



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

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

**PROCUREMENT AND DISPOSAL AUDIT REPORT FOR
FINANCIAL YEAR 2021/22**

BUGIRI DISTRICT LOCAL GOVERNMENT

MAY 2023

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ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
BOQs	Bill of quantities
CC	Contracts Committee
CIPS	Chartered Institute of Purchasing and Supply
EC	Evaluation Committee
FY	Financial Year
LPO	Local Purchase Order
LTD	Limited
MBA	Masters in Business Administration
PBS	Program Budgeting System
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PM	Per- month
PPDA	Public Procurement and Disposal of Public Assets Authority
PGD	Post Graduate Diploma
SOR	Statement of requirements
DLG	District Local Government
TCC	Tax Clearance Certificate
UGX	Uganda Shillings
UMI	Uganda Management Institute
URSB	Uganda Reigistation Services Bureau
USMID	Uganda Support to Municipal Infrastructure Development Program
VIP	Ventilated Improved Latrine

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Bugiri District Local Government that covered a representative sample of eighteen procurement transactions under the Financial Year 2021/22 and conducted specific performance audits on two UGIFT funded projects in the Financial Years 2018/19 and 2020/21.

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Bugiri District Local Government's procurement system and processes with the provisions of the PPDA Act, 2003 and the Local Governments (PPDA) Regulations, 2006 and assess the level of procurement performance over the audit period.

From the findings of the procurement audit exercise, the performance of Bugiri District Local Government for the Financial Year 2021/22 was **Satisfactory** with overall weighted average risk rating of **28.7%** as detailed in chapter 3 of the report.

Despite the satisfactory performance the following issues were noted:

1. The Accounting Officer had not duly constituted the Contracts Committee as it had only four members instead of the required five members who were also never inducted in their roles and responsibilities which may affect the effectiveness and efficiency of the procurement function contrary to Regulation 15 of the Local Governments (PPDA) regulations 2006.
2. The Internal Audit Unit did not conduct regular and comprehensive reviews of the procurement function in line with Regulation 28 of the Local Governments (PPDA) Regulations, 2006. This affects the internal mechanism to detect, prevent and propose corrective action in the processes of the Entity which hinders improvement.
3. The Accounting Officer did not put in place a strong mechanism to ensure that the Authority's previous audit recommendations are implemented. Consequently, the Entity did not implement (62%) of the previous recommendations in the audit report for the Financial Year 2017/2018 issued in July 2018.
4. The Head Procurement and Disposal Unit and the User Departments did not update the procurement plan to align it with the budgetary cuts contrary to Section 58 (4) and (5) of the PPDA Act, 2003. Consequently, the Entity did not implement 61.3% of the Entity's procurement budget for the Financial Year 2021/2022.
5. Inadequate evaluation criteria were set to evaluate the technical and financial capacity of the bidders in two procurements worth UGX 112,000,000 which did not state the parameters against which the assessment would be done in relation to the procurements. This may lead to poor quality deliveries and substandard work.
6. Low bidder participation was noted in ten procurement transactions worth UGX 685,283,402 as the Entity received less than three bids in response to invitations to bid under both the selective bidding procurement method and open bidding, an indicator of lack of confidence by bidders in the Entity's procurement processes. This was contrary to Section 46 of the PPDA Act, 2003 which provides that all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money.
7. The Contracts Committee irregularly approved the same evaluation committee members for all the open bidding procurements including; consultancy services, supply of motor vehicles and motorcycles among others. There were no specific Evaluation Committees for each approved procurement contrary to Regulation 27 (1) of the Local Governments (PPDA) Regulations 2006.
8. The Contractors did not submit performance securities in three procurements worth UGX 469,394,245 as required under the General Conditions of the Contract (GCC 61.1) of the

solicitation document which exposes the Entity to a risk of shoddy works or even abandonment of site by contractors without any form of redress or fallback position by the Entity.

9. In the procurement for construction of a maternity ward at Muterere HC II under UGIFT worth UGX 299,846,965, the Contractor charged sunk costs on the Entity that did not add any value to the project i.e. The bidders charged the cost of visiting the site before bidding on the Entity worth UGX 100,000, additionally UGX 500,000 was charged for testing materials but there was no evidence that this was done by the contractor.
10. In all the twenty sampled procurement transactions, there were no contract implementation plans prepared by contract supervisors contrary to Regulation 119 of the LG (PPDA) Regulations, 2006. Failure to prepare contract implementation plans hinders effective monitoring of contract performance thus affecting service delivery.
11. Two contracts worth UGX 260,517,807 lacked contract management reports on file during the audit period contrary to Regulation 119 (1) of the LG PPDA Regulations, 2006. Lack of contract management reports/progress reports and other records casts doubt on whether contracts were executed in accordance with contractual requirements and terms and conditions.

Key Recommendations made:

1. The Accounting Officer should follow up with the Permanent Secretary /Secretary to the Treasury and ensure that the Contracts Committee is fully constituted in accordance with Section 26 (1) (b) of the PPDA Act 2003 and members fully inducted in their roles and responsibilities.
2. The Accounting Officer should ensure that the Internal Auditor conducts periodic and annual comprehensive reviews of the procurement and disposal procedures of the Entity in accordance with Regulation 28 of the Local Governments (PPDA) Regulations, 2006.
3. The Accounting Officer with support from Internal Audit should come up with a strong mechanism that will ensure that all audit recommendations are regularly monitored and implemented so as to improve the Entity's performance. This could include sharing them with Internal Audit, training, including them among the key performance indicators, and discussing them in top management meetings, among others.
4. The Head Procurement and Disposal Unit together with User Departments should in accordance with Section 58 (4) and (5) of the PPDA Act, 2003 ensure that on a quarterly basis and in any other case, wherever necessary, they review and update the procurement plan to reflect any budgetary cuts and also ensure that the Secretary to the Treasury and the Authority are notified of any changes made to the procurement plan and submit the updated and approved plan to the Authority.
5. The Head Procurement and Disposal Unit should ensure that the solicitation documents prepared precisely, define the requirements in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity and have the most appropriate evaluation methodology and criteria in accordance with Regulations 48(2) & 48(4) of the Local Governments (PPDA) Regulations 2006.
6. The Accounting Officer should investigate the causes of low bidder participation leading to reduced competition in the Entity, thus affecting value for money and also formulate strategies to increase the procurement attractiveness in order to build confidence of bidders.
7. The Contracts Committee should ensure that separate Evaluation Committees are approved for each procurement with the adequate and relevant procurement knowledge, technical capabilities and appropriate seniority required to conduct a proper evaluation for the procurement in accordance with Regulation 27 of the LG (PPDA) Regulations, 2006.
8. The Accounting Officer should ensure that all conditions for contract effectiveness are met promptly upon signing by providers of the contract.

9. The Entity should discourage bidders from charging costs that have already been incurred and would not add any value to the project on the Entity. In addition, the Accounting Officer should task the contract supervisors to ensure that all monies paid to the contractors have proper accountabilities.
10. The Accounting Officer should prevail over contract supervisors to prepare contract implementation plans in accordance with Regulations 119 (3) of the Local Governments (PPDA) Regulations, 2006.
11. Heads of User Departments should charge all Contract Supervisors to submit progress reports/contract management reports and all contract implementation documentation in accordance with the Local Governments (PPDA) Regulations, 2006.

Bugiri District Local Government should implement the recommended action plan on pages **24 and 25**

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Bugiri District Local Government that covered a representative sample of eighteen procurement transactions under the Financial Year 2021/22 and conducted specific performance audits on two UGIFT funded projects in the Financial Years 2018/19 and 2020/21. The audit involved a review of the procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act 2003 and Local Governments (PPDA) Regulations 2006.

1.2 Overall Objective

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Bugiri District Local Government's procurement system and processes with the provisions of the PPDA Act 2003 and Regulations 2006 and assess the level of procurement performance over the audit period.

The specific objectives were:

1. To establish the level of compliance by the PDE with the general provisions of the PPDA Act 2003 and Local Governments (PPDA) Regulations, 2006;
2. To establish the level of compliance with the PPDA Act, 2003 and Local Governments (PPDA) Regulations, 2006 in the conduct of procurement and disposal activities; and
3. To assess the level of efficiency and effectiveness in contract implementation.

1.3 Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation on sample basis. The audit covered a representative sample of eighteen procurement transactions under the Financial Year 2021/22 and specific performance audits on two UGIFT funded projects conducted in the Financial Years 2018/19 and 2020/21. The list of sampled transactions is contained in **Annex 3**. Table 1 below details the distribution of the transaction population and sample:

Table 1: Distribution of the transaction population and sample

Procurement method	Popn Value(UGX)	Sample Value(UGX)	% Value	Popn no	Sample no	% no
Open National bidding	3,832,449,228	3,752,459,528	98	16	14	88
Selective National bidding	683,471,341	111,958,000	16	14	4	29
Total	4,515,920,569	3,864,417,528	86	30	18	60

NB: The performance of the selected two UGIFT projects was reviewed and reported on but did not form part of the sample as per the table above.

1.4 Methodology

The auditors examined records and documents for each sampled procurement transaction and/or disposal and obtained the relevant evidence to derive audit conclusions. This involved a review of the Entity's procurement and disposal planning, initiation, bidding, evaluation,

contract placement and processes. At the end of the document review, a physical verification was undertaken to ascertain the level of contractual delivery and fit for purpose.

During the audit, the auditors held interviews with the staff from the Procurement and Disposal Unit (PDU) and User Departments that were necessary in obtaining crucial qualitative information about the internal control systems and processes in place.

A debrief meeting to clear all pending issues that arose during the audit was held with the Entity management and staff on **8th March 2023** before the auditors could embark on preparation of the management letter. The auditors prepared the management letter, which was sent to the Entity on **22nd March 2023** with a request to submit a management response by **30th March, 2023** which was submitted on **30th March 2022**. The exit meeting was held on **30th March 2023** at PPDA Eastern Regional Offices.

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

1.5 Procurement Structure of the Entity

The key players in the procurement structure at Bugiri District Local Government included the Chief Administrative Officer as Accounting Officer, the Contracts Committee (CC), the Procurement and Disposal Unit (PDU) and the User Departments.

i. Accounting Officer

Section 26 of the PPDA Act 2003 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. The Chief Administrative Officer; Mr. Ezaruku Kazimiro was designated as the Accounting Officer of the Entity during the Financial Year 2021-2022.

ii. Staffing of the Procurement and Disposal Unit

The Authority noted that the Procurement and Disposal Unit was fully constituted with a Senior Procurement Officer (Head Procurement and Disposal Unit) and one Procurement Officer as shown in table 2 below:

Table 2: Composition of the procurement and Disposal unit

No	Name	Job Title	Qualifications	Date of Appointment
1.	Mrs. Brenda Namukuve	Senior Procurement Officer	<ul style="list-style-type: none"> • Bachelor of Procurement and Logistics Mgt. • Graduate Diploma in Procurement and Supply Chain Management • CIPS Level 5 advanced Diploma 	14 th May 2012

No	Name	Job Title	Qualifications	Date of Appointment
2.	Mr. Pontiano Kintu	Procurement Officer	Bachelor of procurement and Logistics Mgt KYU	17 March 2017

CHAPTER TWO: KEY FINDINGS AND RECOMMENDATIONS

2.1 LEVEL OF COMPLIANCE BY BUGIRI DLG WITH THE GENERAL PROVISIONS OF THE PPDA ACT, 2003 AS AMENDED AND THE LOCAL GOVERNMENTS (PPDA) REGULATIONS, 2006

2.1.1 Inadequate composition of the Contracts Committee

The composition of the Contracts Committee was as indicated in table 3 below:

Table 3: Member of the Contracts Committee

No	Name	Date of Appointment	Committee Position
1	Mr. Muhamed Nkwanga	17 th January 2022	Chairperson
2	Mr. Kenneth Okello	17 th January 2022	Member
3	Mr. Mutumba R. Mweze	17 th January 2022	Member
4	Ms. Benadey Kauma	17 th January 2022	Member

The Authority noted that the Accounting Officer had not duly constituted the Contracts Committee as it had only four members instead of the required five members who were also never inducted in their roles and responsibilities. This was contrary to Regulation 15 of the Local Governments (PPDA) regulations 2006

Implication

This may affect the effectiveness and efficiency of the procurement function.

Management Response

Management took note of this anomaly and promised to adhere to the Recommendation.

Recommendations

The Accounting Officer should follow up with the Permanent Secretary /Secretary to the Treasury and ensure that the Contracts Committee is fully constituted in accordance with Section 26 (1) (b) of the PPDA Act 2003 and members fully inducted in their roles and responsibilities.

2.1.2 Failure by Internal Audit to audit the entire procurement function in the Financial Year under review

There was no evidence to confirm that the Internal Audit Unit conducts regular and comprehensive reviews of the procurement function in line with Regulation 28 of the Local Governments (PPDA) Regulations, 2006.

Implication

The internal mechanism to detect, prevent and propose corrective action is not in-built in the processes of the Entity which hinders improvement.

Management Response

Management took note of the anomaly and promised to adhere to the Authority's Recommendations.

Recommendations

- The Accounting Officer should ensure that the Internal Auditor conducts periodic and annual comprehensive reviews of the procurement and disposal procedures of the Entity in accordance with Regulation 28 of the Local Governments (PPDA) Regulations, 2006.
- The Accounting Officer should formally request the Authority for training of the Internal Audit Department on the Procurement and Disposal Audit procedures and techniques.

2.1.3 Failure to fully implement 38% of the previous audit recommendations

The Authority noted that the Entity had been issued its previous audit report for the Financial Year 2017/2018 in July 2018. Out of 13 recommendations made, five (38%) recommendation were not implemented as detailed in table 4 below:

Table 4: Showing implementation of previous audit recommendations

No.	Recommendations	Status
1.	The Accounting Officer should expedite the appointment process of a new member to fulfill up the vacant position on the Contracts Committee	Not implemented
2.	The Accounting Officer should ensure that quarterly reports are submitted to the Authority by the 15 th day of the following month in accordance with Guideline no.6 of the LG (PPDA) Guidelines, 2008.	Not Implemented
3.	The Accounting officer should request the Authority for training in order to build the capacity of the various procurement players	Not Implemented
4.	The Head Procurement and Disposal Unit should ensure that Evaluation Committee members adhere to the principals of fairness, accountability and transparency in the evaluation process in accordance with Section 45 of the PPDA Act,2003	Not implemented
5.	The nominated Contracts Managers should ensure that contract implementations are prepared upon receipt of the contract and formed a copy to the Head of the Contracts Committee, internal audit and the Accounting Officer for monitoring purposes in accordance with Regulations 119(3) of the LG(PPDA) of the LG(PPDA)Regulations, 2006	Not implemented

Implication

Implementation of audit recommendations aids in strengthening of internal controls within the Entity and where recommendations are not implemented the Entity risks a weakened control environment. This could be related to having a weak implementation mechanism that affects performance of the procurement function and is an indicator of a weak implementation mechanism by the Entity.

Management Response

Management took note of the anomaly and promised to adhere to the Authority's Recommendations.

Recommendations

The Accounting Officer with support from Internal Audit should come up with a strong mechanism that will ensure that all audit recommendations are regularly monitored and implemented so as to improve the Entity's performance. This could include sharing them with

Internal Audit, training, including them among the key performance indicators, and discussing them in top management meetings, among others.

2.1.4 Non implementation of 61.3% of the procurement plan

Table 5 below summarizes information about the procurement plan, budget, and utilization of funds for the FY 2021/2022. The procurement plan implementation rate was 38.7% while the implementation variance was 61.3% worth UGX 6,915,513,694.

Table 5: Procurements Implementation Rate

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	11,296,191,847
Total procurement spend value inclusive of VAT	4,380,678,153
Procurement plan implementation rate (%)	38.7%
Implementation variance (UGX)	6,915,513,694

Implication

Failure to fully implement the procurement plan denies the delivery of those services to the intended beneficiaries.

Management Response

The Entity Experienced budget cuts from the central Government. Therefore, this was beyond our control.

Recommendation

The Authority noted the Entity's response and recommends that the Head Procurement and Disposal Unit together with User Departments should in accordance with Section 58 (4) and (5) of the PPDA Act, 2003 ensure that on a quarterly basis and in any other case, wherever necessary, they review and update the procurement plan to reflect any budgetary cuts and also ensure that the Secretary to the Treasury and the Authority are notified of any changes made to the procurement plan and submit the updated and approved plan to the Authority.

2.2 LEVEL OF COMPLIANCE WITH THE PPDA ACT, 2003 AND THE PPDA LOCAL GOVERNMENTS REGULATIONS 2006 IN THE CONDUCT OF PROCUREMENT AND DISPOSAL ACTIVITIES

2.2.1 Inadequate evaluation criteria requirements

It was noted that the criteria set to evaluate the technical and financial capacity of the bidders was inadequate in two procurements worth UGX 112,000,000. The Entity did not state the specific parameters that would be used to assess the bidders' technical and financial capacity in relation to the procurement. The Contracts Committee also did not exercise its oversight function of scrutinizing the submissions from the Procurement and Disposal Unit to ensure quality. Table 6 below shows the two procurements that were affected.

Table 6: Procurements with inadequate financial and technical evaluation criteria

No.	Subject of procurement	Contract Value (UGX)	Observations
1.	Construction of a five stance pit latrines at Mayuge	28,000,000	<ul style="list-style-type: none"> Inadequate evaluation criteria that did not; State the specific experience of similar works that was required from the bidders

No.	Subject of procurement	Contract Value (UGX)	Observations
			<ul style="list-style-type: none"> State the specific financial capacity requirements of the firm.
2.	Consultancy services for siting of deep boreholes	84,000,000	The evaluation criteria required the bidders to attach evidence of possession of key personnel without stating in particular the qualifications of those personnel.
Total		112,000,000	

Implication

Inadequate solicitation documents mislead providers which results into submission of non-responsive bids, cause challenges during evaluation and contract implementation, deter competition and may also lead to contracting of incompetent providers.

Management Response

Management took note of the anomaly and promised to adhere to the Authority's Recommendations.

Recommendations

- The Head Procurement and Disposal Unit should ensure that the solicitation documents prepared, precisely define the requirements of the Entity in a manner that leaves no doubt or assumption by a bidder in regard to the same. The solicitation document should have the most appropriate evaluation methodology and criteria in accordance with Regulations 48(2) & 48(4) of the Local Governments (PPDA) Regulations 2006.
- The Contracts Committee should ensure that the bidding documents are scrutinized for quality before approval.

2.2.2 Low bidder participation

The audit revealed that the Entity received less than three bids in ten procurement transactions worth UGX 685,283,402 in response to invitations to bid under both the selective bidding procurement method and open bidding which maybe an indicator of lack of confidence by bidders in the Entity's procurement processes. This was contrary to Section 46 of the PPDA Act, 2003 which provides that all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money. These procurements are indicated in Table 7 below:

Table 7: Procurements with low bidder participation

No.	Subject of Procurement	Contract Value (UGX)	No of firms invited	Number of bids received
1.	Construction of a five stance pit latrines at Mayuge	28,000,000	3	1
2.	Consultancy services for siting of deep boreholes	84,000,000	3	2
3.	Construction of a three classroom block at Kimira Primary School	99,703,000	3	2
4.	Renovation and expansion of District Health Officer's office	69,847,250	3	1

No.	Subject of Procurement	Contract Value (UGX)	No of firms invited	Number of bids received
5.	Construction of a 3 classroom block at Buduma Progressive Primary School	99,562,280	3	1
6.	Construction of a 2 classroom block at Ndifakulya Primary School	70,303,300	3	2
7.	Construction of a five stance pit latrines at Imuri P/S	27,999,000	3	1
8.	Renovation of a staff house and a 5 stance lined pit latrine at Nkaiza HCII	79,989,700	3	1
9.	Construction of a five stance pit latrine at Bulidha P/S	27,980,000	3	1
10.	Completion of renovation of maternity ward at Naderema	97,898,872	3	1
Total/Average		685,283,402		

Implications

- This could be a sign of bidder collusion, lack of information to bidders and subjective award of tenders.
- This could also be a sign of possible loss of confidence by bidders in the procurement processes of the Entity due to issues in the Entity such as failure by members of the Evaluation Committees to adhere to the set criteria thus failure to obtain competitive offers.

Management Response

The Entity was in agreement with the audit finding and pledged to comply with the recommendation.

Recommendations

The Accounting Officer should investigate the causes of low bidder participation leading to reduced competition in the Entity, thus affecting value for money and also formulate strategies to increase the procurement attractiveness in order to build confidence of bidders.

2.2.3 Appointment of permanent evaluation committees regardless of project nature and complexity

The Contracts Committee approved the same evaluation committee members for all the open bidding procurements including; consultancy services, supply of motor vehicles and motorcycles among others. There were no specific Evaluation Committee members for each approved procurement contrary to Regulation 27 (1) of the Local Governments (PPDA) Regulations 2006.

Implication

Having a permanent evaluation committee for all procurement transactions would compromise the desired skills and expertise required at evaluation since each requirement is unique in nature and could lead to unethical tendencies.

Management Response

All these items were advertised at the same time. In order to expedite the process Contracts Committee considered one team that had the technical expertise to handle those procurements and also ensured that all User Departments were ably represented.

Recommendation

The Contracts Committee should ensure that separate Evaluation Committees are approved for each procurement with the adequate and relevant procurement knowledge, technical capabilities and appropriate seniority required to conduct a proper evaluation for the procurement in accordance with Regulation 27 of the LG (PPDA) Regulations, 2006.

2.3 LEVEL OF EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION

2.3.1 Failure to submit a performance security

The Authority noted that in three procurements worth UGX 469,394,245, the Contractors did not submit performance securities as required under the General Conditions of the Contract (GCC 61.1) of the solicitation document.

Table 8: Procurements where the Contractors failed to submit performance security

No	Subject of Procurement	Contract Amount (UGX)	Performance security (%)
1.	Construction of a classroom block at Buduma Progressive primary school	99,562,280	10%
2.	Renovation of OPD at Maziriga HC II	69,985,000	5%
3.	Construction of maternity ward at Muterer HC under UGIFT	299,846,965	5%
Total		469,394,245	

Implication

Failure to provide performance security exposes the Entity to a risk of shoddy works or even abandonment of site by contractors without any form of redress or fall back position by the Entity.

Management Response

Management stated that the copies of the required securities were attached for verification.

Recommendation

The Authority noted the Entity's response, however, there was no documentary evidence attached. The Authority recommends that the Accounting Officer should ensure that all conditions for contract effectiveness such as submission of a performance security and advance payment security are met promptly upon signing by providers of the contract, otherwise, the contract should be cancelled in favour of the next Best Evaluated Bidder.

2.3.2 Charging sunk costs on the Entity

The Authority noted that in the procurement for construction of maternity ward at Muterer HC II under UGIFT worth UGX 299,846,965, the bidders charged sunk costs on the Entity that

did not add any value to the project i.e. The bidders charged the cost of visiting the site before bidding on the Entity worth UGX 100,000, Additionally UGX 500,000 was charged for testing materials but there was no evidence that this was done by the contractor.

Implication

This inhibits achievement of value for money.

Management Response

Management took note of this anomaly and promised to adhere to the recommendation.

Recommendations

- The Entity should discourage bidders from charging costs that have already been incurred and would not add any value to the project on the Entity.
- Additionally, the AO should task the contract supervisor to ensure that all monies paid to the contractors have proper accountabilities.

2.3.3 Signing contracts inclusive of VAT

The Authority noted that the procurement for construction of maternity ward at Muterere HC II under UGIFT worth UGX 299,846,965 was signed inclusive of VAT worth UGX 53,972,454 and yet the registration certificate on file indicated that the provider had not been registered for VAT.

Implication

This occasioned a financial loss to the Government of Uganda.

Management Response

Management took note of the anomaly and promised to adhere to the recommendation.

Recommendation

The Accounting Officer should refer this matter to the Uganda Revenue Authority for further investigation and possible recovery of these monies.

2.3.4 Failure to prepare contract implementation plans

The audit revealed that in all the 20 sampled procurement transactions, there were no contract implementation plans prepared by contract supervisors contrary to Regulation 119 of the LG (PPDA) Regulations, 2006.

Implication

Failure to prepare contract implementation plans hinders effective monitoring of contract performance thus affecting service delivery.

Management Response

Management took note of the anomaly and promised to adhere to the recommendation.

Recommendation

The Authority recommends that the Accounting Officer should prevail over contract supervisors to prepare contract implementation plans in accordance with Regulation 119 (3) of the Local Governments (PPDA) Regulations, 2006.

2.3.5 Failure to maintain complete procurement action files.

The Authority noted that the following two contracts entered into by the Entity worth UGX 260,517,807 lacked contract management reports on file during the audit period contrary to Regulation 119 (1) of the LG PPDA Regulations, 2006. Details of these procurement are given in table 9 below;

Table 9: Procurements with missing records

No	Subject of Procurement	Amount (UGX)	Missing records
1.	Procurement of motor vehicle	190,670,557	<ul style="list-style-type: none">• Payment documents• Evidence of delivery• The letter seeking approval to procure vehicles from Ministry of Public service was not on file.
2.	Renovation and expansion of District Health Officer's office	69,847,250	<ul style="list-style-type: none">• Payment documents were not on file.• Interim payment certificates
Total		260,517,807	

Implications

- Lack of contract management reports/progress reports and other records casts doubt on whether contracts were executed in accordance with contractual requirements and terms and conditions.
- This indicates failure by the Entity to account for public funds.

Management Response

Management stated that the contract management documents had been provided for review.

Recommendations

The Authority noted the Entity's Response, however, there were no reports attached for the two procurements indicated above. The Authority therefore recommends as follows:

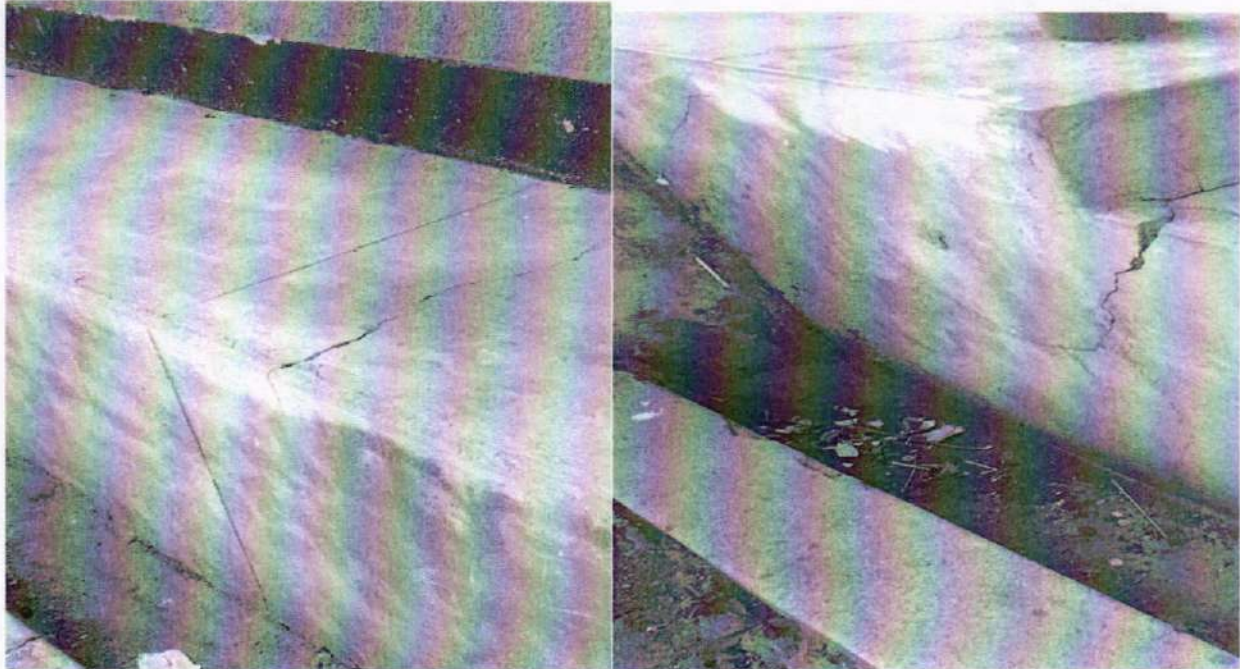
- Heads of User Departments should charge all Contract Supervisors to submit progress reports/contract management reports and all contract implementation documentation in accordance with the Local Governments (PPDA) Regulations, 2006.
- The Accounting Officer should direct the Finance Department to always share copies of payments records with the Procurement and Disposal Unit in order for procurement action files to be closed off.

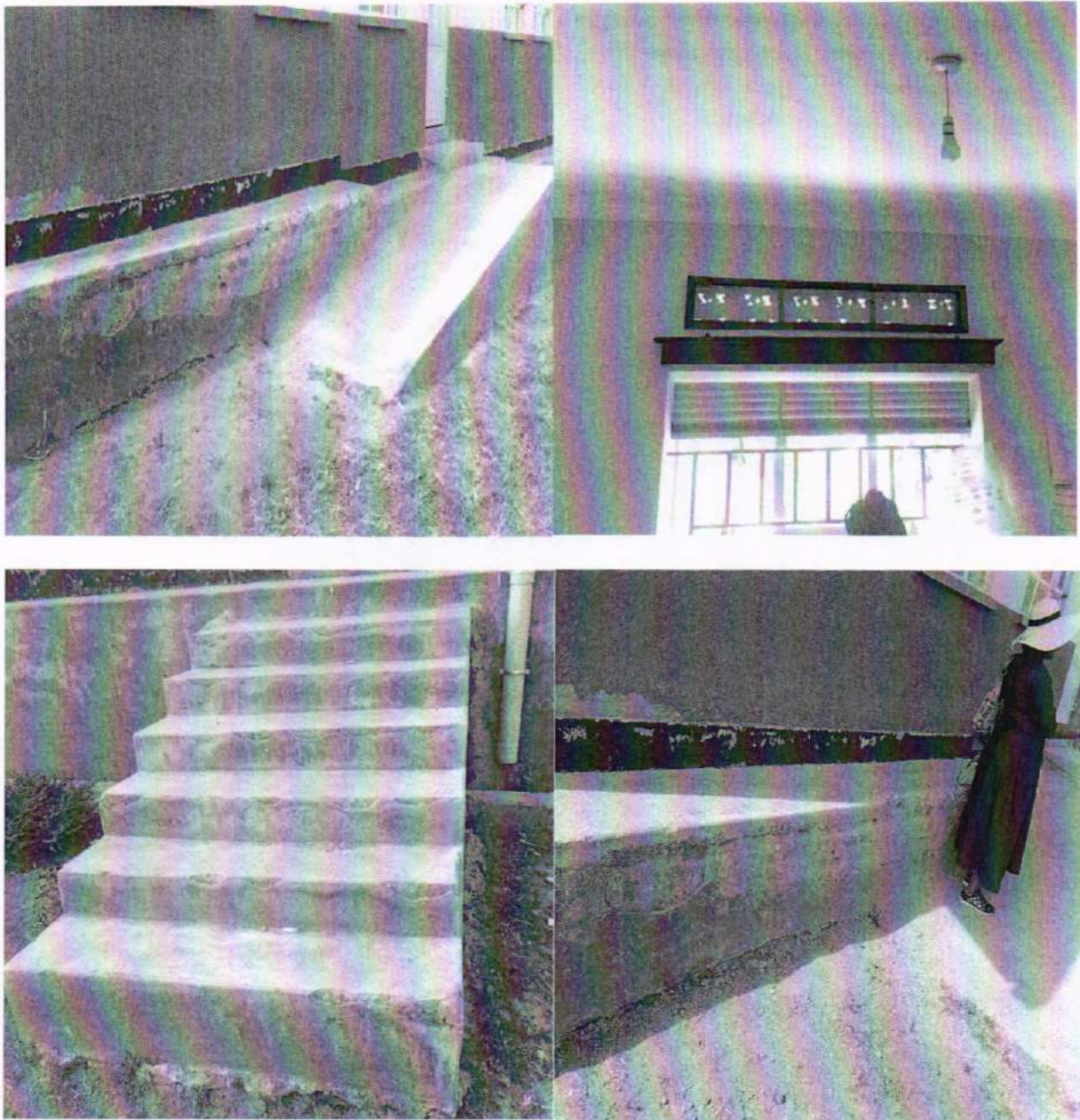
2.3.6 Failure to implement projects as per the specifications

The Authority conducted physical verification on 16 projects worth UGX 3,565,173,091 on 2nd March 2023 and 1 project worth UGX. 2,538,757,362 had some issues for management attention as per table 10 below:

Table 10: Issues noted during physical verification

Contract name: Construction of Iwemba Seed Secondary School
Contract Value: UGX 2,538,757,362
Contractor: District Engineer
Contractual completion date: 17th /05/2019





Captioned above is the construction of Iwemba Seed Secondary School

The following were noted:

- Cracks had developed on the ceiling.
- One of the Windows at the Administrative block could not be opened.
- The pipe had broken along the splash apron.
- Paint was pilling of on the laboratory block.

Implication

Irregularities at contract implementation compromise quality and the intended beneficiaries do not get the desired effects of the services delivered.

Management Response

The contract is still within the defects liability period.

Recommendation

The Accounting Officer should task the District Engineer to ensure that the above defects are rectified within the defects liability period failure of which the Accounting Officer should forward the contractor to the Authority for suspension hearing.

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 Compliance Inspection Conclusion

The performance of Bugiri DLG for the Financial Year 2021/22 was **Satisfactory** with overall weighted average risk rating of **28.7%**.

Table 11: The risk rating criteria

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

3.2 Entity's Risk Assessment

The table below shows the Entity's performance per risk category based on the sampled procurements:

Table 12: Showing summary of risk assessment of Soroti City

Risk Category	Number of Sampled Procurements	%Number	Value(UGX)	% Value
High	2	11	260,517,807	7
Medium	4	22	618,998,245	16
Low	9	50	2,900,943,476	75
Satisfactory	3	17	83,958,000	2
Total	18	100	3,864,417,528	100

3.3 Entity's Performance

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

Risk category	Rating (By Number)	Weights	Total weighted Average	Rating (By Value)	Weights	Total weighted Average
High	11.11111111	0.6	6.666666667	6.741450817	0.6	4.04487049
Medium	22.22222222	0.3	6.666666667	16.01789249	0.3	4.805367747
Low	50	0.1	5	75.06806537	0.1	7.506806537
Satisfactory	16.66666667	0	0	2.172591326	0	0
Total	100	1	18.33333333	100		16.35704477

Table 13: Showing weighted risk assessment of Soroti City

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{18.3}{60} \times 100 = 30.5\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{16.3}{60} \times 100 = 27\%$$

$$\text{Combined Weighted Average} = \frac{30.5 + 27}{2} = 28.7\%$$

Figure 1: Showing graphical representation of the Entity's risk assessment by number

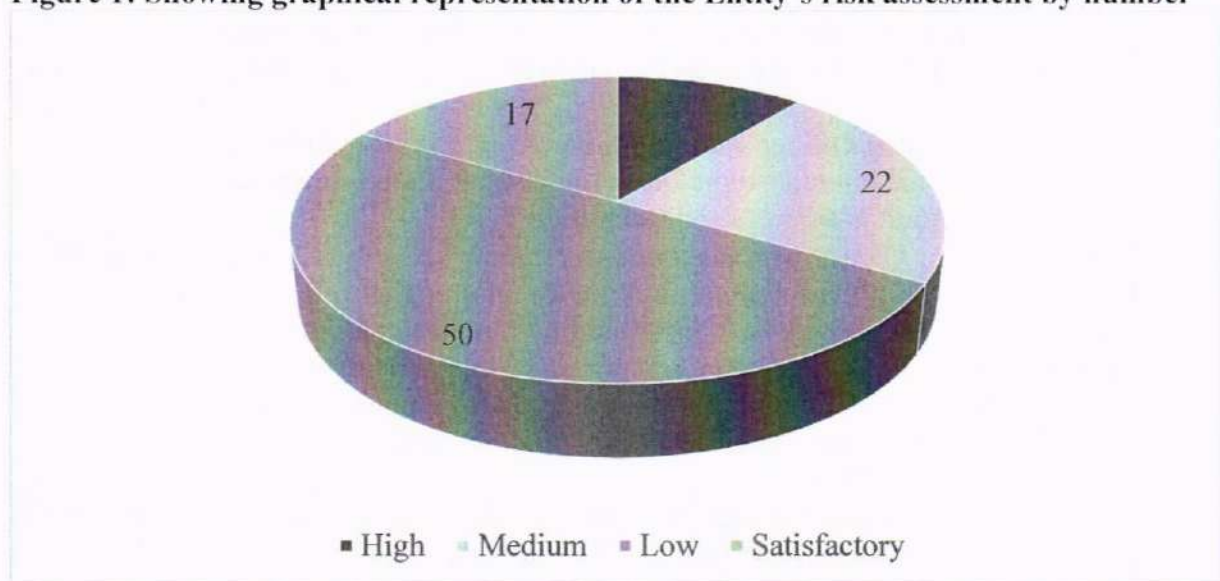
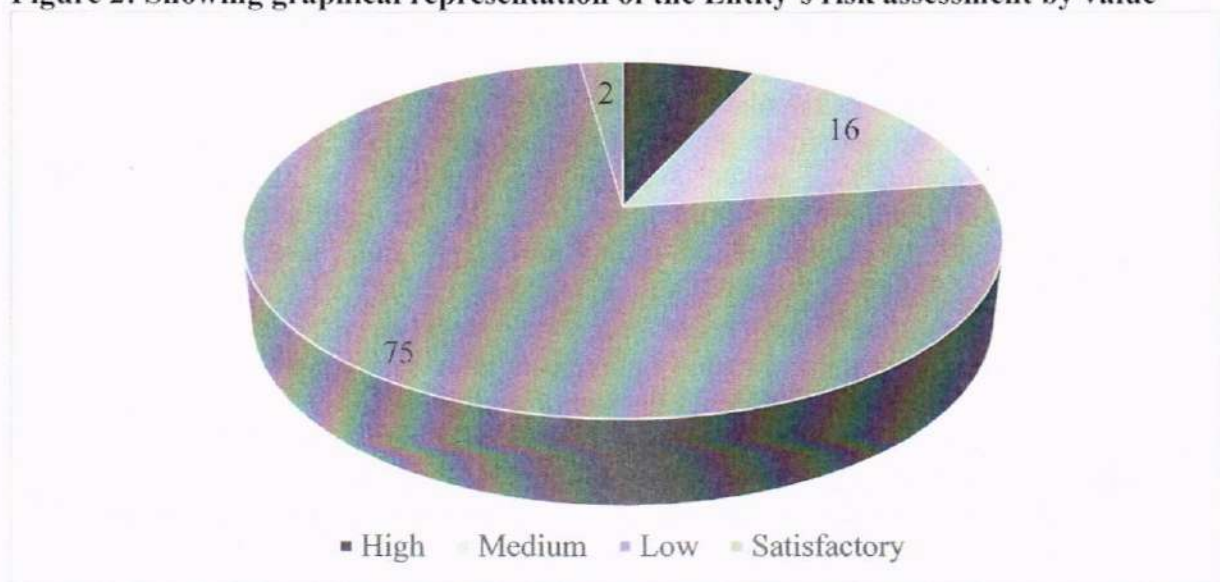


Figure 2: Showing graphical representation of the Entity's risk assessment by value



Recommended Action Plan

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

Table 14: Recommended Action plan

No.	Recommendation	Target Date
1.	The Accounting Officer should follow up with the Permanent Secretary /Secretary to the Treasury and ensure that the Contracts Committee is fully constituted in accordance with Section 26 (1) (b) of the PPDA Act 2003 and members fully inducted in their roles and responsibilities.	August 2023
2.	<ul style="list-style-type: none">The Accounting Officer should ensure that the Internal Auditor conducts periodic and annual comprehensive reviews of the procurement and disposal procedures of the Entity in accordance with Regulation 28 of the Local Governments (PPDA) Regulations, 2006.The Accounting Officer should formally request the Authority for training of the Internal Audit Department on the Procurement and Disposal Audit procedures and techniques.	August 2023
3.	The Accounting Officer with support from Internal Audit should come up with a strong mechanism that will ensure that all audit recommendations are regularly monitored and implemented so as to improve the Entity's performance. This could include sharing them with Internal Audit, training, including them among the key performance indicators, and discussing them in top management meetings, among others.	August 2023
4.	<ul style="list-style-type: none">The Head Procurement and Disposal Unit should ensure that the solicitation documents prepared, define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity and have the most appropriate evaluation methodology and criteria in accordance with Regulations 48(2) & 48(4) of the Local Governments (PPDA) Regulations 2006.The Contracts Committee should ensure that the bidding documents are scrutinized for quality before approval.	August 2023
5.	The Accounting Officer should investigate the causes of low bidder participation leading to reduced competition in the Entity, thus affecting value for money and also formulate strategies to increase the procurement attractiveness in order to build confidence of bidders.	August 2023
6.	The Contracts Committee should ensure that separate Evaluation Committees are approved for each procurement with the adequate and relevant procurement knowledge, technical capabilities and appropriate seniority required to conduct a proper evaluation for the procurement in accordance with Regulation 27 of the LG (PPDA) Regulations, 2006.	August 2023
7.	The Accounting Officer should ensure that all conditions for contract effectiveness are met promptly upon signing by providers of the contract, otherwise, the contract should be cancelled in favour of the next Best Evaluated Bidder.	August 2023
8.	The Accounting Officer should ensure that all conditions for contract effectiveness such as submission of a performance security and	August 2023

No.	Recommendation	Target Date
	advance payment security are met promptly upon signing by providers of the contract, otherwise, the contract should be cancelled in favour of the next Best Evaluated Bidder.	
9.	<ul style="list-style-type: none"> • The Entity should discourage bidders from charging costs that have already been incurred and would not add any value to the project on the Entity. • Additionally, the AO should task the contract supervisor to ensure that all monies paid to the contractors have proper accountabilities. 	August 2023
10.	The Accounting Officer should prevail over contract supervisors to prepare contract implementation plans in accordance with Regulations 119 (3) of the Local Governments (PPDA) Regulations, 2006.	August 2023

Annex C: Findings and rating on the individual contracts reviewed

No	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	<p>Reference Number: 504Bugi/wrks/21-22/00137 Subject: Renovation and expansion of District Health Officer's office Procurement method: Open National bidding Contractor: Tebex Superior Services Contract value: UGX 69,847,250</p>	<p>Bidding</p> <ul style="list-style-type: none"> • There was low bidder participation as only one bid was received from Tebex <p>Evaluation</p> <p>Contracting and Contract Management</p> <ul style="list-style-type: none"> • Failure to provide the performance security of 10% in accordance with GCC52.1. <p>Missing records</p> <ul style="list-style-type: none"> • Payment documents were not on file. • Interim payment certificates not seen
2.	<p>ReferenceNumber:504Bugi/SUPLS/21-22/00004 Subject: Procurement of motor vehicle Procurement method: Open national biding Contractor: Cooper Motor Corporation (U) Ltd Contract value: UGX 190,670,557</p>	<p>Bidding</p> <p>Low bidder participation as only one bid was received from the Cooper Motors Ltd.</p> <p>Missing document</p> <ul style="list-style-type: none"> • Payment documents • Evidence of delivery yet delivery completion period was 30 days upon signing a contract. • The letter seeking approval to procure vehicles from Ministry of Public service was not on file.

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	<p>Reference No: 504BUGI/WRKS/21-22/000136 Subject: Renovation and expansion of OPD at Bulidha HC III Procurement method: Open National bidding Contractor: Hoyo Twins Limited Contract value: UGX 149,604,000</p>	<p>Contracting</p> <ul style="list-style-type: none"> • It was noted that there was remittance of VAT to a non VAT registered contractor, whereas the certificate of registration dated 7th February 2017 indicated that the provider was not VAT registered the Entity signed the contract with the provider inclusive of VAT at UGX 149,604,000 and went ahead to remit the VAT amount to the contractor. • Failure to prepare contract implementation plans. • Appointment of permanent EC committees for all open bidding projects
2.	<p>ReferenceNumber:504Bugi/Wrks/21-22/00007 Subject: Construction of a 3 classroom block at Buduma Progressive Primary School Procurement method: Open National bidding Contractor: Tebex Superior Services Ltd Contract value: UGX 99,562,280</p>	<p>Bidding</p> <ul style="list-style-type: none"> • There was low bidder participation as two bids were received from Tebex Superior Services ltd and Restoration 2010 Company Limited <p>Contracting and Contract Management</p> <ul style="list-style-type: none"> • There was failure to provide the performance security of 10% in accordance with GCC52.2.

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
3.	<p>Reference No: 504 BUG/WKS/21-22/00133</p> <p>Subject: Construction of maternity ward at Muterere HC under UGFIT</p> <p>Procurement method: Open national bidding</p> <p>Contractor: Nabo International Uganda Limited</p> <p>Contract value: UGX 299,846,965</p>	<ul style="list-style-type: none"> • Bidding • There was low bidder participation and One bidder received. • There was no evidence that the provider submitted a 5% performance security contrary to GCC 52.1 that a performance security shall be required. • Contracting • There was charging of sunk costs on the Entity and also the bidders charged the cost of visiting the site before bidding on the Entity worth UGX 100,000. • There were no results of sample tests and yet the contractor charged UGX 500,000 for testing materials. (Payment for activities not taken) • The contract was signed inclusive of VAT at UGX 299,846,965 and yet the registration certificate indicated the the provider had not been registered for VAT.
4.	<p>Reference No: 504BUGI/WRKS/21-22/000133</p> <p>Subject: Renovation of OPDP at Maziriga</p> <p>Procurement method: Open National bidding</p> <p>Contractor: Sonsole General Contractors</p> <p>Contract value: UGX 69,985,000</p>	<ul style="list-style-type: none"> • No evidence of a performance security. Yet GCC 53.1 stated that a performance security would be worth 5% shall be required. • Failure to prepare contract implementation plans. • Appointment of permanent EC committees for all open bidding projects

No	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	<p>Reference Number: 504BUGI/SRVCS/21-22/00005</p> <p>Subject: Construction of a three classroom block at Kimira Primary School</p> <p>Procurement method: Open National al bidding</p> <p>Contractor: Shalka General Enterprises(U)Ltd</p> <p>Contract value: UGX 99,703,000</p>	<p>Planning and Initiation</p> <ul style="list-style-type: none"> • There was low bidder participation as only two bids were received from Shalka General Enterprises Ltd and Nabo International. • Failure to prepare contract implementation plans. • Appointment of permanent EC committees for all open bidding projects
2.	<p>ReferenceNumber:504BUGI/SRVCS/21-22/00001</p> <p>Subject: Consultancy services for siting of deep boreholes</p> <p>Procurement method: Open national bidding</p>	<p>Bidding</p> <ul style="list-style-type: none"> • There was low bidder participation as only two bids were received from LHM Ground water and Ozarks Engineering Ltd. • Failure to prepare contract implementation plans.

No	LOW RISK CONTRACTS	REASONS FOR LOW RISK
	Contractor: LHM Ground water exploration & Geo Mapping services Ltd Contract Value: UGX 84,000,000	<ul style="list-style-type: none"> • Appointment of permanent EC committees for all open bidding projects
3.	Reference Number: 504BUGI/Wrks/21-22/000003 Subject: Rehabilitation of 40 deep wells Procurement method: Open National bidding Contractor: Bandana Engineers Ltd Contract value: UGX 152,710,000	<ul style="list-style-type: none"> • Failure to prepare contract implementation plans. • Appointment of permanent EC committees for all open bidding projects
4.	ReferenceNo: 504 Bugi/Wrks/21-22/00001 Subject: Drilling, casting and installation of 14 no deep wells Procurement method: Open national bidding Contractor: Galaxy Grotech U Limited Contract value: UGX 296,821,035	No contract implementation plan
5.	ReferenceNo: 504Bugi/Wrks/2122/00002 Subject: Construction of piped water scheme for Mayuge Town Council Procurement method: Open national bidding Contractor: Virma Technical Investments Limited Contract value: UGX 2,039,516,141	No contract implementation plan
6.	Reference No: 504 WKS/21-22/00131 Subject: Completion of renovation of a maternity ward at Nanderema Procurement method: Open National bidding Contractor: Dankik enterprises limited Contract value: UGX 97,890,000	<ul style="list-style-type: none"> • Low bidder participation, only one bid received. • No contract implemnetation plan
7.	Reference No: 504BIUGI/SUPLS/21-22/00004 Subject: Supply and delivery of two motor cycles Procurement method: Open National bidding Contractor: Simba Automotive Contract value: UGX 32,000,000	<ul style="list-style-type: none"> • Failure to prepare contract implementation plans. • Appointment of permanent EC committees for all open bidding projects
8.	Reference No: 504BUGI/wrks/21-22/00012 Subject: Construction of a five stance pit latrines at Mayuge	Bidding <ul style="list-style-type: none"> • There was low bidder participation as only one bid was received from Musaha General Enterprises Ltd.

No	LOW RISK CONTRACTS	REASONS FOR LOW RISK
	Procurement method: Selective bidding Contractor: Musaha General Enterprises Ltd Contract value: UGX 28,000,000	<ul style="list-style-type: none"> Inadequate evaluation criteria. The criteria did not require bidders to attach experience in doing similar works.
9.	Reference Number: 504Bugi/Wrks/21-22/00011 Subject: Construction of a 2 classroom block at Ndifakulya Primary School Procurement method: Open Bidding Contractor: Techsys Limited Contract value: UGX 70,303,300	Bidding There was low bidder participation as only two bids were received from Interbuild Tec Services and Techsys.

No	SATISFACTORY CONTRACTS	REASONS FOR SATISFACTORY
1.	<ul style="list-style-type: none"> 504BUGI/WRKS/21-22/00013 Construction of a five stance pit latrines(lined) at ndifakulya P/s Selective bidding Red Buck Investments Ltd 27,998,000 	No exceptions noted
2.	<ul style="list-style-type: none"> 504BUGI/WRKS/21-22/00010 Construction of a five stance pit latrines(lined) at Bulidha P/s Selective bidding Hoyo Twins Limited 	No exceptions noted
3.	<ul style="list-style-type: none"> 504BUGI/WRKS/21-22/00011 Construction of a five stance pit latrines(lined) at Wakawaka P/s Selective bidding Hoyo Twins Limited 27,980,000 	No exceptions noted

SEED SCHOOLS CONDUCTED IN SUBSEQUENT FINANCIAL YEARS

NO	DETAILS	ISSUES
1.	<p>Reference No: Moes/Ugift/Wrks/18-19/00119 Subject: Construction of Iwemba Seed Secondary School in Iwemba Sub County Procurement method: Open national bidding Contractor: Bobedie construction services Limited Contract value: UGX 2,538,757,362</p>	<p>Physical verification defects Defects were noted in the construction of Iwemba Seed Secondary School as noted below;</p> <ul style="list-style-type: none"> • Cracks had developed on the ceiling. • One of the Windows at the Administrative block could not be opened. • The pipe had broken along the Valanda. <p>Paint was pilling of on the laboratory block.</p>
2.	<p>MOES/UGIFT/WRKS/2020-2021/0005-LOT39 Construction of Budhaya Seed Secondary School Open national bidding Ms Kranima Eco Solutions Limited Contract Amount 3,194,718,115</p>	<p>Delayed contract signature</p>

Annex 3: Transaction list and rating per case

BUGIRI DISTRICT LOCAL GOVERNMENT SAMPLE LIST FOR FINANCIAL YEAR 2021/2022

No.	Reference Number	Subject of Procurement	Method of Procurement	Providers	Contract Amount (UGX)	Risk Rating
1.	504BUGI/SRVCS/21-22/000001	Consultancy services for siting of deep bore holes	Open National bidding	LHM Ground water exploration and Geo Mapping services Ltd	84,000,000	Low
2.	504BUGI/SRVCS/21-22/000001	Drilling of deep bore hole	Open National bidding	Galaxy Agrotech (U) Ltd	296,821,035	Low
3.	504BUGI/WRKS/21-22/000002	Construction of piped water scheme for Mayuge Town Council	Open National bidding	Virmar Technical Investments Ltd	2,039,516,141	Low
4.	504BUGI/WRKS/21-22/000003	Rehabilitation of deep wells	Open National bidding	Bandana Engineers Ltd	152,710,000	Low
5.	504BUGI/WRKS/21-22/000133	Construction of maternity ward at muterere HC III	Open National bidding	Nabo International (U) Ltd	299,846,965	Medium
6.	504BUGI/WRKS/21-22/000131	Renovation of Nanderema HCII	Open National bidding	Dankik Enterprises Ltd	97,890,000	Low
7.	504BUGI/WRKS/21-22/000006	Construction of a three classroom block at Buduma progressive P/S	Open National bidding	Tebex Superior Services	99,562,280	Medium
8.	504BUGI/WRKS/21-22/000005	Construction of a three classroom block at Kimira P/S	Open National bidding	Shalka General Enterprises Ltd	99,703,000	Low risk
9.	504BUGI/WRKS/21-22/00011	Construction of a two classroom block at Ndifakulya P/S	Open National bidding	Techsys Limited	70,303,300	Low
10.	504BUGI/WRKS/21-22/000135	Renovation of OPD at Maziriga HC II	Open National bidding	Sonsole General Contractors	69,985,000	Medium
11.	504BUGI/WRKS/21-22/000136	Renovation and expansion of OPD at Bulidha HC III	Open National bidding	Hoyo Twins Limited	149,604,000	Medium
12.	504BUGI/WRKS/21-22/000137	Renovation and expansion of DHOS office	Open National bidding	Tebex Superior Services Ltd	69,847,250	High

No.	Reference Number	Subject of Procurement	Method of Procurement	Providers	Contract Amount (UGX)	Risk Rating
13.	504BUGI/WRKS/21-22/00010	Construction of a five stance pit latrines(lined) at Bulidha P/s	Selective bidding	Hoyo Twins Limited	27,980,000	Satisfactory
14.	504BUGI/WRKS/21-22/00011	Construction of a five stance pit latrines(lined) at Wakawaka P/s	Selective bidding	Hoyo Twins Limited	27,980,000	Satisfactory
15.	504BUGI/WRKS/21-22/00012	Construction of a five stance pit latrines(lined) at Mayuge P/s	Selective bidding	Musaha General Enterprises (U)Ltd	28,000,000	Low
16.	504BUGI/WRKS/21-22/00013	Construction of a five stance pit latrines(lined) at ndifakulya P/s	Selective bidding	Red Buck Investments Ltd	27,998,000	Satisfactory
17.	504BIUGI/SUPLS/21-22/00004	Procurement of motor vehicle	Open national bidding	Cooper Motor Corporation (U)Ltd	190,670,557	High
18.	504BIUGI/SUPLS/21-22/00004	Supply and delivery of two motor cycles	Open national bidding	Simba Automotive	32,000,000	Low

SEED SCHOOLS CONDUCTED IN SUBSEQUENT FINANCIAL YEARS

1.	Moes/Ugift/Wrks/18-19/00119	Construction of Iwemba Seed Secondary School in Iwemba Sub County	Open national bidding	Bobedie construction services Limited	2,538,757,362
2.	MOES/UGIFT/WRKS/2020-2021/0005-LOT39	Construction of Budhaya Seed Secondary School	Open national bidding	Ms Kranima Eco Solutions Limited	3,194,718,115

Annex C: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry risk for the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	Planning: Lack of or failure to procure within the approved plan	This implies emergencies and use of the direct procurement method which affects competition and value for money.
		Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals and usurping the powers of the PDU.	This implies use of less competitive methods which affects transparency, accountability and value for money.
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing	Planning: Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		Bidding Process: Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of	This implies lack of efficiency, standardisation and avoiding competition.

RISK	DESCRIPTION	AREA	IMPLICATION
	management framework to ensure a formal and effective system of management controls is put in place. Such	issue and receipts of bids, usage of non-qualified firms and splitting procurement requirements.	
	procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.	Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management	Planning: Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
	framework is considered desirable to improve efficiency or to ensure that the business matches	Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

RISK	DESCRIPTION	AREA	IMPLICATION
	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.		

SATISFACTORY

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