDA (PDE) Regulations, 2023. This query was therefore maintained.
	Total	133,355,600		

Implications

- Retrospective procurement processes undermine the checks and balances embedded in the procurement process and could expose the Entity to fraudulent activities in the process.
- This also compromises the principles of transparency, fairness and competition in the procurement process.

Management response

Management acknowledged the audit finding and reported that this was an anomaly and PDU shall always liaise with the end users to initiate requisitions on time and seek approvals from the relevant offices to allow smooth procurement process.

Recommendation

The Accounting Officer and Contracts Committee should desist from conducting retrospective procurement processes and further ensure that all procurements undertaken by the Entity strictly follow the laid down procurement procedures in the PPDA Act, Cap. 205.

2.1.10 Signing of Local Purchase Orders (LPOs) with persons without Powers of Attorney

The Entity signed LPOs for various supplies in eight procurements worth UGX 153,642,600 under Quotation method (*See Annex 1*) with persons without Powers of Attorney to represent the providers contrary to Regulation 10 (1) of the PPDA (Contracts) Regulations, 2023. The Authority found that this was caused by the Entity not requesting bidders to submit Powers of Attorney as a requirement in the solicitation documents.

Implication

Contracts signed with bidder's representatives without Powers of Attorney are null and void and not enforceable by law in the event of any dispute which exposes the entity to a risk of financial loss with no redress in case of nonperformance.

Management response

Management acknowledged the audit finding and pledged to improve as well as strictly adhere to the criteria set in the SBDs.

Recommendations

1. The Procurement and Disposal Unit should set an evaluation criterion that requires bidder's representatives to submit Powers of Attorney with their bids as a written confirmation of authorisation to sign on behalf of the bidder following ITB 26.2 in the standard bidding document for Quotation method.
2. The Accounting Officer should ensure that only the person with Powers of Attorney handles correspondences on behalf of the bidder as well as sign contracts/LPOs as a representative of the provider in accordance with Regulation 10 (1) of the PPDA (Contracts) Regulations, 2023.



2.2.COMPLIANCE OF THE ENTITY’S DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, CAP. 205 AND PPDA (DISPOSAL OF ASSETS) REGULATIONS, 2023

The inspection revealed the following exceptions:

2.2.1. Failure to undertake a Board of Curvey of the assets in the previous financial year

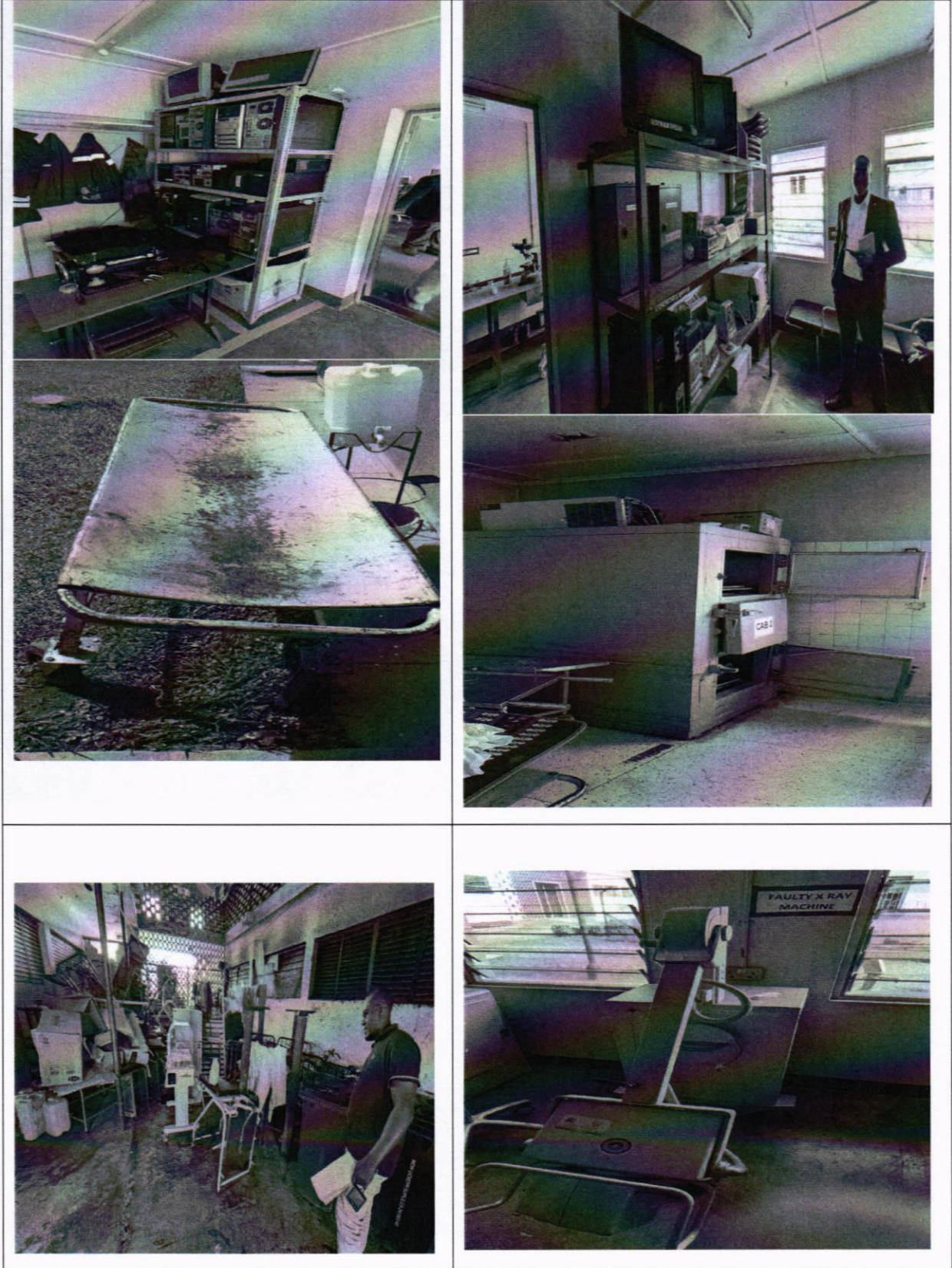
The Authority found that the Accounting Officer had, in the previous FY 2023/2024, not assigned User Departments to conduct a board of survey so as to identify assets to be disposed of in the subsequent financial year under review i.e. FY 2024/2025. As a result, no disposal plan was prepared for the year under review and subsequently no disposal was conducted. This was contrary to Regulation 2 (1 and 2) of PPDA (Disposal of assets) Regulations, 2023 on disposal planning.

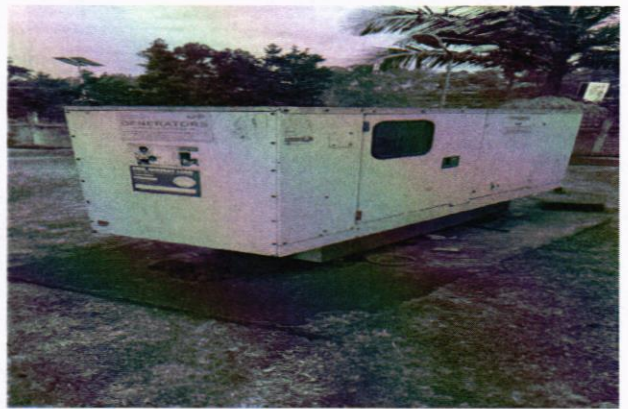
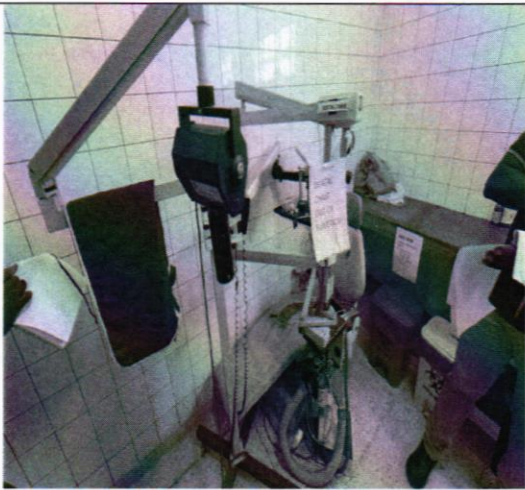
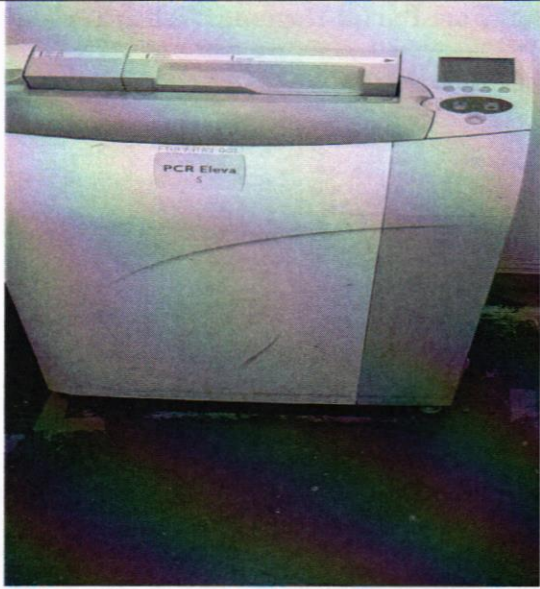
The Authority however found that at the time of the inspection in October 2025, the Entity had just conducted a Board of Survey for FY 2024/2025 with the report dated 30th August 2025. Various assets were identified for disposal by the board of survey report as detailed in Table 13 and figure 1 below:

Table 12: Obsolete assets identified for disposal by the Board of survey for FY 2024/2025

No.	Equipment name	Department/Location	Make/Model
1.	Mobile X-ray system	Radiology	Phillips
2.	Steam sterilizer	SSD	Tuttnauer
3.	Dental chairs	Dental unit	
4.	Standby generator	Utility/Power house	Tempest Victoria-Engineering Ltd
5.	X-Ray machine	Radiology	Phillips duo diagnostic
6.	Body refrigerators	Mortuary	-
7.	Lithotomy table	Gyn ward	-
8.	Bed side lockers	All wards	-
9.	Patient trolley	Maternity theatre	-
10.	Mattresses	All wards	-
11.	Beds	All wards	-
12.	Infrared Radiation Therapy Machine	Physiotherapy unit	-
13.	Massage gun	Physiotherapy unit	-
14.	Trolleys	Mortuary	-

Figure 1:: Some of the obsolete assets identified at Fort Portal Regional Referral Hospital as at 8th October 2025







Implication

Failure to dispose of identified assets results into further deterioration and loss of value of the assets.

Management response

The process of acquiring an auctioneer on framework contract is ongoing and the assets due for disposal will be disposed of in line with the PPDA Regulations.

Recommendations

The Authority noted the Entity's response and recommends as follows:

1. The Head Procurement and Disposal Unit should prepare a disposal plan for all assets that were recommended for disposal by the Board of Survey report for FY 2024/2025 and

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subsequently conduct disposal of the planned assets in accordance with Regulation 2 (2) of the PPDA (Disposal of assets) Regulations, 2023.

2. Going forward, the Accounting Officer should cause the public assets of a Procuring and Disposing Entity to be reviewed on a yearly basis, to identify the public assets to be disposed of in the following financial year in accordance with Regulation 2 (1) of the PPDA (Disposal of assets) Regulations, 2023.

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

The following non-conformities were noted:

2.3.1. Delayed payments of providers

A review of payments made in the year under audit found that the Entity did not pay providers within 30 days of certification of their payment claims. 30% of the sampled procurements worth UGX 34,533,400 had an average length of delay of 40 days contrary to Clause GCC 19.4 of the Special Conditions of the Contracts as detailed in table 17 below. Key to note is that the length of delay stated in Table 14 was calculated after the expiry of the 30 days.

Table 13: Procurements with delayed payments

No.	Procurement subject	Amount (UGX)	Certification date	Payment date	Length of delay in days
1.	Refurbishment of access road	8,732,000	28/11/2024	12/3/2025	74
2.	Supply of tyres for UG 3930M	5,175,000	25/3/2025	20/5/2025	26
3.	Supply, installation and commissioning of CCTV cameras	20,626,400	20/5/2025	11/07/2025	22
	Total	34,533,400		Average delay	40 days

Implications

- This cripples the cash flow of contractors/providers that deal with Government and discourages bidder participation in public procurement.
- The Entity is at risk of litigation for failing to fulfil the contractual obligation on payments as well as payment of hefty interests incurred on overdue payments to providers.

Management response

This is noted, however, the Entity has always initiated these payments and forwarded them to MoFPED for final approval and selection on time and going forward we shall always endeavor to follow up with MoFPED for quick action.

Authority’s comment

The Entity did not avail any evidence to show that the delay was on the side of Ministry of Finance, Planning and Economic Development as stated in the management response. The query was therefore maintained.

Recommendations

1. Contract managers should ascertain that the Entity meets all the payment obligations in accordance with the terms and conditions of a contract following Regulation 52 (3) (a) (iii) of the PPDA (Contracts) Regulations, 2023.
2. The Accounting Officer should ensure that payments to providers are made within 30 days, or a period stated in the special conditions of contract, from certification of the invoices in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall compliance inspection conclusion

The performance of Fort Portal Regional Referral Hospital for the Financial Year 2024/2025 was moderately satisfactory with an overall weighted average risk rating of 50%.

3.2 Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 15 below:

Table 14: Risk rating

Risk Rating	No.	%No.	Value (UGX)	%Value	Weights	Total Weighted Score	
						By No.	By Value
High	-	-	-	-	0.6	-	-
Medium	10	100	207,848,600	100	0.3	30	30
Low	-	-	-	-	0.1	-	-
Satisfactory	-	-	-	-	0	-	-
Total	10	100	207,848,600	100	1	30	30

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{30 \times 100}{60} = 50\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{30 \times 100}{60} = 50\%$$

$$\text{Overall Weighted Average Risk Rating} = \frac{50 + 50}{2} = 50\%$$

Since 50% falls within the 31-70% risk range, the performance of the Entity is rated **Moderately Satisfactory** as detailed in Table 16 below:

Table 15: Risk rating

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

Graphical Representation

Figure 1: Risk Rating by Number

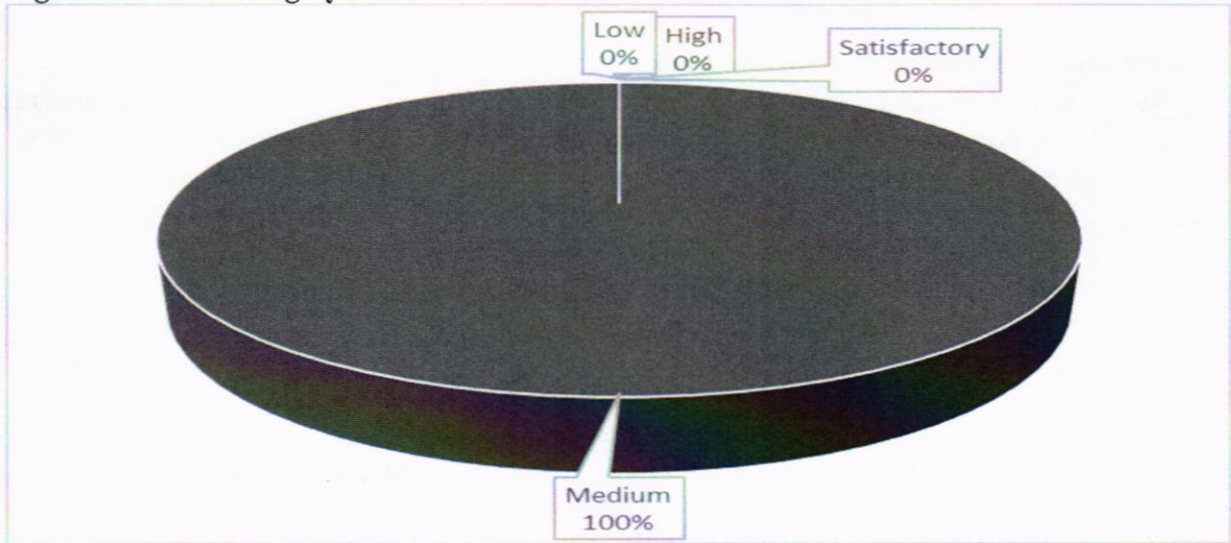
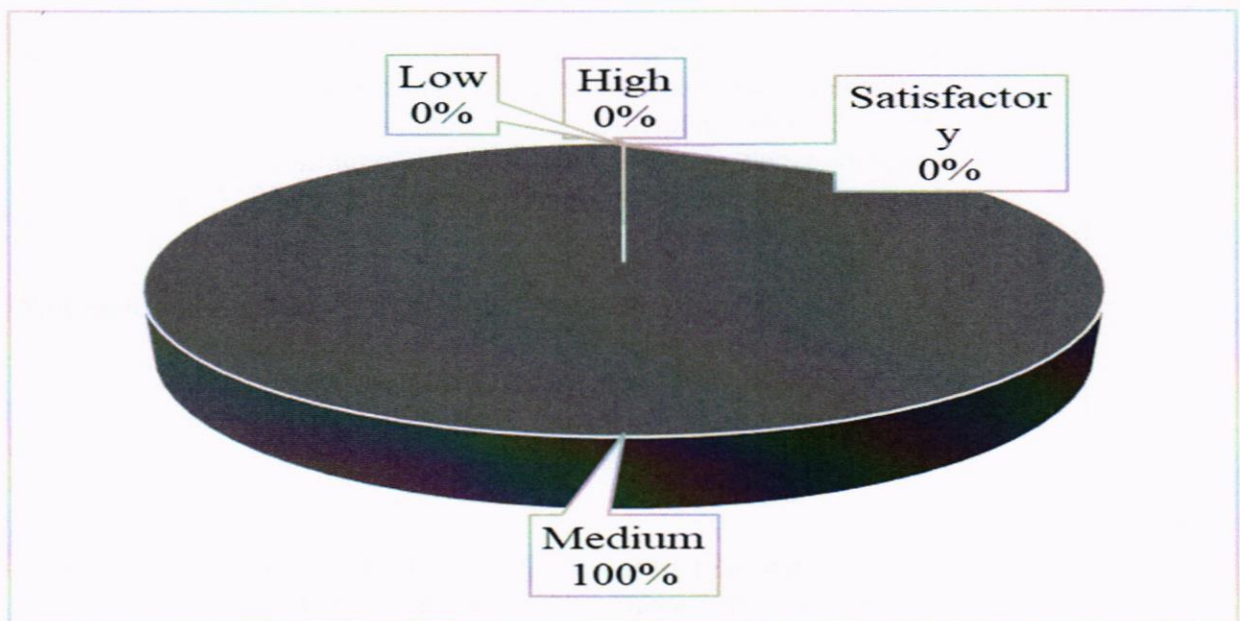


Figure 2: Risk Rating by value



3.3 Recommended Action Plan

The Entity should implement the following recommendations in Table 17 below within the timeframe given in order to improve its performance.

Table 16: Recommendation action plan

No.	Recommended Action	Target Date
1.	The Permanent Secretary/Secretary to the Treasury and the Permanent Secretary Ministry of Health should consider the deployment of a Senior Procurement Officer at Fort Portal Regional Referral Hospital in line with the established Hospital structure to provide management support and ensure compliance with procurement regulations in accordance with Section 32 of the PPDA Act, Cap. 2023.	June 2026
2.	<p>The Accounting Officer should;</p> <ul style="list-style-type: none"> <li data-bbox="363 685 1225 976">i. Should follow up with the Permanent Secretary/Secretary to the Treasury Ministry of Finance Planning and Economic Development and the Permanent Secretary Ministry of Health to consider deploying a Senior Procurement Officer at Fort Portal Regional Referral Hospital in line with the established Hospital structure to provide management support and ensure compliance with procurement regulations in accordance with Section 32 of the PPDA Act, Cap. 2023. <li data-bbox="363 1016 1225 1223">ii. Task the User Departments to regularly review and update their departmental procurement plans quarterly, or as needed, and submit them to the Procurement and Disposal Unit for updating, consolidation and approval by Contracts Committee before implementing any changes in accordance with Section 60 (7) of the PPDA Act, Cap. 205. <li data-bbox="363 1263 1225 1491">iii. Constitute a task force of about three staff (including the Internal Auditor) to track the implementation of the Authority's recommendations and submit an implementation status report to the Authority within the specified timeframe to improve the Hospital's performance in accordance with Section 10 (2) of the PPDA Act, Cap. 205; <li data-bbox="363 1532 1225 1715">iv. Ensure that only the person with Powers of Attorney handles correspondences on behalf of the bidder as well as sign contracts/LPOs as a representative of the provider in accordance with Regulation 10 (1) of the PPDA (Contracts) Regulations, 2023; <li data-bbox="363 1756 1225 1850">v. Task the Head PDU to ensure that the notice of best evaluated bidder is displayed for ten working days in accordance to Regulation 3 (1) of PPDA (Contracts) Regulations, 2023; 	<p>June 2026</p> <p>June 2026</p> <p>June 2026</p> <p>June 2026</p> <p>June 2026</p>

No.	Recommended Action	Target Date
	<p>vi. Ensure that public opening of bids is managed by the Procurement and Disposal Unit and witnessed by a member of the Contracts Committee or a person authorized by the User Department in accordance with Regulation 75 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023;</p> <p>vii. Going forward, cause the public assets of a Procuring and Disposing Entity to be reviewed on a yearly basis, to identify the public assets to be disposed of in the following financial year in accordance with Regulation 2 (1) of the PPDA (Disposal of assets) Regulations, 2023; and</p> <p>viii. Ensure that payments to providers are made within 30 days, or a period stated in the special conditions of contract, from certification of the invoices in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023</p>	<p>June 2026</p> <p>June 2026</p> <p>June 2026</p>
3.	<p>The Head Procurement and Disposal Unit should;</p> <p>i. Require bidders to submit beneficial owner information through bidding forms and company Form 1 and include particulars of beneficial owners in monthly reports submitted to the Authority in accordance with the PPDA Circular No. 1 of 2021;</p> <p>ii. Set an evaluation criterion that requires bidder's representatives to submit Powers of Attorney with their bids as a written confirmation of authorisation to sign on behalf of the bidder following Regulation 10 (1) of the PPDA (Contracts) Regulations, 2023;</p> <p>iii. Set evaluation criteria that can assess the ability to perform the proposed contract, the technical and financial ability of the bidder in accordance with Regulation 47(3) of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023; and</p> <p>iv. Prepare a disposal plan for all assets that were recommended for disposal by the Board of Survey report for FY 2024/2025 and subsequently conduct disposal of the planned assets in accordance with Regulation 2 (2) of the PPDA (Disposal of assets) Regulations, 2023.</p>	<p>June 2026</p> <p>June 2026</p> <p>June 2026</p> <p>June 2026</p>
4.	<p>The Contracts Committee should;</p> <p>i. Play its oversight role and ensure that the Entity gives bidders the mandatory five working days of bidding under the Quotation method in accordance to Regulation 56 (e) of the</p>	June 2026

No.	Recommended Action	Target Date
	PPDA (Rules and Methods of procurement of supplies, works and services) Regulations, 2023; and ii. Desist from conducting retrospective procurement processes and further ensure that all procurements undertaken by the Entity strictly follow the laid down procurement procedures in the PPDA Act, Cap. 205.	June 2026

APPENDICES

Appendix 1: Fort Portal Regional Referral Hospital inspection sample list and Risk Rating for the Financial Year 2024/2025

No.	Procurement No.	Procurement subject	Method of procurement	Provider	Contract value	Risk rating
1.	FPRRH/SUPLS/24-25/00598	Supply of reagents	Request for Quotation	Linflex Systems(U) Ltd	53,780,000	Medium risk
2.	FPRRH/SUPLS/24-25/00600	Supply, installation and commissioning of CCTV cameras	Request for Quotation	C.L.S Ltd	20,626,400	Medium risk
3.	FPRRH/SUPLS/24-25/00573	Supply of Micro biology reagents	Request for Quotation	MYRRH Medical Services	40,317,000	Medium risk
4.	FPRRH/SUPLS/24-25/00575	Supply of HB Electrophoresis cartridge of 25 tests	Request for Quotation	Nicosam Health Care Ltd	8,750,000	Medium risk
5.	FPRRH/Ncons/24-25/00564	Provision of Hotel services under Regionalization budget	Request for Quotation	New Fort view Hotel	9,882,200	Medium risk
6.	FPRRH/Wrks/24-25/00488	Refurbishment of the access road to the hospital main gate	Request for Quotation	Bagu General Enterprises	8,732,000	Medium risk
7.	FPRRH/SUPLS/24-25/00472	Medical Equipment spares	Framework	Bagu General Enterprises	20,095,000	Medium risk
8.	FPRRH/SUPLS/24-25/00459	Supply of drugs and sundries	Framework	Abacus Pharma	34,111,000	Medium risk
9.	FPRRH/SUPLS/24-25/00537	Supply of tyres for UG 3930M	Request for Quotation	City Tyres Ltd	5,175,000	Medium risk
10.	FPRRH/SUPLS/24-25/00447	Supply of Olympus Microscope CX23	Request for Quotation	Linflex Systems (U) Ltd	6,380,000	Medium risk
		Total			207,848,600	

Appendix 2: Findings and rating on the individual contracts reviewed.

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	<p>Ref no. FPRRH/SUPLS/24-25/0053 Subject: Supply of tyres for UG 3930M Method of procurement: Request for Quotation Contractor: City Tyres Ltd Contract amount: 5,175,000</p>	<ul style="list-style-type: none"> • Issuance of inadequately prepared bidding documents that lacked documents e.g. the documents did not provide for submission of Powers of Attorney by the bidders and submission of beneficial ownership form by the bidders, bidders were not required to show evidence of previous experience etc. • Inadequate bidding period i.e. 2 working days as opposed to 5 working days • Irregularities at issuance, receipt and opening of bids • Lack of Contracts Committee approval • Noncompliance with the notice of the best evaluated bidder requirement i.e. displayed for 5 days as opposed to 10 working days • Retrospective award of contract • Signing of LPO with persons not ordained with Powers of Attorney
2.	<p>Ref no. FPRRH/SUPLS/24-25/00598 Subject: Supply of reagents Method of procurement: Request for Quotation Contractor: Linflex Systems(U) Ltd Contract amount: 53,780,000</p>	<ul style="list-style-type: none"> • Issuance of inadequately prepared bidding documents e.g. the documents did not provide for submission of Powers of Attorney by the bidders and submission of beneficial ownership form by the bidders, bidders were not required to show evidence of previous experience etc • Irregularities at issuance, receipt and opening of bids • Lack of Contracts Committee approval • Non-compliance with the notice of the best evaluated bidder requirement • Retrospective award of contract • Signing of LPO with persons not ordained with Powers of Attorney
3.	<p>Ref no. FPRRH/SUPLS/24-25/00575 Subject: Supply of HB Electrophoresis cartridge of 25 tests Method of procurement: Request for Quotation Contractor: Nicosam Health Care Ltd Contract amount: 8,750,000</p>	<ul style="list-style-type: none"> • Issuance of inadequately prepared bidding documents e.g. the documents did not provide for submission of Powers of Attorney by the bidders and submission of beneficial ownership form by the bidders, bidders were not required to show evidence of previous experience etc. • Inadequate bidding period i.e. 2 working days as opposed to 5 working days • Irregularities at issuance, receipt and opening of bids • Lack of Contracts Committee approval • Non-compliance with the notice of the best evaluated bidder requirement • Retrospective award of contract

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
		<ul style="list-style-type: none"> • Signing of LPO with persons not ordained with Powers of Attorney
4.	<p>Ref no. FPRRH/SUPLS/24-25/00600 Subject: Supply, installation and commissioning of CCTV cameras Method of procurement: Request for Quotation Contractor: C.L.S Ltd Contract amount: 20,626,400</p>	<ul style="list-style-type: none"> • Issuance of inadequately prepared bidding documents e.g. the documents did not provide for submission of Powers of Attorney by the bidders and submission of beneficial ownership form by the bidders, bidders were not required to show evidence of previous experience etc. • Irregularities at issuance, receipt and opening of bids • Non-compliance with the notice of the best evaluated bidder requirement • Retrospective award of contract • Signing of LPO with persons not ordained with Powers of Attorney
5.	<p>Ref no. FPRRH/SUPLS/24-25/00573 Subject: Supply of Micro biology reagents Method of procurement: Request for Quotation Contractor: MYRRH Medical Services Contract amount: 40,317,000</p>	<ul style="list-style-type: none"> • Issuance of inadequately prepared bidding documents e.g. the documents did not provide for submission of Powers of Attorney by the bidders and submission of beneficial ownership form by the bidders, bidders were not required to show evidence of previous experience etc. • Inadequate bidding period • Irregularities at issuance, receipt and opening of bids • Lack of Contracts Committee approval • Non-compliance with the notice of the best evaluated bidder requirement • Retrospective award of contract • Signing of LPO with persons not ordained with Powers of Attorney
6.	<p>Ref no. FPRRH/Ncons/24-25/00564 Subject: Provision of hotel services under Regionalization budget Method of procurement: Request for Quotation method Contractor: New Fort view Hotel Contract amount: 9,882,200</p>	<ul style="list-style-type: none"> • Issuance of inadequately prepared bidding documents e.g. the documents did not provide for submission of Powers of Attorney by the bidders and submission of beneficial ownership form by the bidders, bidders were not required to show evidence of previous experience etc. • Inadequate bidding period i.e. 2 working days as opposed to 5 • Irregularities at issuance, receipt and opening of bids • Lack of Contracts Committee approval • Non-compliance with the notice of the best evaluated bidder requirement • Retrospective award of contract • Signing of LPO with persons not ordained with Powers of Attorney
7.	Ref no. FPRRH/SUPLS/24-25/00472	<ul style="list-style-type: none"> • Irregularities at issuance, receipt and opening of bids

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	Subject: Medical Equipment spares Method of procurement: Framework Contractor: Bagu General Enterprises Ltd Contract amount: 20,095,000	<ul style="list-style-type: none"> Failure to sign Ethical code of conduct
8.	Reference: FPRRH/SUPLS/24-25/00459 Subject: Supply of drugs and sundries Method of procurement: Framework Contractor: Abacus Pharma Contract amount: 34,111,000	<ul style="list-style-type: none"> Irregularities at issuance, receipt and opening of bids Failure to sign Ethical code of conduct by all Evaluation Committee members
9.	Reference: FPRRH/Wrks/24-25/00488 Subject: Refurbishment of the access road to the hospital main gate Method of procurement: Request for Quotation Contractor: Bagu General Enterprises Ltd Contract amount: 8,732,000	<ul style="list-style-type: none"> Issuance of inadequately prepared bidding documents Delayed payment of the provider Signing of LPO with persons not ordained with Powers of Attorney
10.	Ref. no. FPRRH/SUPLS/24-25/00447 Subject: Supply of Olympus Microscope CX23 Method of procurement: Request for Quotation Contractor: Linflex Systems (U) Ltd Contract amount: 6,380,000	<ul style="list-style-type: none"> Issuance of inadequately prepared bidding documents Inadequate bidding period Signing of LPO with persons not ordained with Powers of Attorney

Appendix 3: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry risk for the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established policies and principles and/or generally	Planning: Lack of or failure to procure within the approved plan	This implies emergencies and use of the direct procurement method which affects competition and value for money.
		Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals and usurping the powers of the PDU.	This implies use of less competitive methods which affects transparency, accountability and value for money.
		Evaluation: Use of inappropriate	This implies financial loss caused by awarding

RISK	DESCRIPTION	AREA	IMPLICATION
	accepted industry standards will normally be rated "high".	evaluation methodologies or failure to conduct evaluation.	contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management 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

RISK	DESCRIPTION	AREA	IMPLICATION
			interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid	Planning: Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

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

SATISFACTORY

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