



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

**COMPLIANCE AUDIT REPORT FOR DEPOSIT PROTECTION  
FUND FOR THE FINANCIAL YEAR 2024/2025**

**MAY 2026**

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## EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance audit of the Deposit Protection Fund that covered ten sampled procurement transactions under the Financial Year 2024/2025 (*Appendix 2*). The overall objective of the audit was to assess and establish the degree of compliance of Entity's procurement system, process and disposal with the provisions of the PPDA Act, Cap 205, the PPDA Regulations, 2023 and PPDA Guidelines, 2024 and the level of procurement performance over the audit period.

From the findings of the compliance audit exercise, the summary performance of the Entity revealed an overall weighted average risk rating of **24.15%**, which is a **Satisfactory performance** as per the ranking in Table 9 of the enclosed detailed report.

Based on the sampled procurements, the following key positive findings were observed during the audit:

1. The procurement structures are in place and performing their respective duties. There was visible segregation of duties between the Accounting Officer, Contracts Committee, Evaluation Committees, User Departments, Procurement and Disposal Unit. This enhances accountability along the procurement cycle.
2. Internal Audit Unit carries out reviews of areas in the procurement cycle right from procurement planning, initiation to contract management. The last report seen was dated October 2023. Areas that were covered in this report were failure to undertake pre-qualification on the Best Evaluated Bidder for some procurements, failure to fully implement the procurement plan, delays at initiation by Users, The Audit team further noted that internal audit was fully staffed with four people, a demonstration of the Entity's commitment to strengthen internal controls.

### **Despite the positive findings, the Authority identified the following exceptions:**

Despite the Satisfactory performance, the following exceptions were noted:

1. Failure to fully implement the procurement plan for the Financial Year 2024/2025 worth UGX 15,045,443,767 contrary to Section 60 (2) (d) of the PPDA Act Cap. 205. The procurement plan implementation analysis indicated a 24.1% implementation rate worth UGX 3,626,486,914 and a variance of UGX 10,620,000,000. Failure to fully implement the procurement plan denies services to the intended beneficiaries and also delays the achievement of desired outcomes;
2. Failure to fully implement previous audit recommendations contrary to Section 10 (1) (a) of the PPDA Act Cap. 205. The audit noted that two out of six of the previous audit recommendations were not implemented. Failure to fully implement audit recommendations affects performance of the procurement and disposal function;
3. Unreported Procurements. The Entity did not report some procurements in the monthly reports i.e.; procurement of fuel, provision of motor vehicle repair and maintenance services, provision of Advertising & Media Monitoring Services, provision of Motor vehicle hire services and provision of support & maintenance services for Information Technology Equipment, which contravened Regulation 15 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

Unreported procurements create loopholes that can hide irregular, unauthorized, or split procurements;

4. Failure to include some of the procurable items in the procurement plan. The Entity failed to include in the procurement plan several high-value, recurring, and strategic procurements intended to be procured under Framework Arrangements i.e.; Motor vehicle repairs and maintenance services, Advertising and Media, Motor Vehicle hire services, provision of support & maintenance services for Information Technology equipment and procurement of fuel. This contravened Section 60(2)(d) and 60(6) of the PPDA Act, Cap 205, and Regulation 3 of the PPDA (Procurement planning) Regulations, 2023. This compromises transparency and accountability, potentially leading to unplanned expenditures and inefficient use of resources;
5. Failure to conduct public bid opening. In two procurements worth UGX.664,328,742, public bid opening was not done. Instead, the Entity rescheduled bid opening dates from the previously communicated dates in the bidding documents but did not communicate the rescheduled dates to the bidders officially, and proceeded to open bids without participation of bidders, hence contravening Regulation 72(1) and (2) of PPDA (Rules and Methods for Procurement of Supplies Works and Non-Consultancy Services) Regulations 2023. This compromises transparency and fairness of the procurement process which undermines bidder confidence;
6. Failure to incorporate NITA-U Certification in the evaluation Criteria. The Authority observed that the eligibility criteria stated in Section 3.2 of the bidding document for Provision of Fortigate firewall licenses worth UGX. 186,086,000 did not include the requirement for bidders to have NITA-U certification contrary to PPDA Circular No. 1 of 2017 in regards to the need for certification of all Information Technology service providers for Government by NITA-U. This may lead the Entity to contract with a provider who is not able to meet the minimum requirements or standards;
7. Delays in the conduct of procurement processes were noted in two procurements worth UGX 664,328,742. This denies the intended beneficiary's timely access to public goods and services which contravenes Section 51 of the PPDA Act, Cap.205. For example, in the procurement of Support and maintenance services for SharePoint and Exchange in hybrid environments, the required date as per Form 5 was 26<sup>th</sup> August 2024, but the contract was signed on 13<sup>th</sup> December 2024, resulting in a delay of 93 working days. Similarly, in the procurement of Office partitioning works and assorted supplies and services, bid opening was done on 25<sup>th</sup> March 2025, 5 working days after the extended closing date of 17<sup>th</sup> March 2025. The delays were caused by poor time management in procurement planning and execution, leading to non-compliance with planned timelines.
8. Failure to nominate contract Managers. In three sampled procurements worth UGX 214,052,000, the Accounting Officer did not nominate Contract Managers to monitor contract implementation contrary to Regulation 50(1) of the PPDA (Contracts) Regulations, 2023. This hinders effective contract management;
9. Failure to prepare contract management reports in three procurements worth UGX 680,964,077 contrary to Regulation 52 (3 (a)(vii) of the PPDA (Contracts) Regulations 2023. This affects the audit trail and monitoring of contract performance; and

10. Failure to enforce submission of Performance Security. In the procurement of office partitioning works and assorted supplies and services worth UGX. 516,828,742, GCC 61.1 of the Special Conditions of the Contract required the provider to submit a performance security of 10% which was not enforced contrary to PPDA Guideline 4/2025 on Bid and Performance Securities and Regulation 11 (1) (a) of the PPDA (Contracts) Regulations, 2023. This exposes the Entity to a risk of financial loss in the event of non-performance by the Provider.

The Authority recommends that:

1. The Accounting Officer should:

- i. Strengthen its procurement planning and market assessment processes to minimize variances and improve implementation rates;
- ii. Engage all stakeholders to develop strategies to ensure implementation of all the Authority's recommendations in accordance with Section 10 (1) of the PPDA Act, Cap. 205;
- iii. Report all procurement transactions in the Entity in accordance with Regulation 15 of the PPDA (Procuring and Disposing Entities) Regulations, 2023;
- iv. Task the Procurement and Disposal Unit, Contracts Committee, and User Departments to strengthen their collaboration to eliminate delays in procurement processes, in accordance with Section 51 of the PPDA Act, Cap. 205; and
- v. Appoint contract Managers for all procurement and disposal transactions in accordance with Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023.

2. The Head Procurement and Disposal Unit should:

- i. Prepare Procurement Plans that include all procurable items, in accordance with Section 60 of the PPDA Act, Cap. 205;
- ii. Conduct a public bid opening in accordance with Section 74 of the PPDA Act, Cap 205 and Regulation 72(1) and (2) of PPDA (Rules and Methods for Procurement of Supplies Works and Non-Consultancy Services) Regulations 2023. In addition, the Entity should ensure that scheduling of meetings and other activities are always done in consideration of the dates set for bid opening;
- iii. In future incorporate NITA-U certification in the bidding documents for Information Technology procurements in accordance with the PPDA Circular No. 1 of 2017 and Regulation 3 (1) of the NITA-U (Certification of providers of Information Technology products and Services) Regulations, 2016; and
- iv. Prepare bidding documents where the evaluation criteria enhance competition and fairness in accordance with Section 46 of the PPDA Act, Cap 205.

3. Contract Managers should:

- i. Prepare contract management records for all procurements in accordance with 52 (3 (a)(vii)) of the PPDA (Contracts) Regulations, 2023 and to avail copies of the contract management records to the Procurement and Disposal Unit to maintain a full procurement action files; and
- ii. Task providers to submit performance security in accordance with Regulation 11 (1) (a) of the PPDA (Contracts) Regulations, 2023.

## **CHAPTER ONE: INTRODUCTION**

### **1.1. Background**

The Public Procurement and Disposal of Public Assets Authority carried out a compliance audit of Deposit Protection Fund that covered a representative sample of ten procurement transactions under Financial Year 2024/2025. The audit 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 PPDA Regulations, 2023 and PPDA Guidelines, 2024.

### **1.2. Objectives of the audit**

The overall objective of the audit was to assess and establish the degree of compliance of Entity's procurement system, process and disposal with the provisions of the PPDA Act, Cap 205, PPDA Regulations, 2023 and PPDA Guidelines, 2024 and the level of procurement performance over the audit period.

The specific objectives of the audit were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap 205, the PPDA Regulations, 2023 and PPDA Guidelines, 2024 with regard to the performance of the procurement structures and conduct of procurement processes;
2. Assess the degree of compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap 205, the PPDA Regulations, 2023 and PPDA Guidelines, 2024; and
3. Assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements where applicable.

### **1.3. Structure of the Entity**

#### **a) Accounting Officer**

According to Section 28 of the PPDA Act, Cap 205, the Accounting Officer has the overall responsibility for the successful execution of procurement, disposal and contract management in a Procuring and Disposing Entity. The Accounting Officer of Deposit Protection Fund during the Financial Year under review was Dr. Julia Clare Olima Oyet

#### **b) Head Procurement and Disposal Unit**

According to Section 33 of the PPDA Act, Cap 205, all procurement or disposal activities of the Procuring and Disposing Entity except adjudication and the award of contract are to be managed by the Procurement and Disposal Unit. The Procurement and Disposal Unit during the financial year under review was headed by Ms. Emily Mbabazi, Manager Procurement and Disposal Unit.

### c) Composition of Contracts Committee

**Table 1: List of Contracts Committee members for the Entity for FY 2024/2025.**

No.	Name	Job Title	Position on the committee
1.	Patrick Onen Ezaga	Director Communications	Chairperson
2.	Moses Tamale	Manager Finance	Member
3.	Grace Kalenda Sempala	Asst Manager Human Capital & Admin	Secretary
4.	Jacinta Anyinge	Asst Manager Legal	Member
5.	Ahab Karugaba	Asst Manager Investments	Member

### d) User Departments

The Entity consists of the following user departments:

1. Finance & Operations
2. Investments
3. Legal & Board Secretary
4. Human Capital & Administration
5. Information Technology (IT):
6. Communications
7. Internal Audit

#### 1.4.Scope of the Compliance Audit

The compliance audit exercise covered a sample of ten procurement transactions worth UGX 3,626,486,914 conducted during the FY 2024/2025 and comprised a review of the procurement structures, procurement plan performance and disposal process. The list of sampled transactions is contained in *Appendix 2*.

## **1.5.Methodology**

On 10<sup>th</sup> December 2025, the Entity was notified about the audit exercise. A sample of ten procurement transactions was selected based on stratified random sampling. An audit launch meeting was held on 15<sup>th</sup> December 2025 between the audit team and the Entity's officials.

Two officers conducted the exercise under the supervision of the Manager, Performance Monitoring. During the exercise, the team examined records and documents of the sampled procurement transactions.

On completion of file review, the audit team met with various stakeholders to discuss and obtain clarifications on some of the preliminary findings. A debrief meeting was held on 18<sup>th</sup> February 2026 between the audit team and the Entity's officials. A management letter was issued to the Entity for management's response on 9<sup>th</sup> March 2026 and the Entity's responses to the raised issues were received on 27<sup>th</sup> March 2026.

## CHAPTER TWO: FINDINGS OF THE AUTHORITY

### 2.1 Compliance by the Entity with the general provisions of the PPDA Act, Cap. 205 and PPDA Regulations, 2023 with regard to the performance of the procurement structures and conduct of the procurement processes.

#### 2.1.1. Failure to fully implement the Procurement Plan

Section 60 of the PPDA Act, Cap 205 provides that *“A procuring and Disposing Entity shall plan its procurement and disposal in a rational manner and in particular shall integrate its procurement budget with its expenditure programme.”*

Whereas the Entity submitted its annual updated procurement plan for the Financial Year 2024/2025 worth UGX. 15,045,443,767 on 16<sup>th</sup> December 2024, the assessment of the procurement plan and utilisation of funds revealed that the procurement plan implementation rate was 24.1% with a variance of UGX. 11,418,956,853. This was attributed to UGX.10,620,000,000 planned for land which was still on going and not yet awarded at the end of the Financial Year. The Authority was informed that UGX. 798,956,853 variance was the saving made from awarding the contract below the planned amount. Details are indicated in table 2 below:

**Table 2: Implementation of the Procurement Plan of Financial Year 2024/2025**

Total procurement plan value inclusive of VAT (UGX)	15,045,443,767
Total procurement spend value inclusive of VAT (UGX)	3,626,486,914
Procurement plan implementation rate (%)	24.1
Variance (UGX) attributed to purchase of land that was still ongoing and not yet awarded at the end of financial year	10,620,000,000
Variance (UGX) attributed to the saving made from awarding the contract below the planned amount	798,956,853

#### **Implication**

Low procurement plan implementation rate of 24.1% indicates inadequate planning and delays in the procurement process, leading to underutilisation of budgeted funds and potentially affecting service delivery.

#### **Management Response**

*Management acknowledged the observation and recommendation. The variance of UGX 798,956,853 was due to changes in market conditions between the time the budget was prepared and the period when the respective procurements were executed. During budgeting, estimated costs were based on prevailing market rates and indicative prices available at that time. However, by the time the procurement processes were undertaken, actual bid prices received from providers were lower than the earlier projections.*

*These shifts in market conditions such as increased competition among suppliers result in savings when the contracts are eventually awarded. Management notes that such variances are common where budgeting is conducted several months prior to procurement implementation, and market dynamics evolve in the interim.*

*Management remains committed to strengthening market assessments during budgeting while still adhering to the principles of competitive procurement, value for money, and prudent fund management.*

**Authority’s Comment**

The Authority noted the management response indicating that the procurement plan implementation rate variance of UGX 798,956,853 was due to changes in market conditions between the time the budget was prepared and the period when the respective procurements were executed. The Entity should have however updated the procurement plan.

**Recommendation**

- The Accounting Officer should strengthen its procurement planning and market assessment processes to minimize variances and improve implementation rates. The Entity should also expedite the procurement process for land acquisition worth UGX. 10,620,000,000 and provide a status of the procurement to the Authority.
- The Accounting Officer should on a quarterly basis and in any other case, wherever necessary, review and update its procurement plan to ensure improved performance in accordance with Section 60 (7) of the PPDA Act, Cap 205 205.

**2.1.2. Implementation of previous Audit recommendations for FY 2022/2023**

Section 10 (1) (a) of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity to implement audit recommendations made by the Authority. The Authority conducted an audit of the Entity for Financial Year 2022/2023. Out of the six recommendations made, two recommendations were not fully implemented, and these are listed in Table 3 below:

**Table 3: Audit Recommendations for FY 2022/2023 not fully implemented**

No.	Audit Recommendation	Status of Implementation	Management Responses
1.	The Accounting Officer should task the Head of Procurement and Disposal Unit to ensure that all procurements awarded are reported in the monthly reports in accordance with Regulation 15 of the PPDA (Procuring and Disposing Entities), 2023	Not fully implemented	<i>Refer to response under 1.3. In line with this guidance, Management has since ensured that all Call-Off Orders issued under framework contracts are now being reported in the respective monthly procurement reports in accordance with Regulation 15 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 as in the monthly reports of January and February 2026.</i>

No.	Audit Recommendation	Status of Implementation	Management Responses
2.	The Accounting Officer should for every contract award appoint a Contract Manager in accordance with Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023 and communication their terms of reference in writing.	Not fully implemented	<i>Management acknowledged the findings and recommendation. and will continue to strengthen compliance with the requirement for appointment of Contract Managers for all procurements</i>

**Implication**

Failure to fully implement the Authority’s recommendations affects the performance of the procurement and disposal function in the Entity.

**Recommendation**

The Accounting Officer should engage all stakeholders to develop strategies to ensure implementation of all the Authority's recommendations in accordance with Section 10 (1) of the PPDA Act, Cap. 205.

**2.1.3. Unreported Procurements**

Regulation 15 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 states that; *“a Procuring and Disposing Entity shall for each month, using the format of Form 2 of the Schedule, submit to the Authority, by the fifteenth day of the following month, a report on the procurement activities undertaken by the Procuring and Disposing Entity in the month which shall include information on the providers who undertook the procurement”*.

The Authority noted that the Entity did not report some procurements i.e.; procurement of fuel, provision of motor vehicle repair and maintenance services, provision of Advertising & Media Monitoring Services, provision of Motor vehicle hire services and provision of support & maintenance Services for Information Technology equipment.

The Authority was informed by the Entity that the procurements in question were part of the awarded framework contracts initially reported at the award stage. The Authority realizes that much as prices were agreed upon, quantities were unspecified and Call Off Orders were issued to procure specific quantities at agreed prices. These should have been reported to provide a complete picture of the procurements made under framework contracts.

## **Implication**

- Unreported procurements, particularly for recurring services like fuel, repairs and IT maintenance, create loopholes that can hide irregular, unauthorized, or split procurements.
- Failure to report prevents the Authority from monitoring and enforcing compliance, which limits transparency in the procurement process.

## **Management Response**

*Management acknowledged the Authority's observation. The procurements referenced in the finding were conducted under an existing three-year framework contracts whose award processes were duly reported in the respective monthly reports at the time the framework agreements were concluded.*

*However, the Call-Off Orders issued under these framework contracts through which specific quantities of goods and services were procured at the pre-agreed prices were not included in the subsequent monthly reports. This omission arose from the understanding that since the overarching framework contracts had already been reported at award stage, the Call-Off Orders constituted administrative drawdowns rather than new procurement actions requiring separate reporting.*

*In line with this guidance, Management has since ensured that all Call-Off Orders issued under framework contracts are now being reported in the respective monthly procurement reports in accordance with Regulation 15 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 as in the monthly reports of January and February 2026.*

## **Authority's Comment**

The Authority took note of Management's Response that it was an oversight and has since ensured reporting of Call-Off Orders. However, it is crucial to clarify that reporting three-year framework contracts in the respective monthly reports at the time when the framework agreements were concluded is not sufficient. Call-Off Orders should also be reported to provide a complete procurement picture. Unreported Call-Off Orders can hide irregularities and limit transparency, hindering the Authority's compliance monitoring to enhance transparency and compliance.

## **Recommendation**

The Accounting Officer should always report all procurement transactions in accordance with Regulation 15 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

### **2.1.4. Failure to include some of the procurable items in the procurement plan.**

Section 60 of the PPDA Act, Cap. 205 states that; *"In accordance with the budget preparation procedures issued by the Minister, a procuring and disposing entity shall, in each financial year, by a date determined by the Secretary to the Treasury, prepare and submit to the Secretary to the Treasury and to the Authority, its annual procurement plan for the following financial year"*.

The Authority noted that the Entity's updated Procurement Plan for the Financial Year 2024-2025 that was submitted to the Authority on 16<sup>th</sup> December 2024 was incomplete.

Specifically, the procurement plan failed to include several high-value, recurring, and strategic procurements intended to be procured under Framework Arrangements. The excluded items

are Motor vehicle repairs and Maintenance services, Advertising and Media, Motor Vehicle hire services, Provision of support & Maintenance Services for Information Technology equipment and procurement of fuel. The Authority was informed that they were not included in the plan since they were framework contracts which had been planned to run for 3-years. The Entity submitted that the items were excluded from the annual plan because they were covered by an existing three-year framework contract which was not backed by any legal provision.

### **Implication**

Failure to include procurements handled under framework arrangements in the procurement plan compromises transparency and accountability, potentially leading to unplanned expenditures and inefficient use of resources.

### **Management Response**

*Management acknowledged the Authority's observation.*

*In line with Regulation 7(4)(a) of the PPDA (Contracts) Regulations, "In the case of a framework contract, the Accounting Officer shall ascertain that; the funds required to cover the full cumulative costs of all Call-Off Orders anticipated for the financial year are included in the budget of the Procuring and Disposing Entity."*

*Based on this provision, Management understood that where framework contracts are already in place and performance continues through Call-Off Orders, the financial requirements are to be reflected in the annual budget, rather than through new entries in the annual procurement plan, since no additional solicitation or award processes were expected to occur.*

*The requirements referenced in the finding were excluded from the annual procurement plan because they are covered under existing framework contracts, and no new procurement processes were to be conducted during the financial year.*

*The Fund therefore included funds for all anticipated Call-Off requirements in the approved budget for the financial year, in compliance with the above Regulation.*

### **Authority's Comment**

The Authority noted that the Management response that acknowledged the observation but justified exclusion of framework contracts from the procurement plan, citing Regulation 7(4)(a) of the PPDA (Contracts) Regulations, 2023. However, it is essential to note that this interpretation does not align with the PPDA Act, Cap 205. While Regulation 7(4)(a) emphasizes budget inclusion, Section 60(2)(d) and 60(6) of the PPDA Act, Cap 205, and Regulation 3 of the PPDA (Procurement planning) Regulations, 2023, require rational planning and multi-year planning for procurements spanning multiple years. The Entity should always include framework contracts in the procurement plan to ensure transparency, accountability, and efficient resource use. The financial requirements reflected in the annual budget can be populated in the procurement plan, even when no new award is to take place.

### **Recommendation**

The Head Procurement and Disposal Unit should prepare Procurement Plans include all procurable items in accordance with Section 60 of the PPDA Act, Cap. 205.

### 2.1.5. Failure to conduct public bid opening

Section 74 of the PPDA Act, Cap. 205 requires all bidding processes to include the date for bid receipt and bid opening. Regulation 72(1) and (2) of PPDA (Rules and Methods for Procurement of Supplies Works and Non-Consultancy Services) Regulations 2023 requires the bids submitted under the open bidding method or the restricted bidding method to be opened at a public bid opening session and that bid opening shall be immediately after bid closing. In two procurements worth UGX.664,328,742, public bid opening was not done as shown in table 4. The Entity attributed this to limited staff who are sometimes unavailable to witness the bid opening session.

**Table 4: Procurements where public bid opening was not done**

No.	Subject of Procurement	Contract award (UGX)	Observations
1	Office partitioning works and assorted supplies and services	516,828,742	Bid closing and opening was supposed to be on 15 <sup>th</sup> March 2025 according to the bidding document and it was extended to 17 <sup>th</sup> March 2025. However, bids were kept and opened on 25 <sup>th</sup> March 2025 without communicating the rescheduled dates to the bidders officially, and proceeded to open bids without participation of bidders.
2	Support and maintenance services for share point and exchange in hybrid environments	147,500,000	Three bids were received on 6 <sup>th</sup> September 2024 and were opened on 23 <sup>rd</sup> September 2024 yet opening was supposed to be on the same date of receipt of bids. The Entity rescheduled bid opening dates from the previously communicated dates in the bidding documents but did not communicate the rescheduled dates to the bidders officially, and proceeded to open bids without participation of bidders.

#### **Implication**

Failure to conduct public bid opening compromise the transparency and fairness of the procurement process which undermines bidder confidence.

### **Management Response**

*Management acknowledged the findings and recommendation. Management will continue to strengthen compliance with the public bid opening timelines as communicated in the bidding documents.*

### **Recommendation**

The Head Procurement and Disposal Unit should always conduct a public bid opening in accordance with Section 74 of the PPDA Act, Cap 205 and Regulation 72(1) and (2) of PPDA (Rules and Methods for Procurement of Supplies Works and Non-Consultancy Services) Regulations 2023. In addition, the Entity should ensure that scheduling of meetings and other activities are always done in consideration of the dates set for bid opening.

#### **2.1.6. Failure to incorporate NITA-U Certification in the evaluation Criteria.**

Regulation 3 (1) of the NITA-U (Certification of providers of Information Technology products and Services) Regulations, 2016. states that; ‘ ‘ a person shall not provide information technology products or services unless that person is certified in accordance with the NITA-U Act and the Regulations ‘ ‘.

Regulation 4 (1) of the NITA-U (Certification of providers of Information Technology products and Services) Regulations, 2016 states that; ‘ ‘the Authority (NITA-U) shall be responsible for the certification of providers of information technology products or services ‘ ‘.

PPDA Circular No. 1 of 2017 with regard to the need for certification of all Information Technology service providers for Government by NITA-U advised Procuring and Disposing Entities to always include certification of bidders by NITA-U as part of the documentary evidence for eligibility of the bidders when procuring Information Technology services.

The Authority observed that the eligibility criteria stated in Section 3.2 of the bidding document for Provision of Fortigate firewall licenses worth UGX. 186,086,000 did not include the requirement for bidders to have NITA-U certification contrary to the above legal provisions. The Authority however observed that the Best Evaluated Bidder submitted a NITA-U level 3 certificate.

### **Implication**

The Entity may contract with a provider who is not able to meet the minimum requirements or standards.

### **Management Response**

*Management acknowledged the observation regarding the omission of the NITA-U certification requirement from the eligibility criteria in Section 3.2 of the bidding document.*

*The omission arose from an oversight during the preparation of the solicitation documents, despite the legal provisions that require all providers of information technology products or services to be certified by NITA-U in accordance with Regulation 3(1) and Regulation 4(1) of the NITA-U (Certification of Providers of Information Technology Products and Services) Regulations, 2016, as well as the guidance provided under PPDA Circular No. 1 of 2017.*

Management noted, however, that the Best Evaluated Bidder voluntarily submitted a valid NITA-U Level 3 certificate, which provided assurance that the provider met the minimum technical standards expected under the regulatory framework.

Going forward, Management committed to ensuring that all future Information Technology procurement documents explicitly include NITA-U certification as a mandatory eligibility requirement, in full compliance with the NITA-U Regulations and PPDA Circular No. 1 of 2017. Measures will also be instituted within the Procurement and Disposal Unit to strengthen internal document reviews so that statutory requirements are consistently reflected in bidding documents.

**Authority’s Comment**

The Authority observed that the Management response acknowledged the oversight and the Entity committed to including NITA-U certification in future IT procurement documents. While the Best Evaluated Bidder met the requirement, it is crucial to include legal provisions in bidding documents to ensure transparency and fairness. This allows all bidders to know the requirements and compete on a level playing field. The Entity should ensure NITA-U certification is stated in bidding documents for all information technology products or services

**Recommendation**

The Head Procurement and Disposal Unit (HPDU) should in future prepare documents where the eligibility criteria include NITA-U certification in accordance with the PPDA Circular No. 1 of 2017 in regard to the need for certification of all Information Technology service providers for Government by NITA-U.

**2.1.7. Delays in the Conduct of Procurement Processes**

Section 51 of the PPDA Act, Cap.205 provides that all procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money. Delays were noted in the following two procurements worth UGX 664,328,742 as shown in Table 5 below:

**Table 5: Delays in the Procurement Process**

No.	Procurement Details	Observations	Management Responses
1.	Support and maintenance services for share point and exchange in hybrid environments at UGX 147,500,000	Delays were observed at the following stages: The required date as per form 5 was 26 <sup>th</sup> August 2024. The procurement was initiated on 5 <sup>th</sup> August 2024 and Accounting Officer approved it on 6 <sup>th</sup> August 2024. Contracts Committee approved the procurement on 23 <sup>rd</sup> August and the bid document was issued on 29 <sup>th</sup> August 2024 passed the required date	<i>For this particular requirement, the date of 26<sup>th</sup> August 2024 indicated on Form 5 as the date when the services would be required was erroneous and unrealistic. Based on the statutory timelines for the procurement of non-consultancy services, the process could not reasonably have been completed within a period of one (1) month from initiation to contract signature.</i>

No.	Procurement Details	Observations	<i>Management Responses</i>
		<p>specified on form. The contract was signed on 13<sup>th</sup> December 2024 and the users had to wait for 93 working days from the required date to contract signature. This was the result of poor time management in the procurement planning and execution leading to non-compliance with planned timelines.</p>	<p><i>Management will continue to guide users to set realistic and achievable timelines in compliance with the statutory procurement provisions.</i></p> <p><b>Authority's Comment</b> The Authority emphasizes setting realistic and achievable timelines in procurement planning while considering statutory procurement timelines to ensure compliance and timely delivery of services.</p>
2.	<p>Office partitioning works and assorted supplies and services UGX. 516,828,742</p>	<p>Bid notice was issued on 16<sup>th</sup> January 2025 and the closing was supposed to be on 12<sup>th</sup> February 2025. However, an addendum was issued and bid closing and opening was extended to 17<sup>th</sup> March 2025. Bid opening was done on 25<sup>th</sup> March 2025 after 5 working days. This delay was caused by inadequate planning and poor time management in the procurement process.</p>	<p><i>Management acknowledged the five-working-day delay between receipt of the bids and their opening on 17 March 2026 and 25 March 2025, respectively. The delay arose from the unavailability of key technical users required to participate in the bid opening session due to overlapping institution-wide activities at the time.</i></p> <p><i>Management committed to ensuring that activities such as receipt and opening of bids are scheduled at times when key technical users are available, in order to avoid similar delays in future.</i></p> <p><b>Authority's Comment</b> The Authority emphasizes proper planning and scheduling of bid opening sessions to ensure timely opening of bids.</p>

### **Implications**

Delays in procurement processes poses a risk to efficiently conducting public procurement processes thus denying the intended beneficiary's timely access to public goods and services.

### **Recommendation**

The Accounting Officer should task the Procurement and Disposal Unit, Contracts Committee, and User Departments to strengthen their collaboration to eliminate delays in procurement processes, in accordance with Section 51 of the PPDA Act, Cap. 205.

## **2.2. Compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap. 205 and PPDA Regulations, 2023**

### **2.2.1. Disposal**

The audit noted that the Entity did not dispose of assets in FY 2024/2025 because the quantity of items available for disposal were minimal and it is still consolidating additional obsolete assets to ensure that the disposal exercise is cost-effective and able to attract adequate value, rather than conducting piecemeal disposals. Therefore, there were no exceptions noted.

## **2.3. Efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety requirements**

### **2.3.1. Failure to appoint Contract Managers**

Regulation 50(1) of the PPDA (Contracts) Regulations, 2023 requires the Accounting Officer to appoint a person nominated from the User department as contract Manager. In three sampled procurements worth UGX 214,052,000 in table 6, the Accounting Officer did not appoint contract Managers which resulted to lack of contract implementation plans which hinders effective contract management.

**Table 6: Procurements where Contract Managers were not appointed**

<b>No.</b>	<b>Subject of Procurement</b>	<b>Amount (UGX)</b>
1.	Designing, printing and supply of branded items	60,062,000
2.	Provision of Events production services for the ARC conference	92,099,000
3.	Supply of assorted office supplies	61,891,000

### **Implication**

This poses a risk to effective management of the obligations and duties of the providers to make certain that all contract terms and conditions are duly fulfilled.

### **Management Response**

*Management acknowledged the findings and recommendation.*

*Management will continue to strengthen compliance with the requirement for appointment of Contract Managers for all procurements.*

### **Recommendation**

The Authority took note of the Entity's response and recommended that the Accounting Officer should always appoint contract Managers for all procurement and disposal transactions in accordance with Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023.

### 2.3.2 Failure to prepare Contract Management Reports

Regulation 52 (3 (a)(vii) of the PPDA (Contracts) Regulations 2023, requires that a Contract Manager shall ascertain that all contract management records are kept and archived. In three procurements worth UGX 680,964,077, there were no contract management reports on file as detailed in Table 7 below:

**Table 7: Procurements where Contract Management reports were not prepared**

No.	Procurement Details	Contract Award (UGX)
1.	Office partitioning works and assorted supplies and services	516,828,742
2.	Provision of Events production services for the ARC conference	92,099,000
3.	Supply and installation of solar panels for Corporate Social Responsibility	72,036,335

#### **Implication**

Failure to avail contract management records affects audit trail and monitoring of contract performance.

#### **Management Response**

*Management acknowledged the findings and recommendation.*

*Except for the listed procurements, all other procurements have contract management reports on file. Management will continue to strengthen compliance with the reporting requirements for all procurements.*

#### **Recommendation**

The Authority noted the Entity's response and recommends that the Contracts Managers to always prepare contract management records for all Procurements in accordance with 52 (3 (a)(vii)) of the PPDA (Contracts) Regulations, 2023 and to avail copies of the contract management records to the Procurement and Disposal Unit to maintain a full procurement action files.

### 2.3.3 Failure to enforce submission of Performance Security

Regulation 11 (1) of the PPDA (Contracts) Regulations, 2023, requires that the bidding document shall state the requirement for a Performance Security or a Performance Securing Declaration. In the procurement of office partitioning works and assorted supplies and services worth UGX. 516,828,742, GCC 61.1 of the Special Conditions of the Contract required the provider to submit a performance security of 10%. However, this was not adhered to contrary to PPDA Guideline 4/2025 on bid and performance securities and Regulation 11 (1) (a) of the PPDA (Contracts) Regulations, 2023.

#### **Implication**

Failure to obtain Performance Security exposes the Entity to a risk of financial loss in the event of non-performance by the providers.

**Management Response**

*The entity acknowledged the Authority's observation and recommendation. The omission of the performance security requirement arose from an administrative oversight during contract implementation, despite the bidding document and the Special Conditions of Contract clearly stipulating the need for a 10% performance security.*

*Management wishes to emphasize that this was not an intentional non-compliance but an inadvertent lapse that occurred at the contract finalization stage. In order to ensure compliance, the Fund requested the contractor to submit the performance security, in line with the provisions of contract.*

*Going forward, the Procurement and Disposal Unit, together with the respective Contract Managers, will institute a compliance checklist to ensure that all providers submit the requisite performance securities in accordance with Regulation 11(1)(a) of the PPDA (Contracts) Regulations, 2023, and PPDA Guideline 3/2014 before commencement of any works.*

*Management remains committed to upholding the principles of accountability, value for money, and prudent contract management.*

**Recommendation**

Contract Managers should always task providers to submit performance security in accordance with Regulation 11 (1) (a) of the PPDA (Contracts) Regulations, 2023.

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

### 3.1 Overall audit Conclusion

The performance of the Deposit Protection Fund for the Financial year 2024/2025 was **Satisfactory** with overall weighted average risk rating of 24.15%.

### 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 8 below:

**Table 8: Risk Score**

Risk Rating	No.	%No	Value (UGX)	%	Weights	Total Weighted Score	
						By No.	By Value
High	-						
Medium	5	50	1,002,575,742	46.1	0.3	15	13.8
Low	2	20	133,927,335	6	0.1	0.2	0.06
Satisfactory	3	30	1,035,518,554	48	0	0	0
<b>Total</b>	<b>10</b>	<b>100</b>	<b>2,172,021,631</b>	<b>100</b>	<b>1</b>	<b>15.2</b>	<b>13.86</b>

$$\text{Weighted Average by number} = \frac{\sum \text{Weighted Score by number}}{60} \times 100 = \frac{15.2 \times 100}{60} = 25.3 \%$$

$$\text{Weighted Average by value} = \frac{\sum \text{Weighted Score by value}}{60} \times 100 = \frac{13.86 \times 100}{60} = 23.1 \%$$

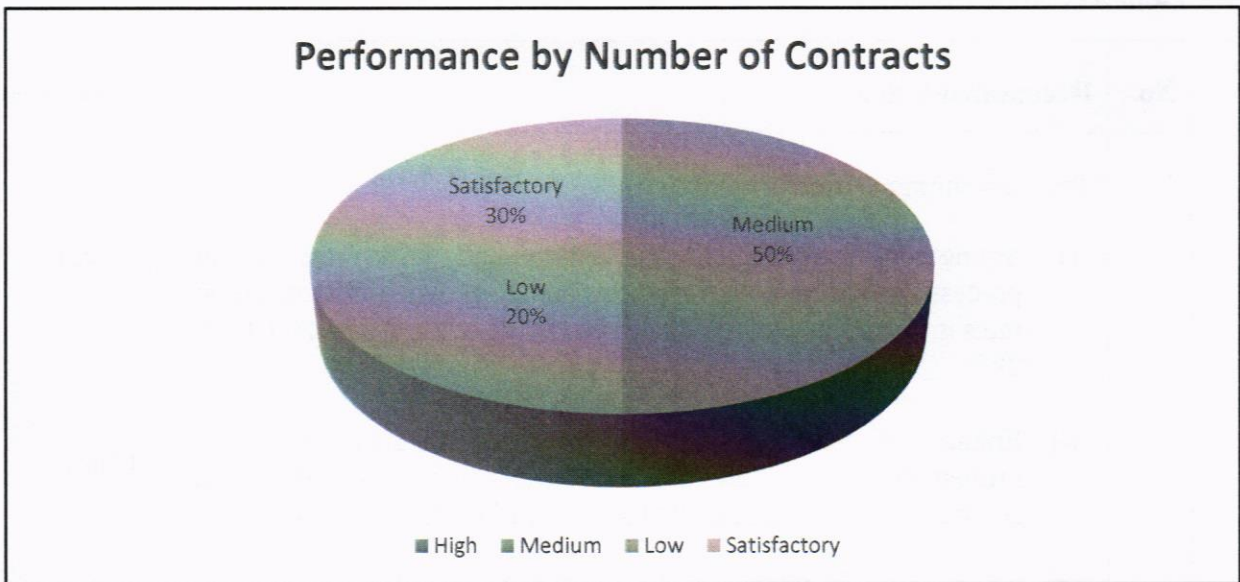
$$\text{The average weighted risk rating} = \frac{25.3 \% + 23.1 \%}{2} = 24.15 \%$$

Since 24.15% falls within the **0-30** risk range, the performance of the Entity is rated **Satisfactory** as detailed in Table 9 below:

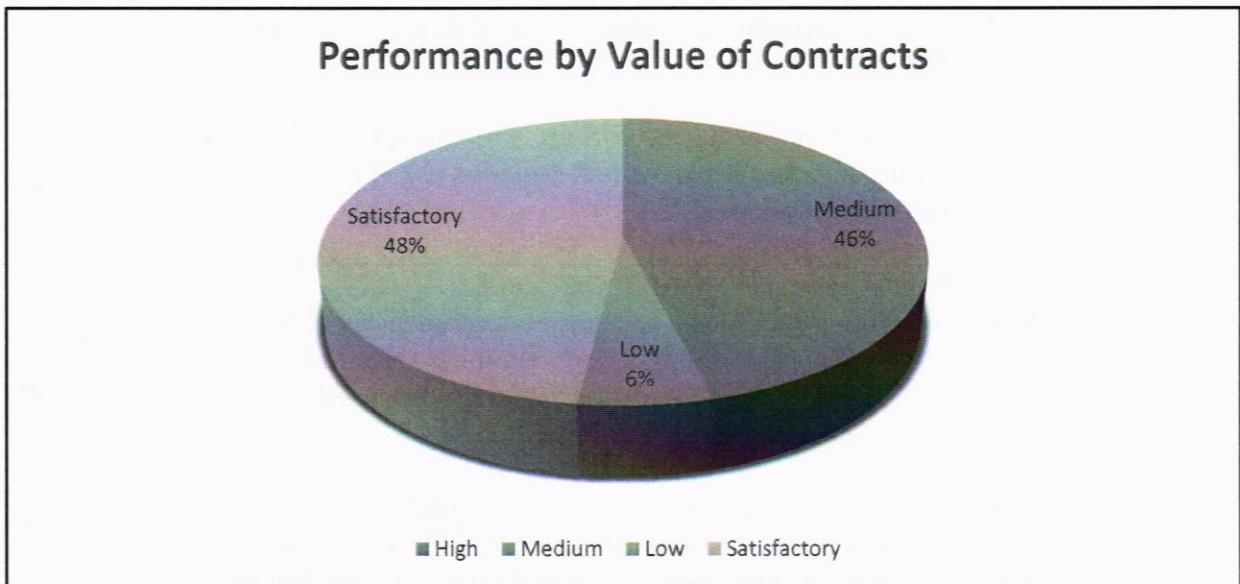
**Table 9: Risk Rating**

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

## GRAPHICAL REPRESENTATION OF THE ENTITY'S PERFORMANCE



*Figure 1: Performance by Number of Contracts (%)*



*Figure 2: Performance by Value of Contracts (%)*

### 3.3 Recommendation Action Plan

The Entity should implement the recommendations as indicated in Table 10 below:

**Table 10: Action Plan**

No.	Recommendation	Time Frame
1.	<p>The Accounting Officer should:</p> <ul style="list-style-type: none"> <li>i) Strengthens its procurement planning and market assessment processes to minimize variances and improve implementation rates in accordance with Section 60 (2) (d) of the PPDA Act, Cap. 205.</li> <li>ii) Engage all stakeholders to develop strategies to ensure implementation of all the Authority's recommendations in accordance with Section 10 (1) of the PPDA Act, Cap. 205.</li> <li>iii) Always report all procurement transactions in accordance with Regulation 15 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.</li> <li>iv) Ensure that Procurement and Disposal Unit, Contracts Committee, and User Departments strengthen their collaboration to eliminate delays in procurement processes, in accordance with Section 51 of the PPDA Act, Cap. 205.</li> <li>v) Appoint contract Managers for all Procurement and disposal transactions in accordance with Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023.</li> </ul>	<p>Continuous</p> <p>Continuous</p> <p>Continuous</p> <p>Continuous</p> <p>Continuous</p> <p>Continuous</p>
2.	<p>The Head, Procurement and Disposal Unit should:</p> <ul style="list-style-type: none"> <li>i) Always conduct a public bid opening in accordance with Section 74 of the PPDA Act, Cap 205 and Regulation 72(1) and (2) of PPDA (Rules and Methods for Procurement of Supplies Works and Non-Consultancy Services) Regulations 2023.</li> <li>ii) In future prepare documents where the eligibility criteria include NITA-U certification in accordance with the PPDA Circular No. 1 of 2017 in regard to the need for certification of all Information Technology service providers for Government by NITA-U.</li> <li>vi) Prepare Procurement Plans that include all procurable items, in accordance with Section 60 of the PPDA Act, Cap. 205</li> </ul>	<p>Continuous</p> <p>Continuous</p> <p>Continuous</p>

No.	Recommendation	Time Frame
3.	<p>Contract Managers should:</p> <p>i) Always prepare contract management records for all Procurements in accordance with 52 (3 (a)(vii)) of the PPDA (Contracts) Regulations, 2023 and to avail copies of the contract management records to the Procurement and Disposal Unit to maintain a full procurement action file.</p> <p>ii) Task providers to submit a performance security in accordance with Regulation 11 (1) (a) of the PPDA (Contracts) Regulations, 2023.</p>	<p>Continuous</p> <p>Continuous</p>

**Appendix 1: Findings and Rating on the individual contracts reviewed**

	<b>Medium Risk</b>	<b>Reason for risk rating</b>
1.	<p><b>Subject of Procurement:</b> Office partitioning works and assorted supplies and services</p> <p><b>Reference number:</b> DPF/WRKS/2024-25/00046</p> <p><b>Contract value:</b> Contract amount: 516,828,742</p> <p><b>Provider:</b> Contractor: Omega Uganda Ltd</p> <p><b>Method of procurement:</b> Open Domestic Bidding</p>	<p><b>Failure to conduct public bid opening.</b> Bid closing and opening was supposed to be on 15<sup>th</sup> March 2025 and it was extended to 17<sup>th</sup> March 2025. However, bids were kept and opened on 25<sup>th</sup> March 2025.</p> <p>There was a delay of 5 working days from 17<sup>th</sup> March 2025 when the bids were received to 25<sup>th</sup> March 2025 when they were opened.</p> <p>There were no contract management records</p> <p>Failure to enforce submission of Performance Security</p>
2.	<p><b>Subject of Procurement:</b> Designing, printing and supply of branded items</p> <p><b>Reference number:</b> DPF/SUPLS/2024-25/00041</p> <p><b>Contract value:</b> UGX: 60,062,000</p> <p><b>Provider:</b> Forward Arts Designers ltd</p> <p>Method of procurement: Request for Quotation</p>	<p>The Entity was supposed to have calendars for 2025 but they were not supplied</p> <p>Failure to nominate contract Managers</p>
3.	<p><b>Subject of Procurement:</b> Provision of Events production services for the ARC conference</p> <p><b>Reference number:</b> DPF/NCONS/2024-25/00003</p>	<p>Failure to nominate contract Managers</p> <p>There were no contract management records</p>

	<b>Medium Risk</b>	<b>Reason for risk rating</b>
	<p><b>Method of procurement:</b> Request for Quotation</p> <p><b>Provider:</b> Digital Visual Interface Ltd</p> <p><b>Contract award:</b> UGX:92,099,000</p>	
4.	<p><b>Subject of Procurement:</b> Support and maintenance services for share point and exchange in hybrid environments</p> <p><b>Reference number:</b> DPF/NCONS/2024-25/00012</p> <p><b>Provider:</b> Computer Revolution Africa (U) Ltd</p> <p><b>Contract value:</b> 147,500,000</p> <p><b>Method of procurement:</b> Request for Quotation</p>	<p>Three bids were received on 6<sup>th</sup> September 2024 and were opened on 23<sup>rd</sup> September 2024 yet opening was supposed to be on the same date of receipt of bids.</p> <p>The required date was 26<sup>th</sup> August 2024 but the contract was signed on 13<sup>th</sup> December 2024. The users waited for 93 working days from the required date to contract signature</p>
5.	<p><b>Subject of Procurement:</b> Provision of Fortigate firewall licences.</p> <p><b>Reference number:</b> DPF/NCONS/2024-25/00024</p> <p><b>Provider:</b> Mantra Technologies Ltd</p> <p><b>Contract value:</b> 186,086,000</p> <p><b>Method of procurement:</b> Request for Quotation</p>	<p>The Authority observed that the eligibility criteria stated in Section 3.2 of the bidding document did not include the requirement for bidders to have NITA-U certification contrary to the above legal provisions</p>
	<b>Low Risk</b>	
1.	<p><b>Subject of Procurement:</b> Supply of assorted office supplies-Supply of Christmas hampers LOT 1</p> <p><b>Reference number:</b> DPF/SUPLS/2024-25/00028/1-3</p>	<p>Failure to nominate contract Managers</p>

	<b>Medium Risk</b>	<b>Reason for risk rating</b>
	<p><b>Contract value:</b> UGX.61,891,000</p> <p><b>Provider:</b> Eko Arts Uganda Ltd</p> <p><b>Method of procurement:</b> Request for Quotation</p>	
2.	<p><b>Subject of Procurement:</b> Supply and installation of solar panels for CSR</p> <p><b>Provider:</b> New sun solar systems ltd</p> <p><b>Contract award:</b> UGX.72,036,335</p> <p><b>Reference number:</b> DPF/SUPLS/2024-25/00046</p> <p><b>Method of procurement:</b> Request for Quotation</p>	There were no contract management records
	<b>Satisfactory</b>	
1.	<p><b>Subject of Procurement:</b> Provision of office space</p> <p><b>Method of procurement:</b> Direct procurement</p> <p><b>Reference number:</b> DPF/NCONS/2024-25/00056</p> <p><b>Provider:</b> Bageine and company ltd</p> <p><b>Contract amount:</b> UGX.605,395,254</p>	
2.	<p><b>Subject of Procurement:</b> Provision of Security services</p> <p><b>Reference number:</b> DPF/SUPLS/2024-25/00027</p> <p><b>Method of procurement:</b> Restricted Domestic Bidding</p> <p><b>Provider:</b> Securex Agencies U Ltd</p> <p><b>Contract amount:</b> 163,123,300</p>	
3.	<p><b>Subject of Procurement:</b> Procurement of catering services</p> <p><b>Reference number:</b> DPF/NCONS/2023-2024/00021</p> <p><b>Method of procurement:</b> Request for Quotation</p>	

	<b>Medium Risk</b>	<b>Reason for risk rating</b>
	<b>Provider:</b> Katumba Estates Ltd <b>Contract amount:</b> 267,000,000	

**Appendix 2: Sampled procurements for Deposit Protection Fund for FY 2024/2025**

No.	Reference Number	Procurement subject	Procurement Method	Provider	Contract value (UGX)	Risk Rating
1.	DPF/NCONS/2024-25/00003	Provision of Events production services for the ARC conference	Request for Quotation	Digital Visual Interface Ltd	92,099,000	Medium
2.	DPF/NCONS/2024-25/00012	Support and maintenance services for share point and exchange in hybrid environments	Request for Quotation	Computer Revolution Africa U ltd	147,500,000	Medium
3.	DPF/NCONS/2024-25/00024	Provision of Fortigate firewall licences for the DR	Request for Quotation	Mantra Technologies Ltd	186,086,000	Medium
4.	DPF/NCONS/2024-25/00021	Provision of catering services of staff meals	Request for Quotation	Katumba Estates Ltd	267,000,000	satisfactory
5.	DPF/SUPLS/2024-25/00028/1	Supply of assorted office supplies Lot1. Christmas hampers	Request for Quotation	Eko Arts Uganda Ltd	61,891,000	Medium
6.	DPF/SUPLS/2024-25/00027	Provision of Security services	Restricted Domestic Bidding	Securex Agencies U Ltd	163,123,300	satisfactory
7.	DPF/SUPLS/2024-25/00046	Supply and installation of solar panels for CSR	Request for Quotation	New sun solar systems ltd	72,036,335	medium

No.	Reference Number	Procurement subject	Procurement Method	Provider	Contract value (UGX)	Risk Rating
8.	DPF/NCONS/2024-25/00056	Provision of office space	Direct procurement	Bageine and company ltd	605,395,254	satisfactory
9.	DPF/WRKS/2024-25/00046	Office partitioning works and assorted supplies and services	Open Domestic Bidding	Omega Uganda Ltd	516,828,742	High
10	DPF/SUPLS/2024-25/00041	Designing, printing and supply of branded items	Request for Quotation	Forward Arts Designers ltd	60,062,000	medium
<b>Total:</b>					2,172,021,631	

*Appendix 3: Risk Rating Criteria*

<b>RISK</b>	<b>DESCRIPTION</b>	<b>AREA</b>	<b>IMPLICATION</b>
<b>HIGH</b>	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry a risk for the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management.  Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	<b>Planning:</b> Lack of or failure to procure within the approved plan	This implies emergencies and the use of the direct procurement method which affects competition and value for money.
		<b>Bidding Process:</b> Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals, and usurping the powers of the PDU.	This implies the use of less competitive methods which affects transparency, accountability, and value for money.
		<b>Evaluation:</b> Use of inappropriate evaluation methodologies or failure to conduct an evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.
		<b>Record Keeping:</b> 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.
		<b>Fraud/forgery:</b> Falsification of Documents	This implies a lack of transparency and value for money.
		<b>Contract Management:</b> 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
<b>MEDIUM</b>	Procurements that were considered to have	<b>Planning:</b> Lack of initiation of procurements	This implies committing the Entity

RISK	DESCRIPTION	AREA	IMPLICATION
	<p>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.</p>	<p>and confirmation of funds.</p> <p><b>Bidding Process:</b> 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.</p> <p><b>Procurement Structures:</b> Lack of procurement structures</p> <p><b>Record Keeping:</b> Missing Contracts Committee records and incomplete contract management records.</p> <p><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 lack of notices of Best Evaluated Bidders.</p> <p>Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety.</p> <p>Aspects of gender, social inclusion, environment, health, and safety are not</p>	<p>without funds thereby causing domestic arrears.</p> <p>This implies a lack of efficiency, standardization, and avoiding competition.</p> <p>This implies a lack of independence of functions and powers and interference in the procurement process.</p> <p>This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.</p> <p>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.</p>

RISK	DESCRIPTION	AREA	IMPLICATION
		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 matches current market best practices. 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.	<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 a conflict of interest and a lack of transparency.
<b>SATISFACTORY</b>	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.		