



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

"Procurement That Delivers"

**PROCUREMENT AUDIT REPORT FOR LWENGO DISTRICT LOCAL
GOVERNMENT FOR THE FINANCIAL YEAR 2022/2023**

APRIL 2024

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ACRONYMS

ESHS	Environmental, Social, Health and Safety
FY	Financial Year
HC	Health Center
Ltd	Limited
PDE	Procurement and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
S/C	Sub County
UGIFT-AF	Uganda Intergovernmental Fiscal Transfers-Additional Financing
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a Procurement audit on the procurement and disposal activities of Lwengo District Local Government that covered a representative sample of 19 procurement transactions under the Financial Year 2022/23.

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

From the findings of the procurement and disposal audit exercise, the performance of Lwengo District Local Government for the Financial Year 2022/23 was **moderately satisfactory** with an overall weighted average risk rating of **36.6%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the Procurement and disposal audit report.

Despite the moderately satisfactory performance, the following key exceptions were noted:

1. The Entity failed to fully implement 58% of the previous audit recommendations for Financial Year 2019/2020, implying that there is no mechanism in place to implement PPDA recommendations by the Entity;
2. User Departments failed to avail for review, key documentation such as contract management records which included contract management reports, completion certificates and payment vouchers in 57% of the sampled procurements worth UGX 1,073,996,028. This greatly affected the audit trail and further casts doubt on whether contract supervisors effectively monitored the contracts and ensured timely payment of contractors as per the contractual obligations;
3. The Entity failed to incorporate aspects of Environmental, Social, Health and Safety (ESHS) safeguards in the bills of quantities for all sampled works projects worth UGX 1,651,509,154 (except works under UGIFT-AF funding) implying that these aspects were not covered by the contractors during contract implementation which could expose the Entity to unnecessary litigation with associated costs and/or environmental degradation;
4. The Entity failed to dispose of obsolete assets identified by the Board of Survey Report for Financial Year 2021/2022. There was no disposal plan in place and the User Departments failed to initiate disposal proceedings for the obsolete assets under their management. Therefore, the Entity is at risk of incurring losses from further depreciation of the assets due to prolonged hoarding;
5. Lower Local Governments failed to uphold the key principles of transparency and accountability while implementing road works worth UGX 651,462,105 under Force Account Mechanism contrary to Circular No. 3 of 2012 to Local Governments on the use of Force Account Mechanism dated 21st September 2012. This may expose the Entity to fraudulent activities through abuse of Force Account Mechanism; and
6. Unjustified delay by the Procurement and Disposal Unit to seek Contracts Committee approval during the initiation stage in four procurements worth UGX 130,800,880 under selective bidding procurement method. All the four procurements were initiated at the same time and had a delay period of 197 days from when the Accounting Officer confirmed availability of

funding to when the Procurement and Disposal Unit sought Contracts Committee approval. These delays increase the procurement lead times and in turn deters efficient service delivery to the intended beneficiaries.

In light of the above, Lwengo District Local Government should implement the following recommendations:

1. The Accounting Officer should:
 - i. Ensure that all recommendations by the Authority are shared with all Departments of the Entity for action and institute a mechanism to ensure 100% implementation in accordance with Section 9 (4) of the PPDA Act, 2003;
 - ii. Task contract supervisors/Heads of User Departments to avail the necessary records to the Procurement and Disposal Unit to enable the process of closing off the respective procurement action files in accordance with Section 31 (o) of the PPDA Act, 2023;
 - iii. Ensure that the appointed force account supervisor handles force account activities in accordance with Circular No. 3 of 2012 to Local Governments on the use of Force Account Mechanism dated 21st September 2012;
 - iv. Put in place measures that eliminate unnecessary delays and ensure that the procurement processes within the Entity promotes efficiency in accordance with Section 46 of the PPDA, Act 2003; and
 - v. Ensure that going forward, the District Environment Officer and District Community Development Officer are involved at the initiation stage for works projects so as to ensure that aspects of Environmental, Social, Health and Safety (ESHS) safeguards are incorporated and consequently the bills of quantities are costed accordingly.
2. The Head Procurement and Disposal Unit should efficiently implement all procurement processes in accordance with Section 48 of the PPDA Act, 2003.
3. The Heads of User Departments should initiate the process for disposal of all boarded off assets under their management in accordance with Regulation 3 of the PPDA (Disposal of Public Assets) Regulations, 2023.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out a procurement and disposal audit of Lwengo District Local Government that covered a representative sample of 19 procurement transactions under the Financial Year 2022/23. 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, 2003, and Local Governments (PPDA) Regulations, 2006.

1.2 Objective of the Procurement audit

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

The specific objectives of the audit were to:

- a) To establish the level of compliance by the Entity with the general provisions of the PPDA Act, 2003 and Regulations 2006 with regard to the performance of the procurement structures and conduct of procurement processes.
- b) To assess the degree of compliance of the Entity' disposal process with the provisions of the PPDA Act, 2003 and Regulations 2006.
- c) To assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process.

1.3 Procurement structures

Lwengo District Local Government's procurement structures were in place. There was a substantive Accounting Officer, Contracts Committee comprising of four members, a fully instituted Procurement and Disposal Unit and ad hoc Evaluation Committees were appointed for each procurement transaction.

a. Accounting Officer

At the time of audit 16th October 2023, the Accounting Officer at Lwengo District Local Government was Mr. George Ntulume.

b. Procurement and Disposal Unit

The Procurement and Disposal unit was fully constituted with a Senior Procurement Officer and Procurement Officer as detailed in Table 1 below:

Table 1: Composition of the Procurement and Disposal Unit

S/N	Name	Job Title
1.	Mr. Frank Baine	Senior Procurement Officer
2.	Mr. Oscar Busingye	Procurement Officer

c. Contracts Committee composition

Contracts Committee was not fully constituted, only four members out of five had been appointed as detailed in Table 2 below:

Table 2: Composition of the Contracts Committee

S/N	Name	Committee Position
1.	Mr. Joseph Mazinga	District Community Development Officer, Chairperson
2.	Ms. Deborah Nassozi	District Health Educator
3.	Mr. Gonzaga Mbazira	District Inspector of Schools
4.	Mr. Godfrey Mutemba	District Environmental Officer

1.4 Scope of the procurement audit

PPDA carried out the procurement and disposal audit of the Lwengo District Local Government from **16th October 2023 to 25th October 2023**. The exercise covered a sample of nineteen procurement transactions worth **UGX 5,588,463,934** conducted during the FY 2022/2023, a review of procurement structures and a review of the procurement plan performance. The list of sampled transactions is contained in **Annex B** and an analysis of the population against the sample is also highlighted in Table 3 below:

Table 3: Analysis of the population and sample selected for the audit of FY2022/23

S/N	Procurement method	Population		Sample		Percentage	
		Value (UGX)	No.	Value (UGX)	No.	Value	No.
1.	Open Domestic bidding	4,898,598,429	13	4,798,598,429	9	97.9%	69%
2.	Selective bidding	172,865,505	8	172,865,505	7	100	100
3.	Direct procurement	617,000,000	1	617,000,000	1	100	100
Total		5,688,463,934	22	5,588,463,934	19	98.2%	90.9%

1.5 Methodology

Lwengo District Local Government was notified about the upcoming exercise on **5th October, 2023**. A sample of nineteen procurement transactions was selected based on stratified random sampling using Contracts Committee minutes, the contracts register, and quarterly procurement and disposal reports.

Two Senior Performance Monitoring Officers conducted the exercise under the supervision of the Regional Manager Western Region. During the exercise, the team examined records and documents for each of the 19 sampled procurement transactions. The team also reviewed the procurement plan for the Financial Year 2022/2023.

On completion of data collection, members of the team met with various stakeholders such as the Accounting Officer, Contracts Committee members, Procurement and Disposal Unit staff, and

User Department representatives to discuss and get clarifications on some of the preliminary findings. A management letter was sent to the Entity on **8th December 2023** with a request to submit a management response by **18th December 2023** which was submitted on **21st February 2024**, the day of exit meeting.

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

1.6 Reporting

Reporting is in a format that identifies the findings by exception, the level of risk and the recommendations. The procurements are rated in four categories according to the weakness identified namely; High risk, Medium risk, Low risk and Satisfactory. The definition of the risk rating is in **Annex D**.

CHAPTER TWO: FINDINGS OF THE AUTHORITY

COMPLIANCE OF THE ENTITY WITH THE PROVISIONS OF THE PPDA ACT, 2003 AND THE LOCAL GOVERNMENTS (PPDA) REGULATIONS, 2006 WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND THE CONDUCT OF THE PROCUREMENT PROCESSES

2.1. Failure to fully implement PPDA recommendations from Financial Year 2019/20

Regulation 14 (k) of the Local Governments (PPDA) Regulations, 2006 states that “An Accounting Officer shall have the overall responsibility for the successful execution of the procurement, disposal and contract management processes in the Procuring and Disposing Entity and be responsible for implementing the recommendations of the Authority”.

The Authority noted that only 42% of the previous recommendations for Financial Year 2019/2020 were fully implemented leaving 8% partially implemented and 50% not implemented as detailed in Table 4 below:

S/N	Recommended Action	Status
1.	User Departments should ensure that when submitting the initiation form, the statements of requirements are attached to the form in accordance with Regulation 65 (1) (a) of the Local Governments (PPDA) Regulations, 2006.	Partially implemented
2.	The Head Procurement and Disposal Unit and Contracts Committee should ensure that the annual procurement plan is prepared in the format issued by the Authority in accordance with Regulation 62 (4), (b) of the Local Governments (PPDA) Regulations, 2006.	Not Implemented
3.	The Head, Procurement and Disposal Unit should always obtain a signed receipt or other confirmation of receipt of the documents from a bidder to whom the solicitation documents are sold or issued in accordance with Regulation 66 (4) of the Local Governments (PPDA) Regulations, 2006.	Not implemented
4.	The Contracts Committee should prior to approval, check contract documents for completeness in accordance with Regulation 85 (1) and (2) of the Local Governments (PPDA) Regulations, 2006.	Not implemented
5.	The Head Procurement and Disposal Unit should ensure that at least three bids are obtained and where necessary, engage providers from neighboring districts under the selective bidding method to promote competition in accordance with the Fourth Schedule of the PPDA Act, 2003.	Not implemented
6.	The Head Procurement and Disposal Unit should plan for all assets that were recommended by the board of survey report in the disposal plan according to Section 58 (1) of the PPDA Act, 2003.	Not implemented

Implication

This implies that the Entity does not have in place a mechanism for implementing PPDA recommendations.

Management response

The Accounting Officer noted the anomaly and pledged to implement the recommendations in the subsequent Financial Year as required.

Recommendation

The Accounting Officer should ensure that all recommendations by the Authority are shared with all Departments of the Entity for action and institute a mechanism to ensure 100% implementation in accordance with Section 9 (4) of the PPDA Act, 2003.

2.2. Failure to fully constitute the Contracts Committee

Regulation 15 of the Local Government (PPDA) Regulations, 2006, states that “The Contracts Committee shall consist of five members nominated by the Chief Administrative Officer and approved by the Secretary to the Treasury.” Section 26 (a) of the PPDA Act, 2003 also states that “The Accounting Officer shall be responsible for establishing a Contracts Committee in accordance with the Act.”

The Authority noted that the District Contracts Committee was composed of the following four members as opposed to the five members. Furthermore, there was no evidence availed to the auditors to show that names of staff members were submitted to PS/ST for approval in order to fill the vacant position. Table 5 below shows the composition of the Contracts Committee.

Table 5: Composition of the Contracts Committee

S/N	Name	Committee Position
1.	Mr. Joseph Mazinga	District Community Development Officer, Chairperson
2.	Ms. Deborah Nassozi	District Health Educator
3.	Mr. Mbazira Gonzaga	District Inspector of Schools
4.	Mr. Godfrey Mutemba	District Environmental Officer

Implication

Inadequate composition of the Contracts Committee may deter the Contracts Committee from fully executing its functions.

Management response

The Accounting Officer noted the anomaly and explained that a fifth member of the Contracts Committee had been nominated and submitted to PS/ST for approval.

Authority’s comment

The Authority noted that the Entity submitted for verification a letter addressed to PS/ST dated 3rd January 2024 but failed to show evidence in form of acknowledgment of receipt of that letter by the PS/ST.

Recommendation

The Accounting Officer should expedite the nomination and approval process for the fifth member of the Contracts Committee in accordance with Section 26 (a) of the PPDA Act, 2003.

2.3. Procurement planning

The following anomalies were noted under procurement planning:

2.3.1. Wrong format of the procurement plan

Regulation 62 (3) and (4) (d) of the Local Governments (PPDA) Regulations, 2006 states that “A procurement and disposal unit shall use the combined work plan to plan, organize, forecast and schedule the procurement activities of the PDE for the financial year.” “The combined work plan for the Procuring and Disposing Entity shall include a plan of the likely method of procurement for each requirement and the likely time required for each stage in the procurement cycle.

The Authority found that the Entity's procurement plan submitted to the Authority was not prepared in the format provided by the Authority. It lacked key planned procurement process timelines such as planned initiation dates, bid invitation dates, evaluation dates, and completion dates for all of the planned procurements contrary to Regulation 62 (4), (d) of the Local Governments (PPDA) Regulations, 2006.

Management response

The Accounting Officer noted the anomaly and explained that during the time of the audit, an updated procurement plan for FY 2022/23 dated 28th June 2023 that captured bid invitation dates, evaluation and completion dates was with the officials at the Office of the Auditor General.

Authority's response

The Authority noted that the procurement plan submitted for verification had timelines stated as not applicable (N/A) for all procurements under Open bidding method. This, therefore, was not sufficient enough for the query to be dropped.

Recommendation

The Head Procurement and Disposal Unit and Contracts Committee should ensure that the annual procurement plan is prepared in the format issued by the Authority in accordance with Regulation 6 (d) of the PPDA (Procurement Planning) Regulations, 2023.

2.3.2. Non-implementation of 15.8% of the procurement plan

A review of the monthly reports submitted by the Entity revealed that Lwengo DLG implemented 84.2% of its procurement plan for the financial year 2022/2023 as of 30th June 2023. The Entity did not implement 15.8% equivalent to UGX 1,106,664,330 of the planned procurements as detailed in Table 6 below:

Table 6: Procurement plan implementation rate

Total procurement plan value inclusive of VAT (UGX)	7,103,781,190
Total procurement spend value inclusive of VAT (UGX)	5,997,116,860
Procurement plan implementation rate (%)	84.2

Budget variance (UGX)	1,106,664,330
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Implications

- The Entity failed to deliver planned services worth UGX **1,106,664,334** to intended beneficiaries.
- Failure to fully implement the procurement plan may be an indicator of poor planning which affects service delivery.

Root cause

The variance of UGX 1,106,664,334 is partly due to the fact that the Entity did not report on implemented road works under Force Account Mechanism as well as micro procurements conducted by both the District Local Government and Lower Local Government.

Management response

The Accounting Officer noted the anomaly and pledged to fulfil this requirement in future engagements. The Entity further stated that it had not been reporting on force account procurements and micro procurements handled by User Departments to which the Accounting Officer pledged to ensure that going forward, this was to be done.

Recommendations

1. The Accounting Officer should:
 - Implore the User Departments and Lower Local Governments to report all procurement related activities to the Procurement and Disposal Unit for onward submission to the Contracts Committee and PPDA;
 - Ensure that the Force Account Mechanism is implemented in accordance with the PPDA Guideline on Force Account.
2. The Entity should aim at 100% procurement plan implementation rate in Financial Year 2023/2024.

2.4. Records Management

2.4.1. Missing records on procurement action files

Section 31 (o) of the PPDA Act, 2003 states that “A Procurement and Disposal Unit shall maintain and archive records of the procurement and disposal process”. Contrary to the above, the audit revealed that the following records were missing from their respective procurement action files as detailed in Table 7:

Table 7: Missing records

S/N	Subject of procurement	Contract Amount (UGX)	Missing documents
1.	Construction of a 5-stance lined latrine at Bigando Primary School in Kkingo Sub-County	25,052,000	<ul style="list-style-type: none"> • Contract management reports • Completion certificate • Payment records
2.	Construction of a 5-stance lined latrine at Gavu Primary School in Malongo Sub-County	24,952,000	

S/N	Subject of procurement	Contract Amount (UGX)	Missing documents
3.	Construction of a 5-stance lined latrine at Kagogwa Primary School in Kyazanga Sub-County	25,002,000	
4.	Construction of a 2-classroom block, office and store at Balimanyankya Primary School	85,051,861	
5.	Construction of a 3000M3 valley tank in Lwengo District	59,981,500	
6.	Supply of borehole spares in Lwengo District	59,979,400	
7.	Installation of motorized mini solar-powered borehole system and pipe works at Kyetume-Lwengo Sub-County	114,960,399	
8.	Construction of 2 classroom block with office and store at Kiwangala P/S UGX 84,955,000	84,955,000	
9.	Construction of 50m3 capacity brick/masonry tank at Mastered Seed School in Kisekka Sub-County	27,897,442	
10.	Borehole drilling for deep borehole hand pump system in Sub-Counties of Kisekka and Kingo	57,938,000	
11.	Construction of 2 classroom block, staff house and 2-5 stance lined VIP latrines at St. Jude Kyazanga Primary School	508,226,426	Contract management records
Total		1,073,996,028	

Implication

This affected the audit trail since the audit failed to establish whether contracts were effectively managed and payments made as per the contractual obligations.

Management response

The Accounting Officer noted the observation and further submitted that the missing documents had been submitted to the Office of the Auditor General who were auditing the Entity which were now available for perusal.

Authority's comment

The Authority noted that the Entity submitted for verification, interim payment certificates as opposed to the required contract management reports, payment records and completion certificates since all projects have been officially handed over.

Recommendations

- The Accounting Officer should caution task supervisors/User Departments to avail the necessary records to the Procurement and Disposal Unit so as to close off the respective procurement action files following Section 31 (o) of the PPDA Act, 2023.
- The contract managers should ensure that all contract management records are kept and archived as required and to submit monthly reports on the progress of the contract to the Accounting Officer and to the Procurement and Disposal Unit in accordance with Regulation 52 (3) of the PPDA (Contracts) Regulations, 2023.

2.5. Force Account Mechanism

The Authority found that in the financial year under review, the Lower Local Governments implemented road works worth UGX 651,462,105 (inclusive of Community Access Roads) using funds released by Uganda Road Fund for routine mechanized maintenance as detailed below:

Kyazanga Town Council roads

- i. Magatto-Bijaaba Road-1km
- ii. Lwentale-Matanta Road-0.7km
- iii. Kabunga-Kizza-Lwentale Road-1km
- iv. Samula Road- 0.8km

Lwengo Town Council roads

- i. Kaggwa-Mattete Bypass-0.4km
- ii. Semujju-Namulaba Road-0.5km
- iii. Kabalungi Road-1km
- iv. Kabalungi-Late Kakungulu Road-0.8km
- v. Mityeduma-Katindo Road-0.9km
- vi. Kitakomaga-Namaganda Road-0.8km
- vii. Twaha-Mbarara Road-0.8km

Community Access roads

- i. Kinvunikide-Nkoma in Lwengo Subcounty-4km
- ii. Kabukye-Bakijulula in Kyazanga Subcounty-4kms
- iii. Lwamaya-Kirumba-Lwekishungi in Malongo-4kms
- iv. Kyabbogo-Bukoma in Kkingo Subcounty-4km
- v. Kabutemba-Gayanza-Kakindu in Ndagwe Subcounty-4km
- vi. Kankamba-Lwaggulwe in Kiseka-3.5km

The following irregularities were noted by the Authority on review of the above roadworks:

i. Failure to seek the Accounting Officer's approval prior to the commencement of road works

Clause 5.3 of Circular No.3 of 2012 to Local Governments on the use of Force Account Mechanism states that " the force account manager shall through the supervisor submit to the Accounting Officer for approval the following; the scope of works to be carried out, the equipment to be used for the works, the personnel of the Entity to be engaged in the works, list, specifications and quantities of supplies required for the works to be undertaken, estimated duration of the works to be executed and estimated unit price and budget for the works."

The Authority found that road works worth UGX 651,462,105 executed by the Lower Local Governments had no approval from the Accounting Officer as required under Clause 5.3 of Circular No.3 of 2012 to Local Governments on the use of Force Account Mechanism.

ii) Failure to report activities conducted under the Force Account Mechanism to the Authority

A monthly report on the implementation of Force Account activities was not shared with the PDU for onward submission to the Authority in the Entity's quarterly reports. Activities worth UGX 651,462,105 were, therefore, not captured in the Entity's submitted quarterly reports. With the exception of the release from the Uganda Road Fund, the Authority could not ascertain the total amount spent by the Entity under the Force Account Mechanism.

Implication

The above stated irregularities affect the key principles of accountability and transparency and could expose the Entity to mismanagement of Force Account Mechanism.

Management response

- i) The Accounting Officer noted the anomaly and further stated that a communication had been made to Accounting Officers for all Lower Local Governments to avoid further occurrence of the same.
- ii) The Accounting Officer noted this anomaly and a communication had been given to Head PDU in this regard.

Recommendation

The Accounting Officer should ensure that the appointed Force Account supervisor handles such activities in accordance with Circular No. 3 of 2012 to Local Governments on the use of Force Account mechanism dated 21st September 2012 and PPDA (Force Account Mechanism) Regulations, 2014.

COMPLIANCE OF THE ENTITY'S PROCUREMENT AND DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, 2003 AND THE LOCAL GOVERNMENTS (PPDA) REGULATIONS, 2006

2.6. Low bidder participation

Section 46 of the PPDA Act, 2003 requires all procurement and disposal processes to be conducted in a manner that maximizes competition to achieve value for money.

The audit revealed that there was low bidder participation in all sampled procurement transactions under selective bidding procurement method worth UGX **189,928,126** with the Entity receiving sole bidders responding to invitations as detailed in Table 8 below:

Table 8: Level of bidder participation

S/N	Subject of procurement	Procurement method	Contract amount (UGX)	Issued bids	Received bids
1.	Construction of a 50m capacity brick/masonry tank at Busumbi Primary School	Selective bidding	28,043,743	4	1
2.	Renovation of staff house at Kyazanga HCIV	Selective bidding	41,918,320	4	1
3.	Construction of a 50m capacity brick/masonry tank at Busimbi Primary School	Selective bidding	28,043,743	4	1
4.	Construction of a 5-stance lined latrine at Bigando Primary School in Kkingo Sub-County	Selective bidding	25,052,000	4	1
5.	Construction of a 5-stance lined latrine at Gavu Primary School in Malongo Sub-County	Selective bidding	24,952,000	4	1
TOTAL			189,928,126		

Implication

There is a potential risk that bidders are colluding at the time of bidding and/or loss of confidence by bidders in the procurement processes of the Entity. It is also important to note that once there is no competition, there is a likelihood that the Entity shall not experience value for money in the procurements conducted.

Management response

The Accounting Officer acknowledged the low bidder participation and attributed it to small local government budgets that do not interest many competent bidders which in turn affects the turn up when an advert is placed. The Accounting Officer further pledged to conduct a bidder conference to improve participation in the subsequent procurements.

Recommendation

The Accounting Officer should organize a 'bidder conference' to attract new bidders to the Entity and also sensitize them so as to improve the level of confidence bidders have in the procurement processes such that they maximize competition in accordance with Section 46 of the PPDA Act, 2003.

2.7. Delays across the procurement process

Section 48 of the PPDA Act, 2003 requires all procurement and disposal processes within an Entity to be conducted in a manner that promotes economy, efficiency and value for money. Delays were noted across the procurement process in five procurements worth UGX 3,362,878,822 as detailed in Table 9 below:

Table 9: Procurements with delays at different stages of the procurement process

No.	Subject of Procurement	Delay noted
1.	Construction of a 5-stance lined latrine at Bigando Primary School in Kkingo Sub-County worth UGX 25,052,000	Unjustified delay between confirmation of availability of funding by the Accounting Officer and the receipt of bids There was a delay of 197 days between the Accounting Officer's approval and receipt of bids. The procurements were initiated on 11 th July 2022 and the Accounting Officer confirmed the availability of funding on 13 th July 2022. Contracts Committee approved the procurements on 26 th January 2023 and bids were received on 10 th February 2023.
2.	Construction of a 5-stance lined latrine at Gavu Primary School in Malongo Sub-County worth UGX 24,952,000	
3.	Construction of a 5-stance lined latrine at Kagogwa Primary School in Kyazanga Sub-County worth UGX 25,002,000	
4.	Construction of 50M3 capacity brick/masonry tank at Mastered Seed School in Kisekka Sub-County worth UGX 27,897,442	

Implication

Unnecessary delays in the procurement process affect service delivery and are a sign of inefficiency of the procurement function.

Management response

The Accounting Officer noted the anomaly with concern and attributed the delays normally to hybrid procurements under UGIFT-AF.

Authority's comment

The Authority noted that the Entity's response could not suffice for the above stated procurements under selective bidding procurement method. None of the project was funded under UGIFT-AF.

Recommendations

The Accounting Officer should put in place measures that eliminate unnecessary delays and ensure that the procurement processes within the Entity promote efficiency in accordance with Section 46 of the PPDA, Act 2003.

2.8. Disposal of obsolete assets

Regulation 122 (10) of the Local Governments (PPDA) Regulations, 2006 empowers User Departments to initiate the disposal process for obsolete assets under its management following the recommendation of a Board of Survey.

The Board of Survey Report for the Financial Year 2021/2022, highlighted various obsolete assets recommended for boarding off that were being kept in the Stores. It also recommended the same obsolete assets detailed in Table 6 below for disposal to avoid further depreciation. However, there was no procurement and disposal plan prepared by the HPDU and no evidence that User Departments initiated disposal proceedings for the obsolete assets under their management contrary to the above PPDA Regulation. These items include:

Table 10: Some of the obsolete assets recommended for disposal

S/N	Asset Description	Quantity
1.	Laptops	-
2.	Computer DELL	2
3.	Photocopying machine CANON	1
4.	Motorcycle	4
5.	Ambulance	1
6.	Jialing (UG-1662R) (156PM-20080W)	2
7.	Printer	2
8.	Solar batteries	12
9.	Inverter	1
10.	Inverter batteries	4
11.	Cash safe	1
12.	Table	2
13.	Chairs	5
14.	Old maternity medical beds	-
15.	CAIIP Maize mill	1
16.	Bamul Safe	1

Implication

Government funds are tied up and eventually lost through depreciation due to prolonged hoarding of such obsolete assets.

Management response

The Accounting Officer noted the anomaly and stated that at the time of the audit, the District Board of Survey had recommended boarding off of the stated items but the Accountant General's office was yet to approve the report. However, the Accountant General's report was now out and the Entity was going to dispose of the obsolete assets accordingly.

Recommendation

The Authority takes note of the Entity's response, however, the heads of User Departments should initiate the process for disposal of all boarded off assets by making a request for disposal of the asset to the Accounting Officer in accordance with Regulation 3 of the PPDA (Disposal of Public Assets) Regulations, 2023.

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

2.9. Implementation of environmental, social, health and safety requirements

Section 61A of the PPDA Act, 2003 states that “A procuring and disposing Entity shall for each procurement take into account environmental protection, social inclusion and stimulating innovation, as may be prescribed”.

The following anomalies were noted:

a) Failure by the Entity to incorporate Environmental, Social, Health and Safety (ESHS) safeguards in the bills of quantities for works projects

The Authority noted that ESHS aspects were not considered at initiation stage for all works projects worth UGX 1,651,509,154 (except works under UGIFT-AF funding) *Annex A*. Subsequently, the following observations were made:

- i. There was no environmental and social screening done prior to initiation of the different works projects;
- ii. There was no provision in the bills of quantities for the contractors to cost ESHS activities like; hoarding off the site during construction, planting grass and trees, erecting a sign post, provision of a first aid kit on site, back filling, provision of personal protective equipment for workers, training/sensitization on HIV/AIDS and sexual harassment, provision of water for workers on site etc; and
- iii. There was no evidence that these were implemented by the contractors during contract implementation.

Root cause

The Entity did not have in place a mechanism to identify the possible environmental and social risks associated with the planned projects as well as formulate possible safeguards to mitigate the risks for further incorporation and costing in the bills of quantities.

Implication

Aspects of gender, social inclusion, environment, health and safety were not covered by the contractor during contract implementation which could expose the Entity to unnecessary litigation with associated costs and/or environmental degradation, hence no sustainable procurement observed.

Management response

The Accounting Officer noted the anomaly and further submitted that issues of ESHS would be included in the bills of quantities for all works projects. Subsequently, approvals for payment certificates shall be honored with signatures of the Environment Officer and the Community Development Officer.

Recommendation

The Accounting Officer should ensure that going forward, the District Environment Officer and District Community Development Officer are involved at the planning stage for works projects so

as to ensure that aspects of Environmental, Social, Health and Safety (ESHS) safeguards are incorporated at the initiation phase for the works projects and consequently the bills of quantities.

2.10. Delayed completion of contract

Regulation 104 (b) of the Local Governments (PPDA) Regulations, 2006, states that the User Departments shall be responsible for performance control of the providers to ensure that the general and special conditions of time and place of delivery, payments, accountability, reporting, and others are being strictly followed.

The Authority noted that in the procurement for renovation of staff house at Lwengenyi HCII worth UGX 70,000,000, works were completed after expiry of the contractual period. The contractual completion period was stated as 5 months from contract signing with a completion date of 1st May 2023. However, the contract was completed on 24th July 2023, months after expiry of contract, as evidenced by the contract management report.

Implication

This results in the commitment of more resources in terms of staff and time by the Entity to projects that ought to have been completed and a delay in delivery of the much needed services to the intended beneficiaries.

Management response

The Accounting Officer noted the anomaly and further submitted that the contractor met natural hazards arising from heavy rains in the months of April and May which affected the progress and subsequently the completion time. The Entity further regretted not extending the contract as it was an oversight however, the contract was successfully completed.

Authority's comment

The Entity did not submit any evidence to support the above management response.

Recommendation

Contract managers should carry out their supervisory roles in accordance with Regulation 52 of the of the PPDA (Contracts) Regulations, 2023.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This Section presents graphically the procurement and disposal audit scores.

3.1 Overall Procurement and Disposal Audit Conclusion

The performance of Lwengo District Local Government for the Financial Year 2022/23 was **Moderately Satisfactory** with an overall weighted average risk rating of **36.6%**.

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 detailed in Table 11 below:

Table 11: Risk Score

Risk Rating	No.	%No	Value (UGX)	%Value	Weights	Total Weighted Score	
						By No.	By Value
High	-	-	-	-	0.6	-	-
Medium	17	89	1,711,488,554	30.6	0.3	27	9.1
Low	2	11	3,876,975,380	69.4	0.1	1	6.9
Satisfactory	-	-	-	-	0	0	0
Total	19	100	5,588,463,934	100	1	28	16

$$\text{Performance by Number} = \frac{28 \times 100}{60} = 46.6\%$$

$$\text{Performance by Value} = \frac{16 \times 100}{60} = 26.6\%$$

$$\text{The average weighted risk rating} = \frac{46.6+26.6}{2} = 36.6\%$$

Since 36.6% falls within the 31% - 70% risk range, the performance of the Entity is rated **Moderately Satisfactory** as detailed in Table 12 below.

Table 12: Risk Rating

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

Figure 1: Risk Rating by Number

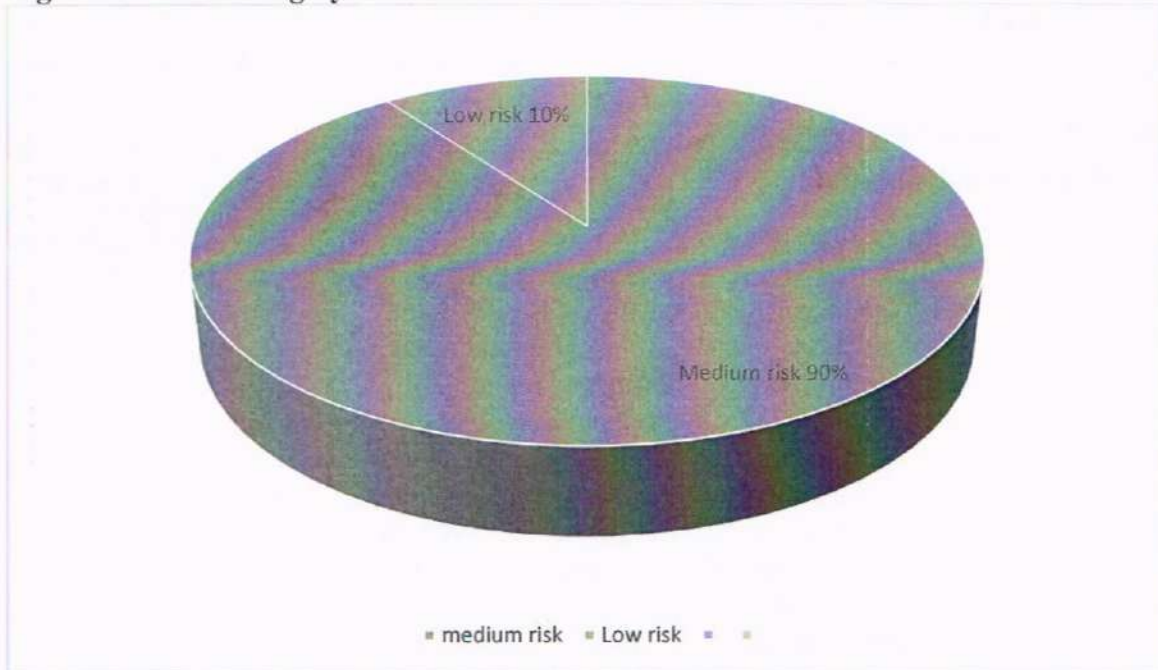
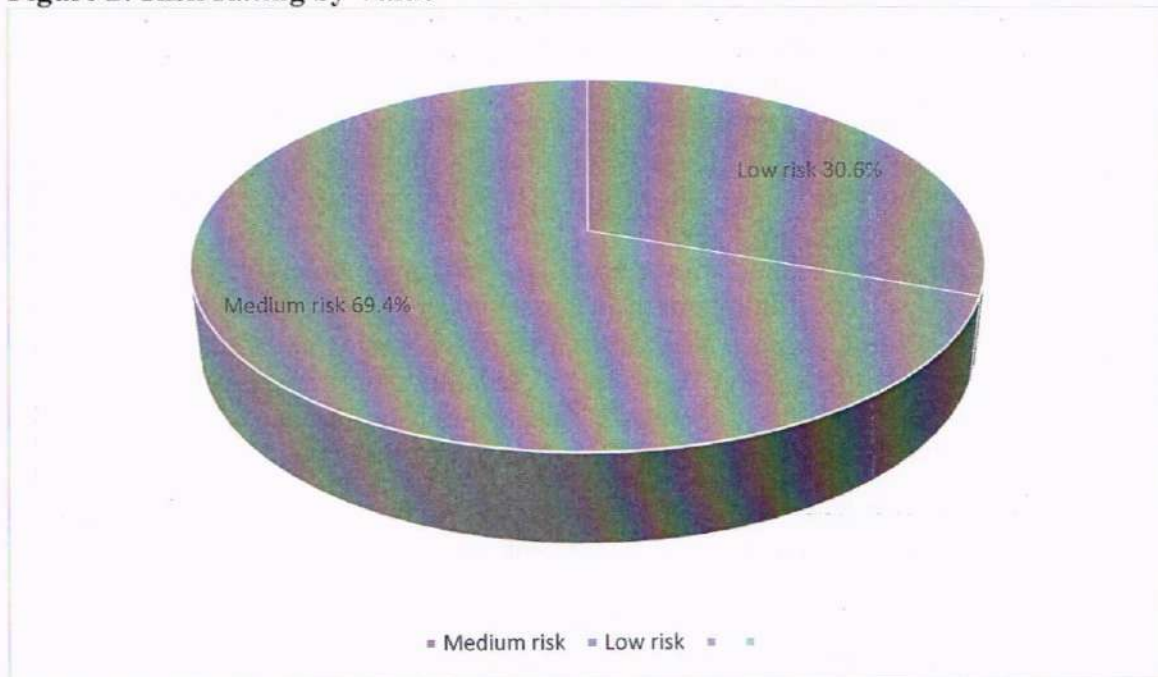


Figure 2: Risk Rating by Value



3.3 Recommended Action Plan

Lwengo District Local Government should implement the recommendations in Table 13 below within the time frame given in order to improve its performance in Procurement and Disposal.

Table 13: Recommended Action Plan

No.	Recommended Action	Target Date
1.	<p>The Accounting Officer should:</p> <ul style="list-style-type: none"> i. Ensure that all recommendations by the Authority are shared with all Departments of the Entity for action and institute a mechanism to ensure 100% implementation in accordance with Section 9 (4) of the PPDA Act, 2003. ii. Caution contract supervisors/User Departments to avail the necessary records to the Procurement and Disposal Unit to enable the Unit to close off the respective procurement action files following Section 31 (o) of the PPDA Act, 2023. iii. Implore the User Departments and Lower Local Governments to report all procurement related activities to the Procurement and Disposal Unit for onward submission of the Contracts Committee and PPDA; iv. Ensure that the appointed Force Account supervisor handles Force Account activities in accordance with Circular No. 3 of 2012 to Local Governments on the use of Force Account Mechanism dated 21st September 2012. v. Put in place measures that eliminate unnecessary delays and ensure that the procurement processes within the Entity promote efficiency in accordance with Section 46 of the PPDA, Act 2003. vi. Ensure that going forward, the District Environment Officer and District Community Development Officer are involved at the initiation stage for works projects so as to ensure that aspects of Environmental, Social, Health and Safety (ESHS) safeguards are incorporated at the planning stage for the works projects and consequently the bills of quantities. 	September 2024
2.	<p>The Head Procurement and Disposal Unit should:</p> <ul style="list-style-type: none"> i. Efficiently implement all procurement processes in accordance with Section 48 of the PPDA Act, 2003. ii. The Head Procurement and Disposal Unit and Contracts Committee should ensure that the annual procurement plan is prepared in the format issued by the Authority in accordance with Regulation 6 (d) of the PPDA (Procurement Planning) Regulations, 2023. 	September 2024

No.	Recommended Action	Target Date
3.	The Heads of User Departments should initiate the process for disposal of all boarded off assets under their management by making a request for disposal of the asset to the Accounting Officer in accordance with Regulation 3 of the PPDA (Disposal of Public Assets) Regulations, 2023.	September 2024

ANNEXES

ANNEX A: PHYSICAL VERIFICATION PICTURES AS AT 19th OCTOBER 2023

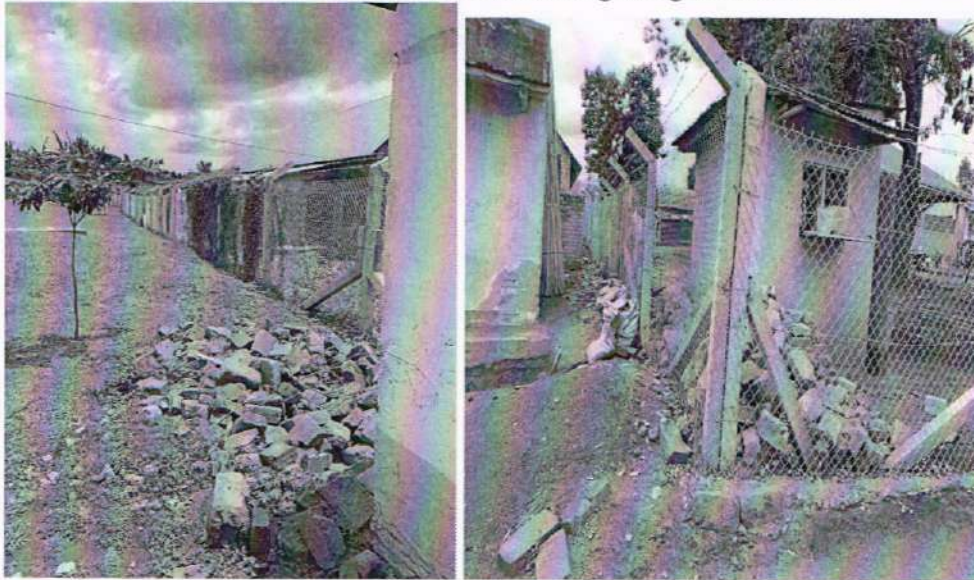
Case	Contract value (UGX): 109,737,900
Contract: Fencing of Kinoni HC III and Kyentume HC III	
Provider: Hanan Contractors Ltd	

Status of Works:

The works had been completed as per bills of quantities and the contract was in defects liability period.



Above: The entrance of Kinoni HC III showing the gate and fence



Above: The fence around Kinoni HCII



Above: Fencing at Kyetume HCIII

Case 3

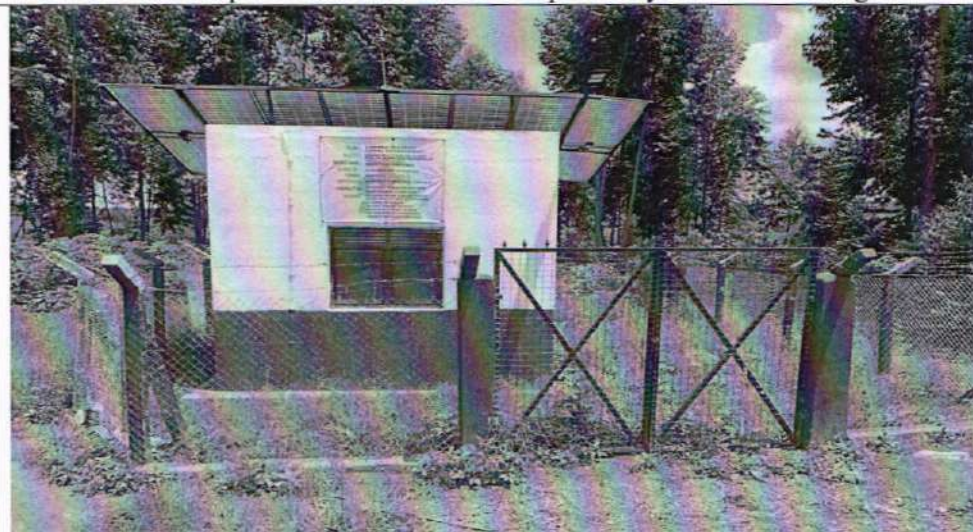
Contract value (UGX): 114,960,399

Contract: Installation of motorised mini solar powered borehole system and pipe works at Kyetume

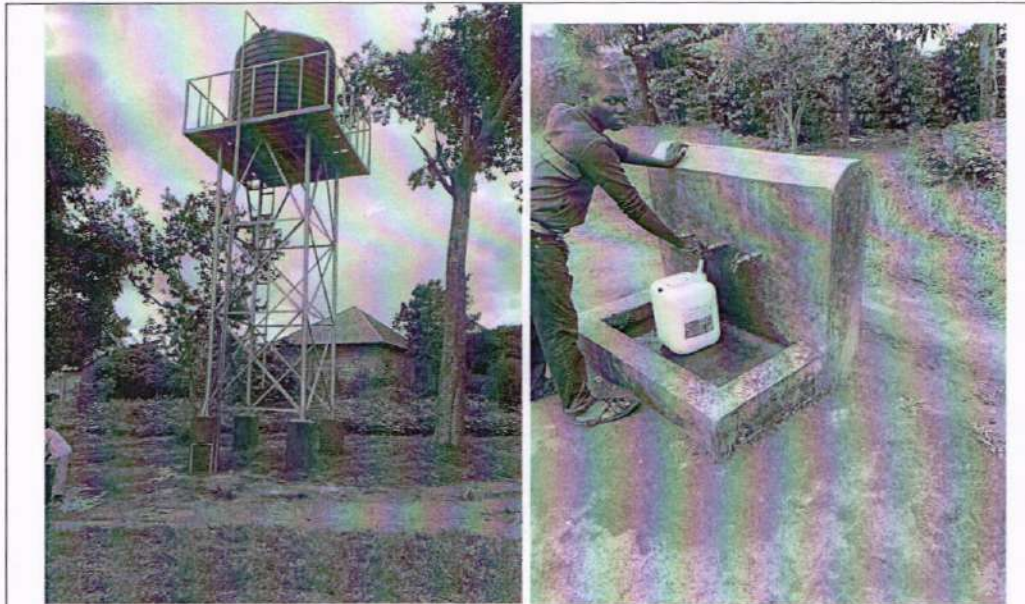
Provider: Tripah Engineering Services Ltd

Status of Works:

Works were completed and the verified tap at Mayire was working.



Above: The solar-powered borehole system



Above left: The reservoir tank and one of the taps at Mayire.

Case 14

Contract value (UGX): 85,051,864

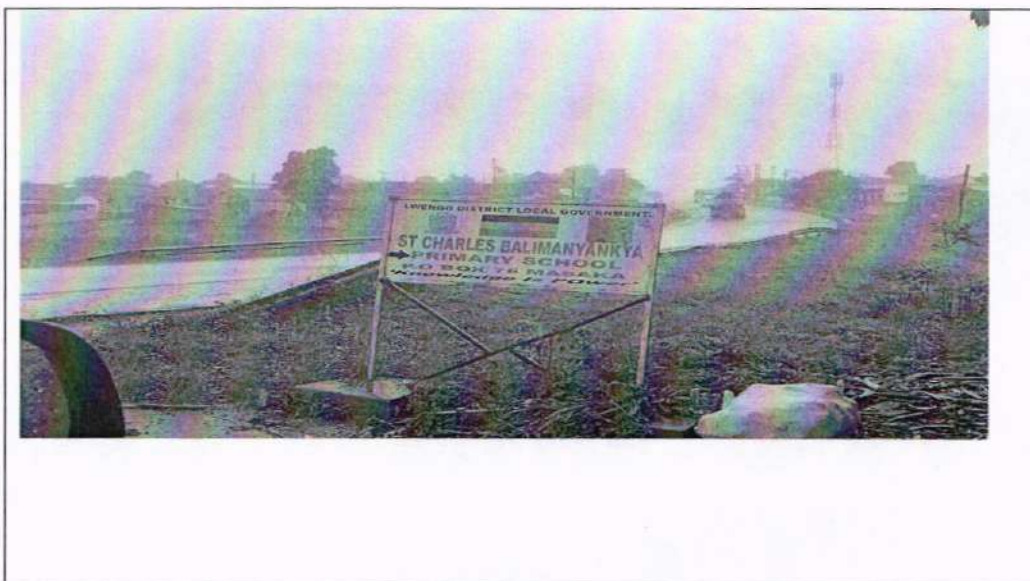
Contract: Construction of 2-classroom block, with office and store at Balimanyankya Primary School

Provider: Suha Quality Investments Ltd

Status of Works:

The works had been completed and the classroom block, office and store were in use.





Case 5	Contract value (UGX): 508,226,426
Contract: Construction of 2-classroom block, staff house, kitchen and 2-5 stance lined VIP latrines at St. Jude Kyazanga Primary School	
Provider: Kaleeta Construction	

Status of Works:

The works had been completed but the staff houses were not yet in use.



Above: The lower newly constructed block and upper renovated block.



Above: The four unit staff house



Above: The 2 kitchen units and the VIP Latrines

Case	Contract value (UGX): 41,918,320
Contract: Renovation of a staff house at Kyazanga Health centre IV	
Provider: Tahoor Designers and Civil Engineering Services	
Status of Works: The works were completed and the staff house was in use.	



Above: The front and side view of the renovated staff house

Case 8	Contract value (UGX): 617,000,000
Contract: Upgrade of Lwengenyi HC II to HC III	
Provider: P&D Traders and Contractors Ltd	
Status of Works: As at 19 th October 2023, the works were still ongoing with the contractor on site. Physical progress of works stood at 60% and the contract was still valid.	



Above: Ongoing works on the Maternity/General Ward



Above: The back view of the maternity/general ward showing the septic tank and medical waste pit



Above: The ongoing works on the VIP latrines

Case 16	Contract value (UGX): 70,000,000
Contract: Renovation of a staff house at Lwengyenye HCII	
Provider: Kyamulimbwa carpentry workshop and construction Ltd	
Status of Works: The works had been completed and the staff house was in use.	

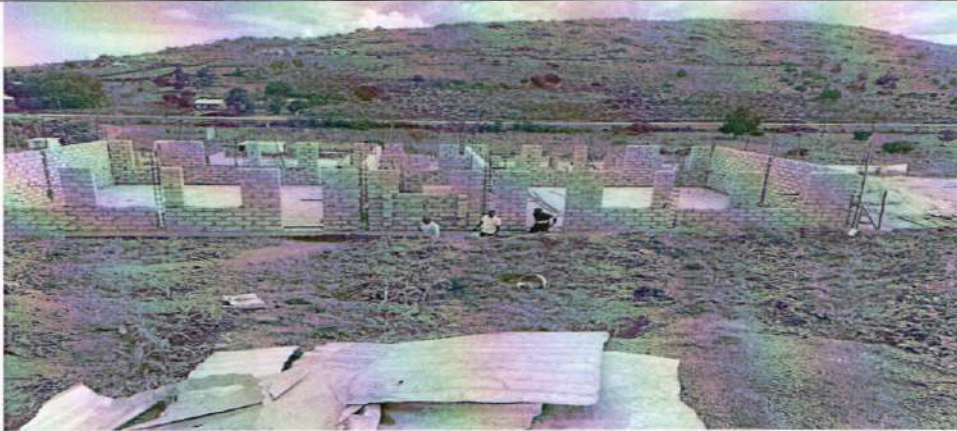


Above: The front view of the renovated staff house showing the extension of another unit.



Above: The side view of the renovated staff house and the 2 stance VIP Latrine.

Case 5	Contract value (UGX): 3,259,975,380
Contract: Construction of a seed school in Katovu	
Provider: Hanan Contractors Ltd	
Status of Works: The works were still ongoing with the contractor on site. Physical progress of the works stood at 45% and the contractual completion date is 10 th June 2024.	



Above: The block going to house the multipurpose hall and labarotories



Above: The block going to house the classrooms and Library

Case 1	Contract value (UGX): 302,684,160
Contract: Completion of Lwengo District Administration block	
Provider: P&D Traders and Contractors Ltd	
Status of Works: The works had been completed and the administration block was in use. The contract was in defects liability period.	



Above: The front view of the administration block



Above: The side view and back view of the administration block



Above: The interior of the administration block

Case 12	Contract value (UGX): 25,002,000
Contract: Construction of a 5-stance lined latrine at Kagogwa Primary School in Kyazanga Sub-County	
Provider: Tonny and Tonny General Construction Ltd	
Status of Works: The works had been completed and the facility was in use.	



Case 19	Contract value (UGX): 85,108,400
Contract: Construction of 2-classroom block with office and store at Kagogwa Primary School.	
Provider: P&D Traders and Contractors Ltd	
Status of Works: The works had been completed and the classroom block was in use	



Above: The front view of the classroom block

Case 10	Contract value (UGX): 84,955,000
Contract: Construction of 2 classroom block with office and store at Kiwangala Primary School	
Provider: LR Contractors and General Services Ltd	
Status of Works: The works had been completed and the classroom block was in use.	



Above: The front view of the classroom block

Annex B: Lwengo District Local Government audit sample list for the Financial Year 2022/2023

No	Subject of Procurement	Method of Procurement	Provider	Amount	Risk rating
1.	Completion of Lwengo District Administration block	Open bidding	P&D Traders and Contractors Ltd	302,684,160	Medium risk
2.	Construction of 2-classroom block, staff house, kitchen and 2-5 stance lined VIP latrines at St. Jude Kyazanga Primary School	Open bidding	Kaleeta Construction	508,226,426	Medium risk
3.	Installation of motorised mini solar powered borehole system and pipe works at Kyetume	Open bidding	Tripah Engineering Services Ltd	114,960,399	Medium risk
4.	Fencing of Kinoni HC III and Kyentume HC III	Open bidding	Hanan Contractors Ltd	109,737,900	Medium risk
5.	Construction of a Seed School in Katovu	Open bidding	Hanan Contractors Ltd	3,259,975,380	Low risk
6.	Construction of 50m ³ capacity brick/masonry tank at Busumbi Primary School in Kyazanga S/C	Selective bidding	Matsazan Company Ltd	28,043,743	Medium risk
7.	Construction of 50m ³ capacity brick/masonry tank at Mastered Seed School in Kisekka Sub-County	Selective bidding	Karobs Enterprises Ltd	27,897,442	Medium risk
8.	Upgrade of Lwengenyi HC II to HC III	Direct procurement	P&D Traders and Contractors Ltd	617,000,000	Low risk
9.	Renovation of a staff house at Kyazanga Health centre IV	Selective bidding	Tahoor Designers and Civil Engineering Services	41,918,320	Medium risk
10.	Construction of 2 classroom block with office and store at Kiwangala Primary School	Open bidding	LR Contractors and General Services Ltd	84,955,000	Medium risk

No	Subject of Procurement	Method of Procurement	Provider	Amount	Risk rating
11.	Construction of 3000m ³ valley tank in Lwengo	Open bidding	LR Contractors and General Services SMC Ltd	59,981,500	Medium risk
12.	Construction of a 5-stance lined latrine at Kagogwa Primary School in Kyazanga Sub-County	Selective bidding	Tonny and Tonny General Construction Ltd	25,002,000	Medium risk
13.	Supply of borehole spares	Open bidding	Icon Projects Ltd	59,979,400	Medium risk
14.	Construction of 2-classroom block, with office and store at Balimanyankya Primary School	Open bidding	Suha Quality Investments Ltd	85,051,864	Medium risk
15.	Borehole drilling for deep bore hand pump system in Kisekka and Kikingo Sub counties	Open bidding	Icon Projects Ltd	57,938,000	Medium risk
16.	Renovation of a staff house at Lwengyenyi HCII	Open bidding	Kyamulimbwa Carpentry Workshop and Construction Ltd	70,000,000	Medium risk
17.	Construction of a 5-stance lined VIP latrine at Bigando Primary School in Kkingo Sub County	Selective bidding	Fortune Kakobwa General Traders and Contractors Ltd	25,052,000	Medium risk
18.	Construction of a 5-stance lined latrine at Gavu Primary School in Malongo Sub-County	Selective bidding	Tripah Engineering Services Ltdkago	24,952,000	Medium risk
19.	Construction of 2-classroom block with office and store at Kagogwa Primary School	Open bidding	P&D Traders and Contractors Ltd	85,108,400	Medium risk
	TOTAL			5,588,463,934	

ANNEX C: Case by Case Risk Analysis

No	MEDIUM RISK	REASONS FOR MEDIUM RISK
1.	Construction of 2-classroom block, staff house, kitchen and 2-5 stance lined VIP latrines at St. Jude Kyazanga Primary School worth UGX 508,226,426	<p>Failure by the Entity to incorporate Environmental, Social, Health and Safety (ESHS) safeguards in the bills of quantities for works projects</p> <p>Missing records Contract management records</p>
2.	Construction of 50m3 capacity brick/ masonry tank at Busumbi Primary School in Kyazanga S/C worth UGX 28,043,743	<p>Failure by the Entity to incorporate Environmental, Social, Health and Safety (ESHS) safeguards in the bills of quantities for works projects</p> <p>Low bidder participation</p>
3.	Construction of 2 classroom block with office and store at Kiwangala Primary School worth UGX 84,955,000	<p>Failure by the Entity to incorporate Environmental, Social, Health and Safety (ESHS) safeguards in the bills of quantities for works projects</p> <p>Missing records</p> <ul style="list-style-type: none"> • Contract management records • Completion certificate • Payment records
4.	Construction of 50m3 capacity brick/masonry tank at Mastered Seed School in Kisekka Sub-County	<p>Missing records</p> <ul style="list-style-type: none"> • Contract management records • Completion certificate • Payment records <p>Unnecessary delay between confirmation of availability of funding by the Accounting Officer and the receipt of bids</p>
5.	Installation of motorised mini solar powered borehole system and pipe works at Kyetume worth UGX 114,960,399	<p>Failure by the Entity to incorporate Environmental, Social, Health and Safety (ESHS) safeguards in the bills of quantities for works projects</p> <p>Missing records</p> <ul style="list-style-type: none"> • Contract management report. • Completion certificate • Payment records
6.	Construction of 3000m3 valley tank in Lwengo worth UGX 59,981,500	<p>Failure by the Entity to incorporate Environmental, Social, Health and Safety (ESHS) safeguards in the bills of quantities for works projects</p> <p>Missing records</p> <ul style="list-style-type: none"> • Contract management records • Completion certificate • Payment records

No	MEDIUM RISK	REASONS FOR MEDIUM RISK
7.	Construction of a 5-stance lined latrine at Kagogwa Primary School in Kyazanga Sub-County worth UGX 25,002,000	<p>Missing records</p> <ul style="list-style-type: none"> • Contract management records • Completion certificate • Payment records <p>Unnecessary delay between confirmation of availability of funding by the Accounting Officer and the receipt of bids</p>
8.	Supply of borehole spares worth UGX 59,979,400	<p>Missing records</p> <ul style="list-style-type: none"> • Contract management records • Completion certificate • Payment records
9.	Construction of 2-classroom block, with office and store at Balimanyankya Primary School worth UGX 85,051,864	<p>Missing records</p> <ul style="list-style-type: none"> • Contract management records • Completion certificate • Payment records
10.	Borehole drilling for deep bore hand pump system in Kisekka and Kikingo Sub counties worth UGX	<p>Missing records</p> <ul style="list-style-type: none"> • Contract management records • Completion certificate • Payment records
11.	Construction of a 5-stance lined VIP latrine at Bigando Primary School in Kkingo Sub County worth UGX 25,052,000	<p>Missing records</p> <ul style="list-style-type: none"> • Contract management records • Completion certificate • Payment records <p>Unnecessary delay between confirmation of availability of funding by the Accounting Officer and the receipt of bids</p> <p>Low bidder participation</p>
12.	Construction of a 5-stance lined latrine at Gavu Primary School in Malongo Sub-County worth UGX 24,952,000	<p>Missing records</p> <ul style="list-style-type: none"> • Contract management report. • Completion certificate • Payment records <p>Unnecessary delay between confirmation of availability of funding by the Accounting Officer and the receipt of bids</p> <p>Low bidder participation</p>
13.	Construction of 2-classroom block with office and store at	Failure by the Entity to incorporate Environmental, Social, Health and Safety (ESHS) safeguards in the bills of quantities for works projects

No	MEDIUM RISK	REASONS FOR MEDIUM RISK
	Kagogwa Primary School worth UGX 85,108,400	
14.	Renovation of a staff house at Lwengyenyi HCII worth UGX 70,000,000	Failure by the Entity to incorporate Environmental, Social, Health and Safety (ESHS) safeguards in the bills of quantities for works projects Delayed completion of contract
15.	Completion of Lwengo District Administration block 302,684,160	Failure by the Entity to incorporate Environmental, Social, Health and Safety (ESHS) safeguards in the bills of quantities for works projects
16.	Fencing of Kinoni HC III and Kyentume HC III worth UGX 109,737,900	Failure by the Entity to incorporate Environmental, Social, Health and Safety (ESHS) safeguards in the bills of quantities for works projects
17.	Renovation of a staff house at Kyazanga Health centre IV worth UGX 41,918,320	Failure by the Entity to incorporate Environmental, Social, Health and Safety (ESHS) safeguards in the bills of quantities for works projects

No	LOW RISK	REASONS FOR LOW RISK
18.	Construction of a Seed School in Katovu worth UGX 3,259,975,380	Missing contract implementation plan
19.	Upgrade of Lwengyenyi HC II to HC III worth UGX 617,000,000	Missing contract implementation plan

NB: Cases no. 18 and 19 were still ongoing projects at the time of the audit in October 2023.

ANNEX D: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry a risk to the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management. 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 the 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 the use of less competitive methods which affects transparency, accountability, and value for money.
		Evaluation: 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 an award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation documents, submitted bids, evaluation reports, and contracts.	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 a 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

RISK	DESCRIPTION	AREA	IMPLICATION
MEDIUM	Procurements that were considered to have weaknesses, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands-on management control and oversight" at an appropriate level of seniority.	Planning: Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		Bidding Process: Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms, and splitting procurement requirements.	This implies a lack of efficiency, standardization, and avoiding competition.
		Procurement Structures: Lack of procurement structures	This implies a 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 amendments and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.

RISK	DESCRIPTION	AREA	IMPLICATION
		<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 covered by the contractor during contract implementation.</p>	
LOW	<p>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.</p>	<p>Planning: Lack of procurement reference numbers.</p> <p>Bidding Process: Not signing the Ethical Code of Conduct</p>	<p>This leads to failure to track the procurements which leads to poor record-keeping.</p> <p>This leads to failure to declare a conflict of interest and a lack of transparency.</p>
SATISFACTORY	<p>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.</p>		