



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

**COMPLIANCE INSPECTION REPORT FOR FINANCIAL YEAR  
2024/2025**

**JINJA REGIONAL REFERRAL HOSPITAL**

**APRIL 2026**

## TABLE OF CONTENT

TABLE OF CONTENT .....	i
LIST OF TABLES .....	ii
LIST OF FIGURES .....	ii
LIST OF ACRONYMS .....	iii
EXECUTIVE SUMMARY .....	iv
CHAPTER ONE: INTRODUCTION.....	1
1.1. Background .....	1
1.2. Main Audit Objectives .....	1
1.3. Scope of the Compliance Audit.....	1
1.4. Methodology .....	1
1.5. Procurement Structure of the Entity .....	2
CHAPTER TWO: FINDINGS AND RECOMMENDATIONS .....	3
2.1. COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP. 205 AND REGULATIONS, 2023, WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURE AND CONDUCT OF THE PROCUREMENT PROCESS.....	3
2.2. COMPLIANCE OF THE ENTITY DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, CAP. 205 AND PPDA REGULATIONS 2023. ....	8
2.3. EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION INCLUDING THE APPLICATION OF ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY (ESHS) REQUIREMENTS IN THE PROCUREMENT PROCESS. ....	9
CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY .....	14
3.1. Overall Audit Conclusion.....	14
3.2. Entity's Performance .....	14
3.3. Recommended Action Plan .....	16
Annex A: Summary Case by Case.....	17
Annex B: Sample List for Jinja Regional Referral Hospital for Financial Year 2024/2025 .....	19
Annex C: Risk Rating Criteria.....	20

## **LIST OF TABLES**

Table 1: Contracts Committee Members .....	3
Table 2: Procurement plan implementation rate .....	4
Table 3: Implementation of Previous Recommendations .....	5
Table 4: Inadequate bidding documents .....	5
Table 5: Procurements with irregularities at the evaluation stage .....	7
Table 6: Assets recommended for disposal in the Board of Survey Report .....	8
Table 7: Contracts with different contract terms from those in the Bidding Document .....	10
Table 8: Risk Rating Table .....	14
Table 9: Weighted Score of Jinja Regional Referral Hospital .....	14
Table 10: Action Plan .....	16

## **LIST OF FIGURES**

Figure 1: Procurements without inclusion of ESHS safeguards .....	11
Figure 2: Risk Rating by Number .....	15
Figure 3: Risk Rating by Value .....	15

## **LIST OF ACRONYMS**

ESHS	Environmental, Social, Health and Safety
FY	Financial Year
GCC	General Condition of Contract
MoWT	Ministry of Works and Transport
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SCC	Special Conditions of Contract
UGX	Uganda Shillings

## **EXECUTIVE SUMMARY**

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection of the Procurement and Disposal Activities of Jinja Regional Referral Hospital that covered a sample of 12 procurement transactions for the Financial Year 2024/2025.

The overall objective of the compliance inspection was to assess and establish the degree of compliance of Jinja Regional Referral Hospital's procurement systems and processes with the provisions of the PPDA Act, Cap. 205 and PPDA Regulations, and assess the level of procurement performance over the period.

From the findings of the compliance inspection exercise, the performance of Jinja Regional Referral Hospital for the Financial Year 2024/2025 was rated as **satisfactory**, with an overall weighted average risk rating of **28%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of this compliance report.

### **Despite the satisfactory performance, the following key exceptions were noted:**

1. Schedule 4 of the PPDA Act, Cap. 205, provides that the Contracts Committee shall be composed of five members. The Contracts Committee was not fully constituted, operating with four members instead of the required five. This limited the Entity's ability to form a quorum and execute procurement activities promptly, thereby exposing the Entity to delays in service delivery. In addition, members of the Contracts Committee had not been inducted.
2. Contrary to Section 67 (2) of the PPDA Act, Cap. 205, it was noted that in four procurements worth UGX 301,025,343, the Head Procurement and Disposal Unit issued inadequate bidding documents with unclear bid validity periods, inadequate evaluation criteria and ambiguous bills of quantities, among others, exposing the Entity to submission of non-compliant bids;
3. Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023, requires the Evaluation Committee to adhere to the stated criteria in the bidding document strictly. In two procurements worth UGX 200,419,690, the Entity awarded contracts to non-compliant bidders who did not meet the set evaluation criteria;
4. Contrary to Regulation 9 (2) of the PPDA (Contracts) Regulations, 2023, it was observed that in three procurements worth UGX 333,754,850.8, the contract terms were altered from what had been approved in the bidding document, exposing the Entity to disagreements and disputes during contract implementation; and
5. Regulation 37 (2) (i) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, requires that statements of requirements include provisions for environmental and social responsiveness. However, in four works procurements worth UGX 491,263,494, the User Department prepared Bills of Quantities that omitted environmental and social safeguard requirements, thereby exposing the Entity to non-compliance with environmental conservation obligations.

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

1. The Accounting Officer should:
  - i. Immediately initiate the formal process of nomination and approval by the Secretary to the Treasury of the fifth member to the Contracts Committee to bring the total membership to the required five as specified in Schedule 4 of the PPDA Act, Cap. 205; and
  - ii. Engage the Authority to train and induct the Contracts Committee members in their roles and responsibilities to improve efficiency and effectiveness of the Committee.
2. The Head of Procurement and Disposal Unit should:
  - i. Prepare comprehensive bidding documents capturing all required components in line with Regulations 42-45 of the PPDA (Rules and Methods of Procurement for Supplies, Works and Non-consultancy services) Regulations, 2023; and
  - ii. Align the terms of the contract agreement with those specified in the bidding documents in accordance with Regulation 9 (2) of the PPDA (Contracts) Regulations, 2023.
3. The Evaluation Committee should strictly adhere to the specified evaluation criteria stated in the bidding documents in accordance with Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023.
4. The User Department should incorporate the provisions for Environmental, Social, Health, and Safety (ESHS) aspects in all infrastructure projects Bills of Quantities to conserve and protect the environment in accordance with Regulation 37 (2) (i) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

Jinja Regional Referral Hospital should implement the recommended action plan on page 16 of this report.

## **CHAPTER ONE: INTRODUCTION**

### **1.1. Background**

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection of the procurement and disposal activities of Jinja Regional Referral Hospital that covered a sample of 12 procurement transactions for the Financial Year 2024/2025. The compliance inspection involved a review of procurement structures, asset acquisition and disposal processes, as well as contract performance in accordance with the provisions of the Public Procurement and Disposal of Assets Act, Cap. 205 and the attendant PPDA Regulations.

### **1.2. Main Audit Objectives**

The overall objective of the compliance inspection was to assess and establish the degree of compliance of Jinja Regional Referral Hospital's procurement systems and processes with the provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations, and assess the level of procurement performance over the audit period.

#### **The Specific Objectives were to:**

- i. Establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations with regard to the performance of the procurement structure and conduct of the procurement process;
- ii. Assess the degree of compliance of the Entity's Disposal process with the provisions of the PPDA Act, Cap. 205 and the PPDA Regulations; and
- iii. Assess the level of efficiency and effectiveness in contract implementation, including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process.

### **1.3. Scope of the Compliance Audit**

The Compliance inspection involved a review of the procurement and disposal process, general compliance issues and contract implementation on a sample basis. The exercise covered a sample of 12 procurement transactions worth UGX 650,523,900 conducted during FY 2024/2025, a review of procurement structures, and a review of procurement plan performance. The list of sampled transactions is contained in **Annex B**.

### **1.4. Methodology**

The auditors examined records and documents for each sampled procurement transaction and obtained the relevant evidence to derive audit conclusions. This involved a review of the Entity's Procurement and Disposal Planning, Initiation, Bidding, Evaluation, Contract Placement and processes. At the end of the document review, a physical verification was undertaken to ascertain the level of contractual delivery and fitness for purpose. During the compliance inspection, the auditors held interviews with the staff from the Procurement and Disposal Unit (PDU) and User Departments that were necessary in obtaining crucial qualitative information about the internal control systems and processes in place.

Three officers conducted the exercise under the supervision of the Regional Manager and Director Performance Monitoring – Regional Offices. During the exercise, the team examined records and documents for each of the 12 sampled procurement transactions. The team reviewed the procurement plan for the Financial Year 2024/2025.

A debrief meeting to discuss preliminary findings was held with the Entity's management and staff on 12<sup>th</sup> September 2025, before the procurement and disposal compliance inspection team could

embark on preparation of the Management Letter. The Management Letter was sent to the Entity on 18<sup>th</sup> December 2025 with a request to submit a Management Response by 29<sup>th</sup> December 2025, which was submitted to the Authority on 23<sup>rd</sup> January 2026.

### **1.5. Procurement Structure of the Entity**

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

#### **i. Accounting Officer**

Section 28 of the PPDA Act, Cap. 205 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. During the Financial Year 2024/2025, Dr. Alfred Yayi was designated as the Accounting Officer of the Entity.

#### **ii. The Contracts Committee**

During the year under Compliance Inspection, the Entity's Contracts Committee was composed of four members. The Authority also noted that the Contracts Committee had not been inducted into their roles and responsibilities. The composition is indicated in Table 1:

#### **iii. Staffing of the Procurement and Disposal Unit**

The Procurement and Disposal Unit was staffed by only one officer, Mr Nelson Mutebe, a Senior Procurement Officer holding a Postgraduate qualification in Monitoring and Evaluation and a Bachelor's degree in Business Administration, with the position of Procurement Officer remaining vacant:

## CHAPTER TWO: FINDINGS AND RECOMMENDATIONS

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

#### 2.1.1 Failure to fully constitute and induct the Contracts Committee

Schedule 4 of the PPDA Act, Cap 205, provides that the Contracts Committee shall be composed of the following members: a chairperson, a secretary and a maximum of three other members appointed by the Accounting Officer.

The Authority noted that the Entity's Contracts Committee appointed on 2<sup>nd</sup> May 2025, only had four members instead of the required five. Furthermore, the Committee had never been inducted into their roles and responsibilities contrary to Schedule 4 of the PPDA Act, Cap. 205 as indicated in Table 1 below:

**Table 1: Contracts Committee Members**

No.	NAME	JOB TITLE	Position on the committee	Date of Appointment
1.	Mr. Deogratiuous Obel	Principal clinical officer	Chairperson	2 <sup>nd</sup> May 2025
2.	Sr. Sylvia Takali	Principal Nursing Officer	Member	2 <sup>nd</sup> May 2025
3.	Mr. Patrick Okirimong	Assistance Engineering Officer Civil	Secretary	2 <sup>nd</sup> May 2025
4.	Mr. Chandi Etiru	Assistance Nursing Officer	Member	2 <sup>nd</sup> May 2025

#### Implications

- Failure to fully constitute the Contracts Committee led to delayed, and timely decision-making.
- Failure to induct the Contracts Committee members compromises their efficiency and effectiveness while executing their roles and leads to non-compliance and unnecessary delays.

#### Management Response

*Management acknowledged the observation and explained that the Accounting Officer was writing to the Office of State Attorney to nominate a member to the Contracts Committee, and Management shall allocate funds to induct the members of the Contracts Committee within the FY 2025/2026.*

**Authority's comment:** The Authority takes note of the response; however, no documentary evidence was presented to verify action being taken to expedite the appointment and induction of the Contracts Committee.

#### Recommendations

The Accounting Officer should:

- i. Immediately initiate the formal process to appoint the necessary fifth member to the Contracts Committee to bring the total membership to the required five as specified in Schedule 4 of the PPDA Act, Cap. 205; and

- ii. Engage the Authority to train and induct the Contracts Committee members in their roles and responsibilities to improve the efficiency and effectiveness of the Committee.

**2.1.2 Procurement plan implementation rate of 114%**

Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023, provides that the Procurement and Disposal Unit shall, where necessary, at any time during the financial year, update the procurement plan of the Procuring and Disposing Entity.

The Authority noted that the Entity’s total procurement budget for the Financial Year 2024/25 was UGX 1,064,386,183 as noted from the Entity’s consolidated procurement plan submitted to the Authority on 30<sup>th</sup> June 2025. The monthly reports submitted to the Authority indicated a total procurement spend of UGX 1,213,653,864. Thus, the Entity implemented procurements worth UGX 377,717,250 over and above the approved procurement plan as indicated in Table 2 below:

**Table 2: Procurement plan implementation rate**

Total procurement plan value (UGX)	1,064,386,183
Actual procurement spend reported to the Authority (UGX)	1,213,653,864
Variance (UGX)	(149,267,681)
Percentage implementation rate (%)	114%
Variance (%)	(14%)

**Implication**

The budget overrun exposed the Entity to the risk of financial strain, leading to the accumulation of domestic arrears.

**Management Response**

*Management acknowledged the observation and, going forward, the Head of the Procurement and Disposal Unit will ensure that the procurement plan is updated.*

**Recommendation**

The Accounting Officer should regularly update the procurement plan of the Procuring and Disposing Entity to incorporate new procurements in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023.

**2.1.3 Failure to fully implement 17% of the previous audit recommendations**

Section 10 (1) (a) of the PPDA Act, Cap. 205 provides that where there is a persistent breach of this Act or Regulations made or guidelines issued under the Act, the Authority may direct the concerned Procuring and Disposing Entity to take such corrective action, as may be necessary in the circumstances, to rectify the breach.

Jinja Regional Referral Hospital was issued with a previous report for the Financial Year 2021-2022 on 24<sup>th</sup> March 2023. Out of six recommendations made, three recommendations (50%) were fully implemented, two recommendations (33%) were partially implemented, and one recommendation (17%) was not implemented, as detailed in Table 3 below:

**Table 3: Implementation of Previous Recommendations**

S/N	Recommendation	Status
1.	The Accounting Officer should expeditiously fill the position of Assistant Officer	Not implemented
2.	The Contracts Committee should thoroughly review all bidding documents submitted by the Procurement and Disposal Unit to ensure that they are accurate and complete before they are approved and issued to bidders	Partially implemented
3.	The Head Procurement and Disposal Unit should ensure that the evaluation committee members evaluate in accordance with the criteria set in the bidding document in accordance with Section 71(3) of the PPDA Act, 2003.	Partially implemented

**Implication**

Failure to implement previous recommendations denied the Entity an opportunity to continuously improve in its procurement processes.

**Management Response**

*No response was provided by the Entity.*

**Recommendation**

The Accounting Officer should put in place a strong internal mechanism and a dedicated team of staff that will always ensure full implementation of the Authority's recommendations in accordance with Section 10 of the PPDA Act, Cap. 205.

**2.1.4 Issuance of Inadequate Bidding Documents**

Section 67 (2) of the PPDA Act, Cap. 205, provides that all solicitation documents shall detail the terms and conditions, which shall apply to any resulting contract; and contain the General Conditions of Contract, or a statement of the General Conditions of Contract which shall apply.

In four procurements worth UGX 301,025,343, the Head Procurement and Disposal Unit issued inadequate bidding documents with unclear bid validity periods, inadequate evaluation criteria and ambiguous bills of quantities, among others, as indicated in Table 4 below:

**Table 4: Inadequate bidding documents**

S/N	Subject of Procurement	Amount (UGX)	PPDA Findings	Management Response
1.	Assorted medical equipment spare parts  Provider: St. Jude Electrical and Medical Equipment Workshop Ltd	9,255,000	<ul style="list-style-type: none"> <li>The bid validity expiry date was set on 29<sup>th</sup> July 2024, which was before the bid closing date of 13<sup>th</sup> September 2024.</li> <li>Failure to request a certificate/license to supply medical, equipment/ license to operate surgical instruments and appliances, and a general certificate of</li> </ul>	<i>Management acknowledged the observation and attributed the issues to human error, and we pledge to improve going forward.</i>

S/N	Subject of Procurement	Amount (UGX)	PPDA Findings	Management Response
			<p>suitability of premises for wholesale pharmacy operations.</p> <ul style="list-style-type: none"> <li>• Failure to require bidders to submit a Power of Attorney.</li> </ul>	
2.	<p>Renovation of the main operating theatre</p> <p>Provider: Kasinan Investments Ltd</p>	192,219,690	<p>Ambiguous bills of quantities without a detailed breakdown, where element No 6 in the BoQs provided for:</p> <p>i. Allow a provisional sum of 20,000,000 for the electrical repair works, including upgrade of the power voltage to cater for distribution. This was a block figure without a breakdown of details for electrical repairs and replacement.</p> <p>ii. Allow a provisional sum of 15,000,000 for external works to the Engineer's approval.</p>	<p><i>Management acknowledges the observation and, going forward, will avoid the use of block figures and instead provide a detailed breakdown of the bills of quantities.</i></p>
3.	<p>Finishing of the private wing</p> <p>Provider: Kasinan Investments Ltd</p>	77,077,552.8	<ul style="list-style-type: none"> <li>• Inadequate evaluation criteria, which required bidders to provide a project manager with a minimum of a diploma in civil engineering as technical staff, and not considering staff such as a foreman, environmentalist and electrician as essential technical personnel.</li> <li>• Contradictions on the intended contract completion period; Section 2 of the bid submission sheet stated that works will be completed within 3 months, while the GCC 17.1 stated that the intended</li> </ul>	<p><i>Management acknowledges the observation and, going forward, the Head Procurement and Disposal Unit and Users commit to improving the evaluation criteria through close collaboration with technical disciplines.</i></p>

S/N	Subject of Procurement	Amount (UGX)	PPDA Findings	Management Response
			completion period for the works shall be 1.5 months.	
4.	Cleaning outside and inside  Provider: Rodek Enterprises Ltd	22,473,100	Use of a wrong bidding document, where the Entity used a framework document for supplies instead of a standard bidding document for services.	<i>Management acknowledged the observation and attributed it to a knowledge gap; however, this has improved in the current financial year.</i>
	<b>Total:</b>	<b>301,025,343</b>		

### Implication

The issuance of inadequate bidding documents exposed the Entity to the risk of bidders submitting non-compliant bids.

### Recommendation

The Head of Procurement and Disposal Unit should prepare comprehensive bidding documents capturing all required components in line with Regulations 42-45 of the PPDA (Rules and Methods of Procurement for Supplies, Works and Non-consultancy services) Regulations, 2023.

#### 2.1.5 Award of contracts to non-compliant bidders.

Regulation 5 (l) of the PPDA (Evaluation) Regulations, 2023, provides that the evaluation of bids shall be conducted in accordance with the evaluation criteria specified in the bidding documents.

In two procurements worth UGX 200,419,690, the Entity awarded contracts to non-compliant bidders who did not meet the set evaluation in Table 5 below:

**Table 5: Procurements with irregularities at the evaluation stage**

S/N	Subject of procurement	Amount (UGX)	PPDA findings	Management response
1.	Procurement of Quarter 3 spare parts for  Provider: Zake International Group Limited	8,200,000	The Bidding document provided that Bids must remain valid until and including 15 <sup>th</sup> May 2025. However, the Best Evaluated Bidder, Zake International Group Ltd stated the bid validity as 28 <sup>th</sup> April 2025, and the Evaluation Committee considered them compliant	<i>Management acknowledges the observation, and going forward, the Head PDU shall organise training for stakeholders on procurement processes to avoid such mistakes during evaluations.</i>
2.	Renovation of main operating theatre	192,219,690	The bidding document provided that works should be done within 1.5 months;	<b>Authority's comment:</b> <i>The</i>

S/N	Subject of procurement	Amount (UGX)	PPDA findings	Management response
	Provider: Kasinan Investments Ltd		however, the Best Evaluated Bidder, Kasinan Investments Ltd, indicated that work will be completed within 3 months from the date of the contract, which was contrary to the evaluation criteria.	<i>Authority takes note of the response, and the training should be expedited for all the stakeholders in the procurement process.</i>
	<b>Total:</b>	<b>200,419,690</b>		

### Implication

Irregularities at the evaluation stage exposed the Evaluation Committee to unfairness during evaluation, leading to the award of contracts to non-compliant bidders and compromised on the benefits of maximum competition.

### Recommendation

The Evaluation Committee should strictly adhere to the specified evaluation criteria stated in the bidding documents in accordance with Regulation 5 (1) of the Public Procurement and Disposal of Assets (Evaluation) Regulations, 2023.

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

### 2.2.1 Failure to dispose of assets

Regulation 3 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023 provides that A User Department or the appropriate department of a Procuring and Disposing Entity that is responsible for the management of public assets shall initiate a process for disposal of a public asset by making a request for disposal of the public asset to the Accounting Officer.

The Authority reviewed the Entity's Board of Survey Report dated 29<sup>th</sup> August 2025 and noted that assets that had been earmarked for disposal had not been disposed of in the financial year 2024/25, contrary to Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023. The list of items recommended for disposal in the Board of Survey report is indicated in Table 6 below:

**Table 6: Assets recommended for disposal in the Board of Survey Report**

S/N	Item	Condition	Qty	Recommendation of the Board
1.	CPU (Dell, Acer)	Obsolete	6	Disposal
2.	Keyboard	Obsolete		Disposal
3.	Printer (HP, LaserJet Pro 400m401dn, laser 1300)	Faulty	3	Beyond repair, hence disposal
4.	Cathode Ray Monitor	Faulty/ Obsolete	3	Disposal
5.	1000VA APC UPS	Faulty	1	Disposal
6.	HP monitor	Obsolete	1	Disposal
7.	HP Scanner	Faulty	1	Disposal

### **Implication**

Obsolete assets occupy space that could have been utilized for other purposes and pose environmental and safety risks due to electronic waste.

### **Management Response**

*Management acknowledged the Authority's observation, however the failure to dispose of obsolete equipment in FY 2024/2025 was due to the fact that the items were few and of low value; it was deemed uneconomical to engage a full disposal process. Moving forward, management shall engage valuers from MOWT and Lands to value the existing obsolete assets recommended for disposal to enable the disposal process to be concluded this FY.*

**Authority's comment:** The Authority noted the Entity's response. In light of the items being few and of low value, Regulation 24(2)(c) of the PPDA (Disposal of Public Assets) Regulations, 2023 provides that the reserve price may be determined through valuation by the Board of Survey of the Procuring and Disposing Entity. Accordingly, valuation should be undertaken by the Board of Survey, and the assets identified for disposal should be assessed and verified, with the reserve price approved by the Accounting Officer in line with Section 28(1)(h) of the PPDA Act, Cap. 205.

### **Recommendations**

1. The Accounting Officer should use the appropriate means to value the assets, including the board of survey, in accordance with Regulation 24 of the PPDA (Disposal of Public Assets) Regulations, 2023; and
2. User Departments responsible for the management of public assets should initiate the disposal process of the public assets by requesting disposal to the Accounting Officer in accordance with Regulation 3 of the PPDA (Disposal of Public Assets) Regulations, 2023.

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

### **2.3.1 Change of Contract Terms**

Regulation 9 (2) of the PPDA (Contracts) Regulations, 2023, provides that a contract document shall be in accordance with the form of contract specified in the bidding document.

For three procurements worth UGX 333,754,850.8, the contract terms were altered from what had been approved in the bidding document, as indicated in Table 7 below:

**Table 7: Contracts with different contract terms from those in the Bidding Document**

No.	Subject of Procurement	Contract value (UGX)	Requirements in the bidding document	Contract agreement	Management Response
1.	Renovation of the main operating theatre	195,013,467	GCC 17.1: provided that the intended contract completion period is 1.5 months.	GCC 17.1: provided that works will be completed within 3 months from the date of the contract.	<i>Management acknowledged the observation and attributed it to oversight. The Head of the Procurement and Disposal Unit shall ensure consistency to avoid such mistakes in future.</i>
2.	Finishing of the private wing	77,174,076.8	GCC 17.1 provided a completion period of 1.5 months.	GCC 17.1 provided for 1 month	
3.	Burglar proofing of EMR Rooms & Fabrication of Laptop EMR Trollies  Provider: Unique Civil Engineering Services Ltd	61,567,307	SCC (GCC 48.1) provided that the proportion of payment retention was 10 %.  SCC (GCC 17.1) provided that the intended completion for works shall be 3 weeks from the start date.	SCC (GCC 48.1) provided that the retention was 5%.  SCC (GCC 17.1) provided that the intended completion for works shall be 31 days from the date of site possession.	
<b>Total</b>		<b>333,754,850.8</b>			

**Implication**

This exposed the Entity to legal risks during contract execution due to inconsistencies between the terms in the bidder's bid and the signed contract.

**Recommendation**


The Head of Procurement and Disposal Unit should always align contract terms in the signed contract agreements with those specified in the bidding documents in accordance with Regulation 9 (2) of the PPDA (Contracts) Regulations, 2023.

**2.3.2 Failure to include Environmental, Social, Health and Safety (ESHS) safeguards in the Bills of Quantities.**

Regulation 37 (2) (i) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations of 2023, provides that, where applicable, the statement of requirements shall include that the works be environmentally and socially responsive.

In four works procurements worth UGX 491,263,494, the Authority noted that the statement of requirements (bills of quantities) did not incorporate the Environmental, Social, Health and Safety safeguards, as indicated in Figure 1 below:

**Figure 1: Procurements without inclusion of ESHS safeguards**

S/N	Subject of procurement
1.	<p><b>Subject of procurement:</b> Construction works for the walkway to the Mental Unit  <b>Provider:</b> Baisonga and Sons' Company Ltd  <b>Amount:</b> UGX 87,753,650  <b>Status:</b> Project Completed</p>
	
<p><i>Issue noted:</i>  <i>Failure to conserve the environment by planting trees and fruits along the walkway</i></p>	
2.	<p><b>Subject of Procurement:</b> Renovation of the main operating theatre  <b>Provider:</b> Kasinan Investments Ltd  <b>Amount:</b> UGX 192,219,690  <b>Status:</b> Project completed</p>



**Issue noted:**

*Failure to conserve the environment by planting trees and fruits around the completed structure*

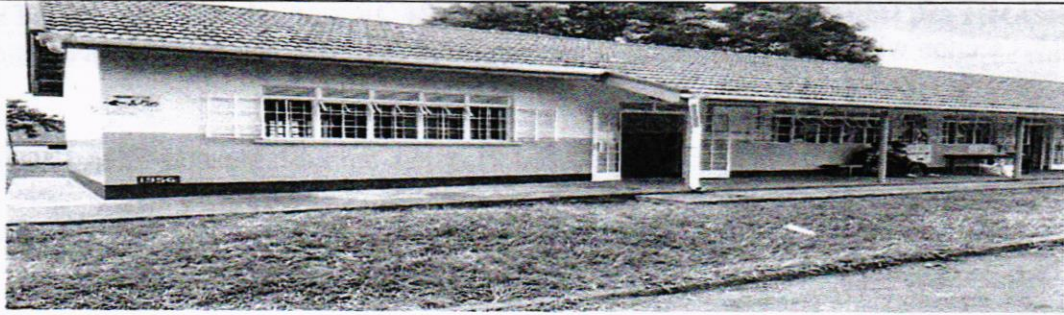
3. **Subject of procurement:** Finishing of the Private Wing  
**Provider:** Kasinan Investments Ltd  
**Amount:** 77,077,552.  
**Status:** Project completed



**Issue noted:**

*Failure to conserve the environment by planting trees and fruits around the completed structure*

4. **Subject of procurement:** Renovation of a TB Ward  
**Provider:** Unique Civil Engineering Services Ltd  
**Amount:** UGX 134,212,601  
**Status:** Project Completed



**Issue noted:**

*Failure to conserve the environment by planting trees, fruits and flowers around the completed structure.*

**Implication**

This led to environmental degradation.

**Management Response**

*Management acknowledged the observation and attributes it to the omission. Going forward, the technical team will be guided to incorporate provisions for Environmental, Social, Health, and Safety (ESHS) aspects in all infrastructure projects.*

**Recommendation**

The User Department should incorporate Environmental, Social, Health, and Safety (ESHS) aspects in all infrastructure project Bills of Quantities to conserve and protect the environment in accordance with Regulation 37 (2) (i) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

### CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

#### 3.1. Overall Audit Conclusion

The performance of Jinja Regional Referral Hospital for the Financial Year 2024/2025 was **Satisfactory** with an overall weighted average risk rating of **28%**.

The risk rating is as follows:

**Table 8: Risk Rating Table**

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 in Table 9 below:

**Table 9: Weighted Score of Jinja Regional Referral Hospital**

Risk Category	No.	No.%	Value (UGX)	Value. %	Weights	Total Weighted Average	
						By No.	By Value
High	0	0	-	-	0.6	0	0
Medium	3	25%	278,552,243	42.8%	0.3	7.5	12.8
Low	9	75%	371,971,658	57.2%	0.1	7.5	5.7
Satisfactory	0	0	-	-	0	0	0
<b>Total</b>	<b>12</b>	<b>100</b>	<b>650,523,901</b>	<b>100</b>	<b>1</b>	<b>15.0</b>	<b>18.6</b>

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{15}{60} \times 100 = 25\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{18.6}{60} \times 100 = 31\%$$

$$\text{Combined Weighted Average} = \frac{25+31}{2} = 28\%$$

Figure 2: Risk Rating by Number

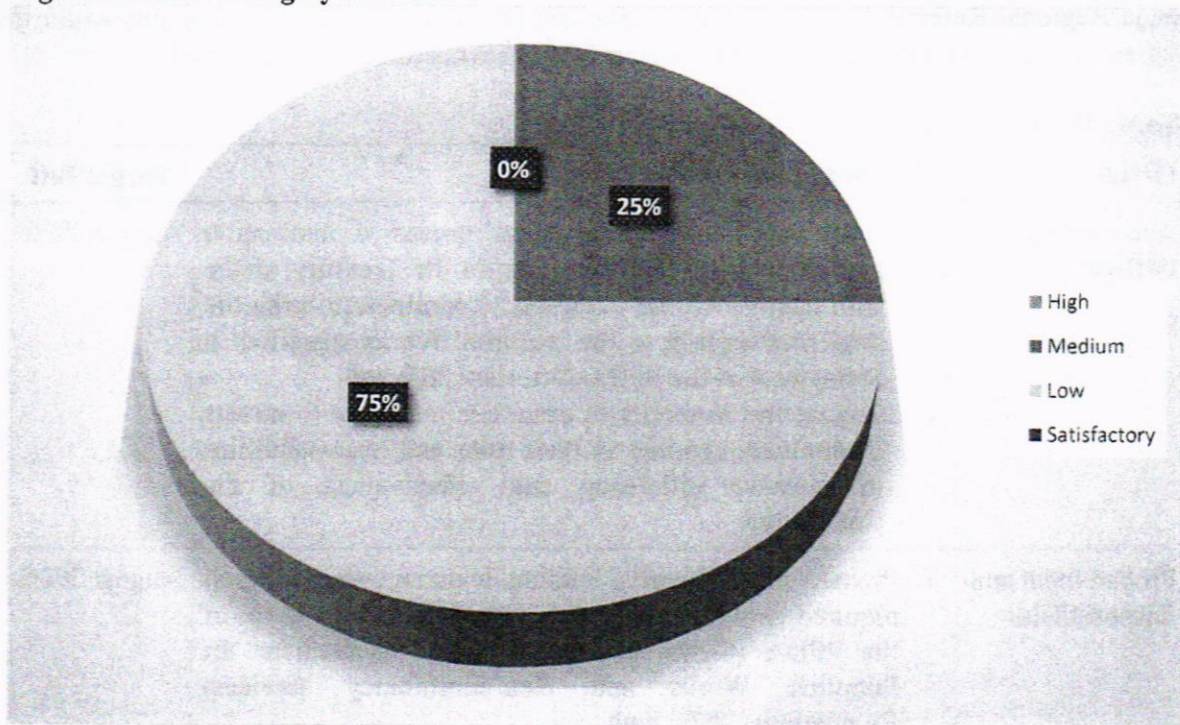
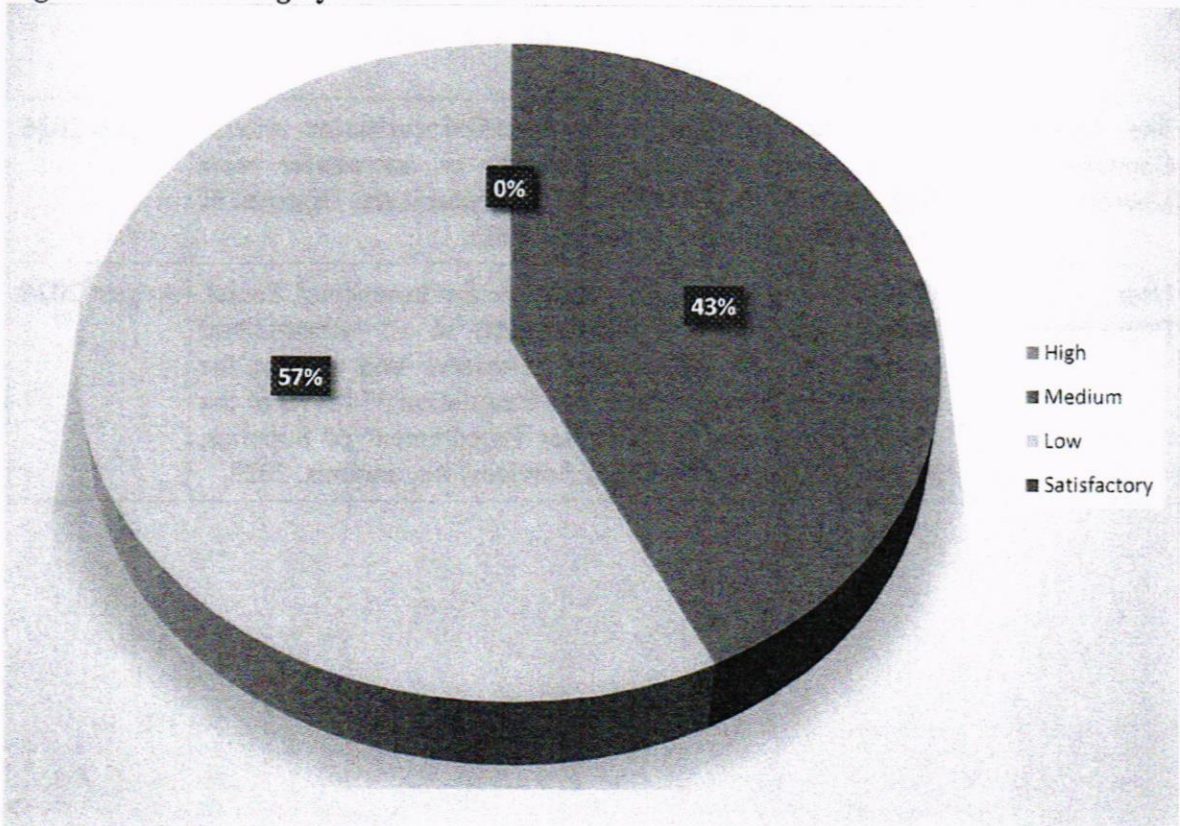


Figure 3: Risk Rating by Value



### 3.3. Recommended Action Plan

Jinja Regional Referral Hospital should implement the following recommendations within the timeframe given in order to improve its performance in Procurement and Disposal.

**Table 10: Action Plan**

Origin	Recommended Action	Target Date
Accounting Officer	<ul style="list-style-type: none"> <li>i. Immediately initiate the formal process of nomination and approval by the Secretary to the Treasury of the fifth member to the Contracts Committee to bring the total membership to the required five as specified in Schedule 4 of the PPDA Act, Cap. 205; and</li> <li>ii. Engage the Authority to train and induct the Contracts Committee members in their roles and responsibilities to improve efficiency and effectiveness of the Committee.</li> </ul>	August 2026
Procurement and Disposal Unit	<ul style="list-style-type: none"> <li>i. Prepare comprehensive bidding documents capturing all required components in line with Regulations 42-45 of the PPDA (Rules and Methods of Procurement for Supplies, Works and Non-consultancy services) Regulations, 2023; and</li> <li>ii. Align the contract terms of the contract agreement to the forms specified in the bidding documents in accordance with Regulation 9 (2) of the PPDA (Contracts) Regulations, 2023.</li> </ul>	August 2026
The Evaluation Committee Members	Should strictly adhere to the specified evaluation criteria stated in the bidding documents in accordance with Regulation 5 (1) of the Public Procurement and Disposal of Assets (Evaluation) Regulations, 2023.	August 2026
User Departments	Should incorporate the provisions for Environmental, Social, Health, and Safety (ESHS) aspects in all infrastructure project Bills of Quantities to conserve and protect the environment in accordance with Regulation 37 (2) (i) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	August 2026

**Annex A: Summary Case by Case**

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	Renovation of the Main Operating Theatre JRRH/WRKS/24-25/00070 Provider: Kasinan Investments Ltd Amount: UGX 192,219,690	<ul style="list-style-type: none"> <li>• Failure to include the requirements of environmental and social safeguards in the Bills of quantities</li> <li>• Ambiguous bills of quantities; element No 6 provided for:               <ul style="list-style-type: none"> <li>i. Allow a provisional sum of 20,000,000 for the electrical repair works, including upgrade of the power voltage to cater for distribution, instead of providing a detailed breakdown for the electrical repairs and replacement.</li> <li>ii. Allow a provisional sum of 15,000,000 for external works to the engineer's approval instead of providing the detailed breakdown for external works.</li> </ul> </li> <li>• Award of contract to a non-compliant bidder</li> <li>• Change of contract terms</li> </ul>
2.	Finishing of the Private Wing JRRH/WRKS/2024-25/00017 Provider: Kasinan Investments Ltd Amount: UGX 77,077,552.8	<ul style="list-style-type: none"> <li>• Failure to include the requirements of environmental and social safeguards in the Bills of quantities</li> <li>• Inadequate evaluation criteria, which only required bidders to provide technical staff with a project manager with a minimum of a diploma in civil engineering without requiring other staff, such as a Foreman, Environmentalist, electrician and the needed equipment</li> <li>• Inconsistencies on the contract completion period; Section 2 bid submission sheet stated works will be completed within 3 months, while the GCC 17.1 stated that the intended completion date for the works shall be 1.5 months</li> <li>• Change of contract terms</li> </ul>
3.	Assorted medical equipment spare parts JRRH/SPLS/24-25/00015 Provider: St. Jude Electrical and Medical Equipment Workshop Ltd Amount: UGX 9,255,000	<ul style="list-style-type: none"> <li>• Inadequate bidding document</li> <li>• Failure to require bidders to submit a power of attorney.</li> <li>• Delays in the procurement process</li> </ul>

NO	LOW RISK CONTRACTS	REASON FOR LOW RISK
1.	Renovation of a TB Ward JRRH/WRKS/24-25/00069 Provider: Unique Civil Engineering Services Ltd Amount: UGX 134,212,601	Failure to include the requirements of environmental and social safeguards in the Bills of quantities
2.	Procurement of Medical Equipment spare parts Q2 JRRH/SPLS/2024-25/00020 Provider: St. Jude Electrical and Medical Equipment Workshop Ltd Amount: UGX 9,265,000	Inconsistencies in the bid closing dates in the bidding document; the planned procurement schedule for this procurement indicated a bid closing date of 29 <sup>th</sup> September 2024, while Part 1: Section 1 (Bidding procedures) indicates a bid closing date of 29 <sup>th</sup> November 2024.
3.	Construction works for the walkway to the Mental Unit Provider: Baisonga and Sons' Company Ltd Amount: UGX 87,753,650	Failure to include the requirements of environmental and social safeguards in the Bills of quantities
4.	Cleaning outside and inside JRRH/SRVCS/21-22/0019 Provider: Rodek Enterprises Ltd Amount: UGX 22,473,100	Use of wrong bidding document; the Entity used a framework document for supplies instead of a standard bidding document for services.
5.	Procurement of Quarter 3 spare parts for RMW JRRH/SPLS/2024-25/00065 Provider: Zake International Group Limited Amount: UGX 8,200,000	Award of contract to a non-compliant bidder
6.	Burglar proofing of EMR Rooms and fabrication of EMR Laptop trolleys JRRH/WRKS/24-25/00018 Provider: Unique Civil Engineering Services Ltd Amount: UGX 61,567,307	
7.	Procurement of assorted drugs and sundries for private wing pharmacy JRRH/SUPLS/24-25/118 Provider: Abacus Pharma Ltd Amount: UGX 15,000,000	
8.	Revision of the Hospital Master Plan JRRH/SRVCS/24-25/00021 Salona Consults (U) Ltd Amount: 17,500,000	
9.	Installation of Local Area Network in Private Wing JRRH/SUPLS/24-25/00043 Vetegro Enterprises Ltd Amount: 16,000,000	

**Annex B: Sample List for Jinja Regional Referral Hospital for Financial Year 2024/2025**

No.	Reference number	Subject of procurement	Procurement method	Provider	Contract value (UGX)
1.	JRRH/WRKS/24-25/00017	Finishing of the private wing	RFQ	Kasinan Investments Ltd	77,077,552
2.	JRRH/WRKS/24-25/00018	Burglar proofing of EMR Rooms and fabrication of EMR Laptop trolleys	RFQ	Unique Civil Engineering Services Ltd	61,567,307
3.	JRRH/WRKS/24-25/00069	Renovation of TB Ward	RFQ	Unique Civil Engineering Services Ltd	134,212,601
4.	JRRH/WRKS/24-25/00070	Renovation of the Main Operating Theatre	RFQ	Kasinan Investments Ltd	192,219,690
5.	JRRH/SUPLS/24-25/118	Procurement of assorted drugs and sundries for the Private Wing Pharmacy	Framework	Abacus Pharma Ltd	15,000,000
6.	JRRH/SRVCS/24-25/00021	Revision of the Hospital Master Plan	RFQ	Salona Consults (U) Ltd	17,500,000
7.	JRRH/SUPLS/24-25/00043	Installation of Local Area Network in Private Wing	RFQ	Vetegro Enterprises Ltd	16,000,000
8.	JRRH/WRKS/24-25/00071	Construction of Access Road to mental unit (ward 10)	RFQ	Baisonga and Sons' Company Ltd	87,753,650
9.	JRRH/SUPLS/24-25/00015	Purchase of assorted spares for Q1 for the Regional Workshop	RFQ	St. Jude Electrical and Medical Equipment Workshop Ltd	9,255,000
10.	JRRH/SRVCS/21-22/0019	Cleaning outside and inside the hospital	ODB	Rodek Enterprises Ltd	22,473,100
11.	JRRH/SUPLS/24-25/00020	Supply of Medical Equipment Spare Parts	RFQ	St. Jude Electrical and Medical Equipment Workshop Ltd	9,265,000
12.	JRRH/SPLS/2024-25/00065	Procurement of Q3 Spare Parts for RMW	RFQ	Zake International Group Limited	8,200,000
		<b>Total</b>			<b>650,523,900</b>

**Annex C: Risk Rating Criteria**

RISK	DESCRIPTION	AREA	IMPLICATION
<p><b>HIGH</b></p>	<p>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.</p> <p>Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".</p>	<p><b>Planning:</b> 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><b>Bidding Process:</b> 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><b>Evaluation:</b> Use of inappropriate evaluation methodologies or failure to conduct evaluation.</p>	<p>This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.</p>
		<p><b>Record Keeping:</b> Missing procurement files and missing key records on the files, namely, solicitation document, submitted bids, evaluation report and contract.</p>	<p>This implies that one cannot ascertain the audit trail, namely, whether there was competition and fairness in the procurement process.</p>
		<p><b>Fraud/forgery:</b> Falsification of Documents</p>	<p>This implies a lack of transparency and value for money.</p>
		<p><b>Contract Management:</b> Payment for shoddy work or work not delivered.</p>	<p>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</p>
<p><b>MEDIUM</b></p>	<p>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</p>	<p><b>Planning:</b> Lack of initiation of procurements and confirmation of funds.</p>	<p>This implies committing the Entity without funds, thereby causing domestic arrears.</p>
		<p><b>Bidding Process:</b> Deviations from standard procedures, namely bidding periods, standard formats, use of PP Forms</p>	<p>This implies a lack of efficiency, standardization and avoiding competition.</p>

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	and records of issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	
		<b>Procurement Structures:</b> Lack of procurement structures	This implies a lack of independence of functions and powers and interference in the procurement process.
		<b>Record Keeping:</b> 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.
		<b>Contract and Contract Management:</b> Failure to appoint Contract Supervisors, failure to seek the Solicitor General’s approval for contracts above UGX. 200 million, and a lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendments and variations, which lead to unjustified delayed contract completion and a 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 are not covered by the contractor during contract implementation.	
<b>LOW</b>	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business	<b>Planning:</b> Lack of procurement reference numbers.	This leads to failure to track the procurements, which leads to poor record-keeping.
		<b>Bidding Process:</b> Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and a lack of transparency.

RISK	DESCRIPTION	AREA	IMPLICATION
	<p>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.</p>		

**SATISFACTORY**

Relates to the 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.