



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

**COMPLIANCE AUDIT REPORT FOR KIBOGA DISTRICT LOCAL
GOVERNMENT FOR THE FINANCIAL YEAR 2022/2023**

JANUARY 2024

Table of Contents

Acronyms.....	3
CHAPTER 1: INTRODUCTION.....	6
1.1. Background.....	6
1.2. Main Audit Objectives	6
1.3. Scope of the Audit.....	6
1.4. Audit Methodology	6
1.5. Structure of the Entity	7
CHAPTER TWO: FINDINGS OF THE AUTHORITY	9
2.1.1 Failure to fully implement previous audit recommendations for Financial Year 2018/2019.....	9
2.1.2 Procurement Plan Implementation Rate.....	9
2.2.2 Inconsistencies in the Bidding Document.....	13
2.2.3 Failure to nominate Evaluation Committee Members.	14
2.2.4 Irregularities during evaluation.....	15
2.2.5 Signing contracts above market price	18
2.2.6 Low bidder participation	20
2.2.7 Incomplete procurement action files.....	21
2.2.7 Lack of adequate storage of Procurement and Disposal records.....	23
2.3 THE LEVEL OF EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION.....	24
2.3.1 Failure to obtain performance Security from successful bidders.	24
2.3.2 Inadequate Contract Management.	25
CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY	27
3.1 Overall Compliance Audit Conclusion.....	27
3.2 Entity's Performance	27
Appendix 2: Transaction list for FY 2022-2023	39
Appendix 3: Risk Rating Criteria	41

Tables

Table 1: List of Contracts Committee Members.....	7
Table 2: Staff in the Procurement and Disposal Unit.....	7
Table 3: Status of previous audit recommendations implementation.....	7
Table 4: Previous audit recommendations.....	9
Table 4: Procurement Plan Implementation Rate.....	10
Table 5: Procurements that were not implemented.....	9
Table 6: Delays in the Procurement Process.....	10
Table 7: Bidding documents with inconsistencies.....	11
Table 8: Procurements with no record of nomination of Evaluation Committee	15
Table 9: Contracts awarded to Non- Compliant Bidders at evaluation stage.	16
Table 10: Contracts signed above the market price.....	19
Table 11: Procurements with Low bidder participation	20
Table 12: Procurements with missing records	249
Table 13: Signed contracts with no required performance securities.....	24
Table 14: Procurements with inadequate contract management information.....	253
Table 15: Overall Entity Ranking	24
Table 16: Risk Computation	25

Acronyms

AO	Accounting Officer
CC	Contracts Committee
FY	Financial Year
UD	User Departments
HPDU	Head, Procurement and Disposal Unit
KDLG	Kiboga District Local Government
ODB	Open Domestic Bidding
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
BEB	Best Evaluated Bidder
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a compliance audit on the procurement and disposal activities of Kiboga District Local Government. The exercise covered a sample of 10 procurement transactions carried out during the Financial Year 2022/2023. The compliance audit exercise involved a review of the procurement systems and processes following the Public Procurement and Disposal of Assets Act, 2003 and Local Governments (PPDA) Regulations, 2006. From the findings of the compliance audit exercise, Kiboga District Local Government has an aggregate risk rating of **31 %** which is **moderately satisfactory**. The risk rating is detailed in Chapter three of the compliance audit report.

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

- i. The Entity did not fully implement its procurement plan. Procurements worth UGX 4,210,071,476 were not executed hence denying services to the intended beneficiaries;
- ii. The Entity did not fully implement the previous audit recommendations for Financial Year 2018/2019. Out of the five recommendations, one (20%) recommendation was fully implemented, one (20%) recommendation was partially implemented while three (60%) were not implemented;
- iii. The Authority noted delays in submission of Quarterly Procurement and Disposal reports to PPDA;
- iv. The Authority noted delays in the procurement processes of two procurements amounting to UGX 235,014,712 which affected service delivery;
- v. The Authority noted inconsistencies in the bidding documents of six procurements worth UGX 483,371,351. The bidding documents did not indicate the the evaluation methodology for personnel, bid validity dates, had ambiguous requirements, did not indicate the completion dates or delivery periods among others;
- vi. Failure to nominate Evaluation Committee Members by PDU. The Authority noted that the LG PP Form 2 nominating Evaluation Committees members was signed by the Senior Procurement Officer without indicating names and positions of officers nominated to be on Evaluation Committees for three procurements worth UGX 216,740,805;
- vii. There were irregularities during evaluation of bids, the Authority noted that Evaluation Committees recommended award of contracts for six procurements amounting to UGX 794,679,459 to non-compliant bidders.
- viii. The Authority noted that the Entity signed two contracts worth UGX 84,072,475 above the estimated price without the Accounting Officer confirming the availability of additional funds;
- ix. The Authority noted a low bidder response in eight procurements worth UGX 630,030,993 with an average of 1.5 bids received contrary to the requirement of receipt of 3 bids;

- x. Failure to obtain performance Security from successful bidders. The Authority noted that contractors did not provide performance securities in four procurements worth UGX 469,591,311 yet they were required;
- xi. The Authority noted weaknesses in contract management such as implementation of expire contracts and missing contract management records in nine procurements worth UGX 864,060,273.

In light of the above, the Authority recommends that:

- i. The Accounting Officer should;
 - (a) Establish the possible reasons of the low bidder response and devise mechanisms of increasing competition on in the Entity's procurement processes to achieve value for money.
 - (b) The Accounting Officer should ensure that Contract Supervisors are appointed for all signed contracts.
 - (c) Ensure that all procurements are conducted in a manner that promotes transparency, accountability and fairness in accordance with Section 45 of the PPDA Act 2003.
 - (d) In coordination with the Internal Audit Unit should put in place mechanisms to monitor implementation of previous audit recommendations to ensure continuous improvement.
 - (e) Regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance.
 - (f) Engage stakeholders such as UPDF and MOES to avoid delays that hinder procurement plan implementation.
 - (g) Organize training and capacity building of key technical staff involved in bid evaluations.
 - (h) Confirm that the contract price is not higher than the market price established prior to commencement of the procurement process before signing any contract in accordance with Regulation 87 (1) (a) of the Local Governments (PPDA) Regulations, 2006.
- ii. The Head Procurement and Disposal Unit should;
 - (a) Ensure that bidding documents issued to bidders are devoid of inconsistencies to avoid unnecessary complaints.
 - (b) Ensure that Evaluation Committees follow approved evaluation criteria in the bidding document in accordance with Regulations 72 to 82 of the Local Governments (PPDA) Regulations, 2006.
 - (c) Ensure that all procurement records are maintained on their respective action files in accordance with Section 41 of the PPDA Act 2003.
 - (d) Ensure that where required, the successful bidder provides a performance security to the Entity in accordance with regulation 102 of the Local Governments (PPDA) Regulations, 2006.
 - (e) Always nominate Evaluation committee membership using LG PP Form 2 for approval by the Contracts Committee using LG PP Form 2 in line with Regulation 25 (2) a of the Local Governments (PPDA) Regulations 2006.
 - (f) Ensure that procurement action files are complete with all required information
- iii. The Contracts Committee should;
 - (a) Always ensure that the Bidding Documents are adequately prepared before approval to ensure competition and transparency in the procurement process.
 - (b) Desist from deviating from the approved evaluation criteria in the bidding documents in line with Regulations 72 to 82 of the Local Governments (PPDA) Regulations, 2006.

- iv. Contract Supervisors should submit regular progress/ contract management reports to the Accounting Officer as required under Regulation 119 (10) (f) of the Local Governments (PPDA) Regulations, 2006.

CHAPTER 1: INTRODUCTION

1.1. Background

The Public Procurement and Disposal of Public Assets Authority carried out a performance audit on the procurement and disposal activities of Kiboga District Local Government that covered a sample of ten procurement transactions under Financial Year 2022/23. The audit involved a review of procurement and disposal structures, systems and 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. Main Audit Objectives

The overall objective of the performance audit was to assess and establish the degree of compliance of Kiboga District Local Government's procurement and disposal 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.

The specific objectives were to:

- Establish the level of compliance by Kiboga DLG with the general provisions of the PPDA Act 2003 and Local Governments (PPDA) Regulations 2006;
- i. Establish the level of compliance with the PPDA Act 2003 and PPDA Regulations 2006 in the conduct of procurement and disposal activities; and
- ii. Assess the level of efficiency and effectiveness in contract implementation.

1.3. Scope of the Audit

The Audit involved a review of the procurement and disposal process, general compliance issues and contract implementation on sample basis. The exercise covered a sample of 10 procurement transactions worth UGX 898,073,136 conducted during the FY 2022/2023, review of procurement structures and review of the procurement plan performance. The list of sampled transactions is contained in **Annex 2**.

1.4. Audit Methodology

A sample of 10 procurement transactions was selected based on stratified random sampling using Contracts Committee minutes and quarterly procurement and disposal reports. Under supervision of the Regional Manager– Central Region, two senior auditors examined records and documents for each sampled procurement transaction and obtained the relevant evidence to derive audit conclusions. This involved a review of the entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and processes. At the end of the document review, physical verification was undertaken to ascertain the level of contractual delivery and fitness for purpose. Special attention was given to reporting mechanisms within the Entity and internal controls due to repeated failures by the Entity as highlighted in previous audit reports. During the audit, the auditors held interviews with the staff from the Procurement and Disposal Unit (PDU) and User Departments that were necessary for obtaining crucial qualitative information about the internal control system and processes in place. A debrief meeting to discuss preliminary findings was held with the Entity management and staff on 26th

July 2023 before the audit team could embark on preparation of the management letter. The management letter was sent to the Entity on 4th October, 2023 with a request to submit a management response by 13th October 2023 which was submitted on 26th October, 2023.

1.5. Structure of the Entity

According to Section 26 of the PPDA Act, 2003, the overall responsibility for the successful execution of procurement, disposal and contract management in Kiboga District Local Government lied with the Chief Administrative Officer. During the financial year under review, Mr. Edward Musingye.

i. Contracts Committee

The Permanent Secretary/Secretary to the Treasury of Ministry of Finance, Planning & Economic Development approved the following members of the Contracts Committee who also acted during the period under review: The Composition of the Contracts Committee is indicated in table 1 below.

Table 1: Contracts Committee Members

S/N	Name	Job Title	Position on Committee	Date of Appointment
1.	Mr. Patrick Musasizi	District Natural Resource Officer	Chairperson	18 th November 2020
2.	Mr. Musa Bugembe	Senior Agricultural Officer	Member	14 th November 2022
3.	Mrs. Fatuma Bagabinga	Senior Nursing Officer	Member	18 th November 2020
4.	Ms. Immaculate Samanya	Human Resource Officer	Member	18 th March 2022
5.	Ms. Moses Walakira	Water Officer	Member	18 th March 2022

ii. Procurement and Disposal Unit

During the period under review, the Procurement and Disposal Unit was manned by staff indicated in table 2 below:

Table 2: Staff in the Procurement and Disposal Unit.

S/N	Name	Position	Qualification	Date of Appointment
1.	Mrs. Dorothy Nalugwa Bagala	Senior Procurement Officer	Post Graduate Diploma in Procurement and Logistics and MCIPS	1 st July 2008
2.	Mr. Geoffrey Kiiza Bukenya	Procurement Officer	Post Graduate Diploma in Procurement and Logistics Management	10 th April 2015

CHAPTER TWO: FINDINGS OF THE AUTHORITY

2.1 COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, 2003, LOCAL GOVERNMENT (PPDA) REGULATIONS, 2006 AND GUIDELINES

2.1.1 Failure to fully implement previous audit recommendations for Financial Year 2018/2019
Kiboga District Local Government was issued with a compliance audit report for Financial Year 2018/2019 and out of the five recommendations made, one (20%) recommendation was fully implemented, one (20%) recommendation was partially implemented while three (60%) recommendations were not implemented as indicated in table 4 below:

Table 3: Status of previous audit recommendations implementation.

No.	Recommended Action	Comment	Implementation Status	Management Response
1.	The Accounting Officer should ensure that market price reassessment is carried out prior to signing the contract in accordance with Section 26 (4) of the PPDA Act 2003.	Re-occurring	Not Implemented	The Accounting Officer explained that market assessments were being done, PPDA Comment It was still re-occurring in procurement files reviewed.
2.	The Accounting Officer should ensure that the Head, Procurement and Disposal Unit keeps complete records in accordance with Regulation 46 of the LG (PPDA) Regulations 2006.	Some files still missing procurement records	Partially implemented	The Accounting Officer explained that some of the records were on the general file by the time of audit and are now attached for your verification. PPDA Comment These were not provided for verification.
3.	The Accounting Officer should ensure that the Procurement and Disposal Unit is well facilitated with enough storage space in order to keep the procurement files.	Storage space is inadequate	Not Implemented	The Accounting Officer acknowledged the observation and explained that the entity is in process of constructing a store for the Procurement and Disposal Unit.
4.	User Departments should always ensure that contract supervisors are appointed in accordance with Regulation 105 of the LG (PPDA) Regulations 2006.	Contract Managers appointed	Implemented	The Entity acknowledged the issue and promised to strengthen compliance in this area.

No.	Recommended Action	Comment	Implementation Status	Management Response
5.	Contract supervisors should ensure that they prepare contract progress report for all procurements conducted.	Progress reports still missing	Not Implemented	The Accounting Officer explained that contract progress reports were on the general file by the time of audit and are now available for your verification. PPDA Comment These were not provided for verification.

Implication

This hinders the Entity's ability to continuously improve on its procurement performance

Management response

The entity noted the observation and promised to address the existing gaps in subsequent years.

Recommendations

The Accounting Officer should in coordination with the Internal Audit Unit should put in place mechanisms to monitor implementation of previous audit recommendations to ensure continuous improvement.

2.1.2 Procurement Plan Implementation Rate

Section 58 (4) of the PPDA Act, 2003 provides that a Procuring and Disposing Entity shall, on a quarterly basis and in any other case, wherever necessary, review and update its procurement plan.

The Entity's total procurement budget for the Financial Year 2022/2023 was UGX 6,264,395,744 as noted from the Entity's consolidated procurement plan. The quarterly reports submitted to the Authority however indicated a total procurement spend of UGX 1,989,324,274, 32% of the approved procurement plan thus planned procurements worth UGX 4,210,071,476 (68%) were not implemented. A summary of procurement plan implemented is indicated in table 4 below:

Table 4: Procurement Plan Implementation Rate

Analysis of procurement spend	
Total of initial procurement plan value inclusive of VAT (UGX)	6,264,395,744
Total procurement spend value inclusive of VAT (UGX)	1,989,324,274
Procurement plan implementation rate (%)	32%
Implementation variance (UGX)	4,210,071,476

The Authority also noted that some of the procurements not implemented were core service delivery items such as construction of a maternity ward, tarmacking of roads, construction of a seed school, supply of ICT for people with Disabilities, construction of toilets at Primary schools among others as indicated in table 5 below:

Table 5: Procurements planned but not implemented

S/N	Subject of Procurement	Planned Value
1.	Construction of a maternity ward	600,000,000
2.	Supply and Delivery of Construction materials for tarmacking of Sekamate&Kizito-Toko Road in Lwamata T (only Lot 1 was implemented at 149,730,000)	850,270,000
3.	Construction of Lwamata seed secondary school	750,000,000
4.	Supply of ICT for PDM Gadgets	98,546,347
5.	Roofing of Nakasengere Primary school	50,000,000
6.	Supply of heavy-duty printer and two small printers	34,000,000
7.	Construction of Five stance lined pit latrine at Kibanda primary school	29,000,000
8.	Construction of Five stance lined pit latrine at Katwe Church of Uganda primary school	29,000,000
9.	Construction of Five stance lined pit latrine at Katalama primary school	29,000,000
10.	Construction of Five stance lined pit latrine at Nabwendo primary school	29,000,000
11.	Construction of Five stance lined pit latrine at Bulaga primary school	29,000,000
12.	Supply of 36 school desks to selected schools	24,000,000
	Total	2,551,816,347

Implication

Failure to implement all planned procurements hinders service delivery as key services such as maternity services, hygiene in primary schools and roads are not fully provided to intended beneficiaries.

Management response

The Accounting Officer acknowledged the issue and explained that the constructions of the maternity ward and the Seed school were not implemented due to delays of implementation partners of UPDF and MOES respectively while the rest were due to under release of funds.

Recommendations

The Accounting Officer and Management should;

- (a) Regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance.
- (b) Engage stakeholders such as UPDF and MOES to avoid delays that hinder procurement plan implementation.

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

2.2.1 Delays in the procurement process

Section 48 of the PPDA Act states that all procurement and disposal activities shall be conducted in a manner which promotes economy, efficiency and value for money.

During a review of the procurement files of two procurements amounting to UGX 235,014,712, the Authority noted delays at different stages as indicated in table 6 below:

Table 6: Delays in the Procurement process.

No	Subject of Procurement	Amount (UGX)	Date of Initiation by user department	Date of approval by Accounting Officer	Date CC approval of Procurement methods.	Comment
1.	Construction of a staff House at Lukuli Primary school in Kiboga District	139,224,129	1 st November, 2022,	8 th December 2022	12 th December 2022	One-month delay for the AO to approve the Procurement.
2	Construction of 6 stance Lined Pit Latrine at Bukomero Health Centre IV	34,012,863	18 th August 2022. There was a delay of three months two weeks for the procurement process to commence.	18 th August 2022	12 th December 2022	Four months between procurement approval and Contracts Committee approval of procurement method, Evaluation Committee and bidding documents.
	TOTAL	235,014,712				

Implication

Delays in procurement process denies community timely service delivery

Management response

The entity noted the observation and promised to ensure timely procurements in subsequence financial years by adhering to the stated procurement schedules in the procurement plan and invitations to bid

Recommendation

The Accounting Officer should ensure that the procurements are conducted in a timely manner to achieve value for money

2.2.2 Inconsistencies in the Bidding Document

Regulation 48 (1-10) of the Local Governments (PPDA) Regulations, 2006 provides a manner in which solicitation documents should be prepared by Procuring and Disposing Entities.

The Authority during the review of the procurement files noted in five procurements worth UGX 483,371,351 that the Procurement and Disposal Unit prepared and issued inadequate bidding documents as detailed in the table 7 below;

Table 7: Bidding documents with inconsistencies

No	Subject of Procurement	Contract value (UGX)	Inconsistency in the bidding document
1	Construction of a Staff House at Lukuli Primary School in Kibogaa district	139,224,129	<ul style="list-style-type: none"> • Incomplete Bidding Document: the evaluation methodology for Personnel did not include the required qualification and experience of the Environmental Officer and Social Development Officer.
2	Drilling of six Deep Boreholes	120,950,222	<ul style="list-style-type: none"> • Inadequate bidding document preparation, particularly on the evaluation on methodology and Criteria. <ul style="list-style-type: none"> ✓ The qualification and minimum experience required Environmental officer and Development Officer was not indicated in the solicitation document. ✓ The bidder was required to demonstrate that they shall have access to the key equipment. ✓ PDU did not specify the minimum number required per each equipment • The bidding document did not indicate the bid validity.
3	Construction of Pedestrian Ramp at Kiboga District Administration Block	50,059,612	<ul style="list-style-type: none"> • The bidding document does not indicate when it was issued to the bidders • The deadline for bid submission in the bidding document is 3rd March 2023 however bids were received on 17th March 2023 without any addendum to extend the bidding document.
4	Construction/completion of Kindike Mini Piped Water scheme(Phase11)	147,639,240	Ambiguous requirements in the bidding document, the Authority observed that the Equipment specified in the bidding document are meant to limit bidder's participation which eventually limits competition
5	Supply and Installation of Irrigation System at Kibiga	25,498,148	The intended completion date or delivery period was not indicated in the Solicitation document that was issued to the bidders.

No	Subject Procurement	of	Contract value (UGX)	Inconsistency in the bidding document
	TOTAL		483,371,351	

Implication

Laxity in preparation of bidding documents exposes the Entity to a risk of bidders submitting non-responsive bids and items procured failing to meet the users' requirements.

Management response

The entity notes the above observation on ambiguities in the bidding documents and have since been addressed this financial year.

Recommendation

- The Head Procurement and Disposal Unit should ensure that bidding documents issued to bidders are devoid of inconsistencies to avoid unnecessary complaints.
- The Contracts Committee should always ensure that the Bidding Documents are adequately prepared before approval to ensure competition and transparency in the procurement process.

2.2.3 Failure to nominate Evaluation Committee Members.

Regulation 25 (2) of the Local Governments (PPDA) Regulations 2006 provides that the Procurement and Disposal Unit shall recommend the composition of Evaluation Committees for the approval of the Contracts Committee.

The Authority noted that the form for nominating of Evaluation Committees members was signed by the Senior Procurement Officer without indicating names and positions of nominated staff to Evaluation Committee in for three sampled procurements worth UGX 216,740,805. The Contracts Committee minutes however had names of the evaluators of the respective procurements without indicating how they came to those names. Figure one below is a sample of a LG PP Form 2 that does not indicate names of Evaluation Committee while Table 8 indicates procurements were the Names of nominated Evaluation Committee members were not indicated by the Senior Procurement Officer.

Figure 1: Empty signed LG PP Form 2 nominating Evaluating Committee member.

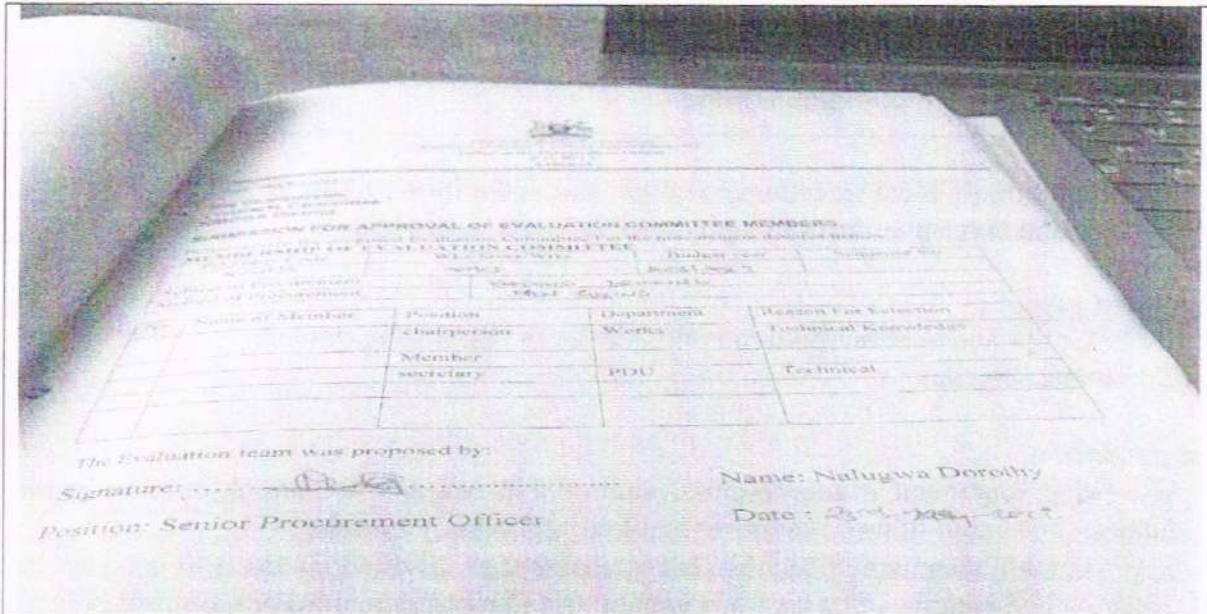


Table 8: Procurements with no record of nomination of Evaluation Committee

No.	Subject of Procurement	Contractor/Provider	Contract Value
1	Drilling of six (06) Deep Boreholes	Icon Projects Ltd	120,950,222
2	Construction of 6 stance Lined Pit Latrine at Bukomero Health Centre IV	Plant Whiting Contractors Ltd	34,012,863
3	Renovation of OPD at Katwe Health Centre III	Applied Investments Ltd	61,777,720
	TOTAL		216,740,805

Implication

Failure to appoint the Evaluation Committee members limits transparency in the procurement process.

Management response

The Accounting Officer asserted that all members who attended evaluation meetings were nominated by the PDU and approved by the contracts committee and minutes are in place for your verification and records of evaluation committee had been filled.

Recommendation

The Authority notes the Accounting Officer’s response for the three procurements listed in table10 above and maintained that PDU did not nominate Evaluation Committee members.

The Head PDU should nominate Evaluation committee membership using LG PP Form 2 for approval by the Contracts Committee using LG PP Form 2 in line with Regulation 25 (2) a of the Local Governments (PPDA) Regulations 2006.

2.2.4 Irregularities during evaluation

Reg. 73 (3) of the Local Governments(PPDA) Regulations, 2006 provides that; if a bid is not substantially compliant and responsive to the bid documents, it shall be rejected by the Procuring and

Disposing Entity and may not subsequently be made compliant or responsive by the bidder by correction of the material deviation, or omission.

The Authority found that Evaluation Committees recommended award of contracts for Six Procurements amounting to UGX 794,679,459 to non-compliant bidders contrary to the PPDA Act 2003 and PPDA LG Regulations 2023 as indicated in the table 9 below.

Table 9: Contracts awarded to Non- Compliant Bidders at evaluation stage.

S/N	Subject of Procurement	Contract Amount (UGX)	PPDA Findings
1.	Consultancy Services for the Preparation of a Physical Development Plan and Detailed for Lwamata Town Council	149,860,000	<ul style="list-style-type: none"> The Best Evaluated Bidder submitted an invalid/ Expired Income Tax Clearance issued on 9thDecember 2021 for the period 1st 07/2021 to 30th June 2022 Government contrary to the requirement in ITB 14.1 (m) of the standard bidding document but was passed compliant The completion period of the services as per Special Conditions of contract GCC 18.1 (Two calendar Months for phase 1 and Five calendar months for phase II. The Bidder however submitted a work plan and estimated time schedule for workers for a period of 10 months. Indicating non-acceptance of the conditions of the proposed contract.
2.	Supply and Delivery of Construction materials for tarmacking of Sekamate&Kizito-Toko road in Lwamata Trading Centre – lot 1	149,730,000	The Best evaluated Bidder submitted an invalid Income Tax Clearance issued on 20 th June 2022 for the period 1 st July 2020 to 30 th June 2021 contrary to the requirement in Section 3B 3 (e) of the Standard bidding document that required a Tax Clearance of for the period of 1 st July 2021 to 30 th June 2022 but was passed compliant
3.	Supply and Installation of Irrigation system at Kibinga	25,498,148	
4.	Renovation of OPD block at Katwe Health Centre III	61,777,720	<ul style="list-style-type: none"> The Evaluation Committee did not evaluate the criteria of required for Equipment. The Evaluation Report does not indicate whether it was waived or not. The Best Evaluated Bidder(BEB)however passed even with non-submission of all required equipment. Non-compliance to the instructions in the bidding document (section 4 – bidding forms). The best evaluated bidder adopted different formats of forms that were submitted contrary to those

			<p>provided;</p> <ul style="list-style-type: none"> • There were no signed CVs of the proposed personnel. • The best evaluated bidder did not submit all the required Personnel but the Evaluation committee passed the bidder as compliant
5.	Construction of a staff House at Lukuli Primary School in Kiboga District	139,224,129	<ul style="list-style-type: none"> • The best evaluated bidder submitted a mobilisation schedule for a different project (2 classroom Block) yet this was construction of a staff/Teaches' house. The dates on the mobilisation schedule run from 14th September 2022 to 12th October 2022 yet the project was to be implemented from January 2023. • The completion Schedule of the Best evaluated bidder states 3 months of completion yet the mobilisation schedule states one month of completion. The evaluation committee however scored the two schedules compliant. • Contractor submitted an expired trading license issued by Kyengera TC on 19th January 2022 and expired on 31st December 2022 yet the date of submission was 3rd January, 2023 but evaluation Committee Scored the bidder compliant contrary to ITB 15.1 (i) of the bidding document • The evaluation committee did not evaluate the criteria of required Equipment and report does not indicate whether it was waived or not. However, the evaluation team passed the bidder even with non-submission of all required equipment. • Lack of evidence of ownership of submitted equipment by the Bidder. The contractor submitted equipment that belonged to Skylight General Services limited but there were no lease agreement signed on accessibility of the equipment. • Non-compliance to the instructions in the bidding document (section 4 – bidding forms). The Best evaluated bidder adopted different formats of forms that were submitted contrary to those provided
6.	Construction/completion of Kindike Mini Piped Water scheme(Phase I)	147,639,240	<ul style="list-style-type: none"> • The evaluated team did not consider the evaluation criteria that was issued in the bidding document regarding equipment because the recommended bidder did not have all the list of

			equipment as detailed below;	
			Equipment	No
			Dump Trucker (10-20Ton Capacity)	1
			Concrete Packer Vibrators-40mm diameter	4
			Concrete Mixers(1-2m ³)	2
			Plate Compactor	1
			Welding Set	1
			Re-Bar Bending /cutting Machine	1
			Form work Plates	1
			Material Hoist (Min.12meters)	1
			30kva Generator	1
			Wheel Loader -105HP& 1.8M3 Bucket Capacity	1
			Vibrator and Hand Rammer	1
			Dumpy Level/Surveying Equipment	1
7.	Drilling of six (06) Deep Boreholes	120,950,222	MSR Technologies Ltd was eliminated un fairly at the Technical stage that the bidder never provided for the Health and Safety Officer yet the bidding document did not have qualification of the above-mentioned personnel stated.	
TOTAL		794,679,459		

Implications

- Failure to adhere to set criteria in the solicitation document and passing of a bidder with an expired tax clearance could result into award of contracts to incompetent and non-compliant bidders.

Management response

The Accounting acknowledged the issues raised and explained that the entity will improve in subsequent procurements.

Recommendation

- The Evaluation Committee members should desist from deviating from the approved evaluation criteria in the bidding documents in line with Regulations 72 to 82 of the Local Governments (PPDA) Regulations, 2006.
- The Head Procurement and Disposal Unit should ensure that Evaluation Committees follow approved evaluation criteria in the bidding document in accordance with Regulations 72 to 82 of the Local Governments (PPDA) Regulations, 2006.
- The Accounting Officer should organize a training and capacity building of key technical staff involved in bid evaluations.

2.2.5 Signing contracts above market price

Regulation 87 (1) (a) of the Local Governments (PPDA) Regulations, 2006 provides that a Procuring and Disposing Entity shall not enter into a contract until the Accounting Officer or an Officer with

delegated authority confirms in writing that the required funds have been committed for the proposed contract

The Authority noted that the Entity signed two contracts worth UGX 84,072,475 above the estimated price. There was no evidence that the Accounting Officer confirmed availability of additional funds to cover the extra funds needed for the contracts contrary to Regulation 87 (1) (a) of the Local Governments (PPDA) Regulations, 2006. Details are indicated in table 10 below.

Table 10: Contracts signed above the estimated cost.

No.	Subject of Procurement	Estimate (UGX)	Contract Price (UGX)	Variance (UGX)
1.	Construction of Pedestrian Ramp at Kiboga District Administration Block	47,068,288	50,059,612	2,991,324
2.	Construction of 6 stance Lined Pit Latrine at Bukomero Health Centre iv	30,000,000	34,012,863	4,012,863
	Total	77,068,288	84,072,475	7,004,187

Implication

Signing contracts above the estimated price exposes the entity to the risk of accumulation of domestic arrears

Management response

The entity noted the observation and promised to undertake the re-assessment of market prices for future procurements.

Recommendation

The Accounting Officer should confirm that the contract price is not higher than the market price established prior to commencement of the procurement process before signing any contract in accordance with Regulation 87 (1) (a) of the Local Governments (PPDA) Regulations, 2006.

2.2.5 Inadequate reporting.

(a) Failure to report on micro procurements.

Regulation 17 (3) (e) of the Local Governments (PPDA) Regulations, 2006 states that the Contracts Committee shall receive and consider micro procurement reports from the Procurement and Disposal Unit.

The Authority noted that the Entity did not report on micro procurement in all the quarterly reports submitted to the Authority during Financial Year 2022/2023.

(b) Failure to report on Mechanized and Routine Manual Maintenance of Roads

Regulation 7 (1) of the PPDA Local Government Regulations, 2006 states that a Procuring and Disposing Entity shall submit to the Authority quarterly procurement and disposal reports and performance data.

The procurement plan provided for mechanised and Routine Manual Maintenance of Roads worth UGX 913,000,000 however, this was not reported to the Authority. The procurement action files availed to the Authority for review did not include contract management records.

Implication

This hindered accountability and transparency in the procurement process

Management response

- The entity noted the observation on micro procurements and shall follow up with user to ensure timely reporting is done for submission to PPDA.
- The entity explained that mechanized and Routine Manual Maintenance of Roads were reported quarterly in form of fuel supplies under framework arrangement.

Recommendation

The Entity should submit to the Authority quarterly procurement and Disposal reports on all procurements undertaken by the Entity in accordance with Regulation 7 (1) of the PPDA Local Government Regulations, 2006

2.2.6 Low bidder participation

Section 45 and 46 of the PPDA Act, 2003 states that all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money

The Authority noted a low bidder response with 8 of the 10 of the sampled procurements attracting one or two bidders at an average of 1.5 bids, even when the open domestic bidding was used as indicated in table 11 below:

Table 11: Procurements with Low bidder participation

S/N	Procurement details	Contract Value (UGX)	No.of Bids Submitted
1.	Construction of staff house at Lakuli Primary school	139,224,129	2
2.	Renovation of OPD at Katwe Health Centre III	61,777,720	1
3.	Supply of 2no. Motorcycle for the Production Department	22,089,281	2
4.	Construction of six stance lined pit latrine at Bukomero Health Centre IV	34,012,863	1
5.	Construction of Pedestrian Ramp at Kiboga District Administration Block	50,059,612	2
6.	Construction/completion of Kindike Mini Piped Water scheme (Phase11)	147,639,240	2
7.	Supply and Installation of Irrigation system at Kibinga	25,498,148	1

S/N	Procurement details	Contract Value (UGX)	No.of Bids Submitted
8.	Supply and Delivery of Construction Materials for Tarmacking of Sekamate&Kizito-Toko Road in Lwamata Trading Centre	149,730,000	1
Total		630,030,993	1.5

Implications

Low bidder participation hinders competition in the procurement process hence there is a risk of not achieving value for money.

Management Rresponse

The entity explained that for all cited procurements, open bidding method was used with adverts in widely spread new paper to promote transparency and competition.

The entity also prequalified many service providers for this financial year to widen the supplier base. hence maximising competition.

Recommendations

The Accounting Officer should;

- (i) Establish the possible reasons of the low bidder response and devise mechanisms of increasing competition on in the Entity's procurement processes to achieve value for money.
- (j) Ensure that all procurements are conducted in a manner that promotes transparency, accountability and fairness in accordance with Section 45 of the PPDA Act 2003.

2.2.7 Incomplete procurement action files

Regulation 46 (1) of the Local Governments PPDA Regulations, 2006 requires the Procuring and Disposing Entity to keep all records relating to a procurement such as the record of procurement process, contract management records, Contracts Committee and Accounting Officer records relating to the procurement among others for inspection by the Authority or other competent authority during working hours. A review of the procurement files for six procurements worth UGX 647,040,219 noted missing procurement records as indicated in table 12 below.

Table 12: Procurements with missing records

No	Subject of Procurement	Contract value (UGX)	Missing Records
1.	Construction of a staff house at Lukuli Primary school in Kiboga district	139,224,129	<ul style="list-style-type: none"> • No evidence on file to show that the participating Bidders were notified of the decisions of award of contract. • No evidence that the provider provided a performance security.
2.	Renovation of OPD at Katwe Health Centre III	61,777,720	
3.	Supply and Delivery of	149,730,000	

No	Subject of Procurement	Contract value (UGX)	Missing Records
	Construction materials for tarmacking of Sekamate&Kizito-Toko Road in Lwamata TC – Lot 1		
4.	Supply and Installation of Irrigation system at Kibinga	25,498,148	<ul style="list-style-type: none"> No evidence on file to show that the participating Bidders were notified of the decisions of award of contract
5.	Consultancy Services for the Preparation of a Physical Development Plan and Detailed for Lwamata Town Council	149,860,000	<ul style="list-style-type: none"> No Best Evaluated Bidder Notice for technical evaluation proposal No evidence on file to show that the participating Bidders were notified of the decisions of award of contract. Inception report 20% Report Diagnostic Analysis of the Town Council 30% Draft Town Council physical development plan 30% Physical development plans 20% Corresponding approvals Progress reports
6.	Drilling of six (06) Deep Boreholes	120,950,222	<ul style="list-style-type: none"> No performance security of 10% was issued to the entity as indicated in the solicitation document
	Total	647,040,219	

Implication

This affects the audit trail and accountability of the activities conducted.

Management Response

The Accounting Officer explained that by the time of audit, some records were on the general file and were available for verification.

Recommendation

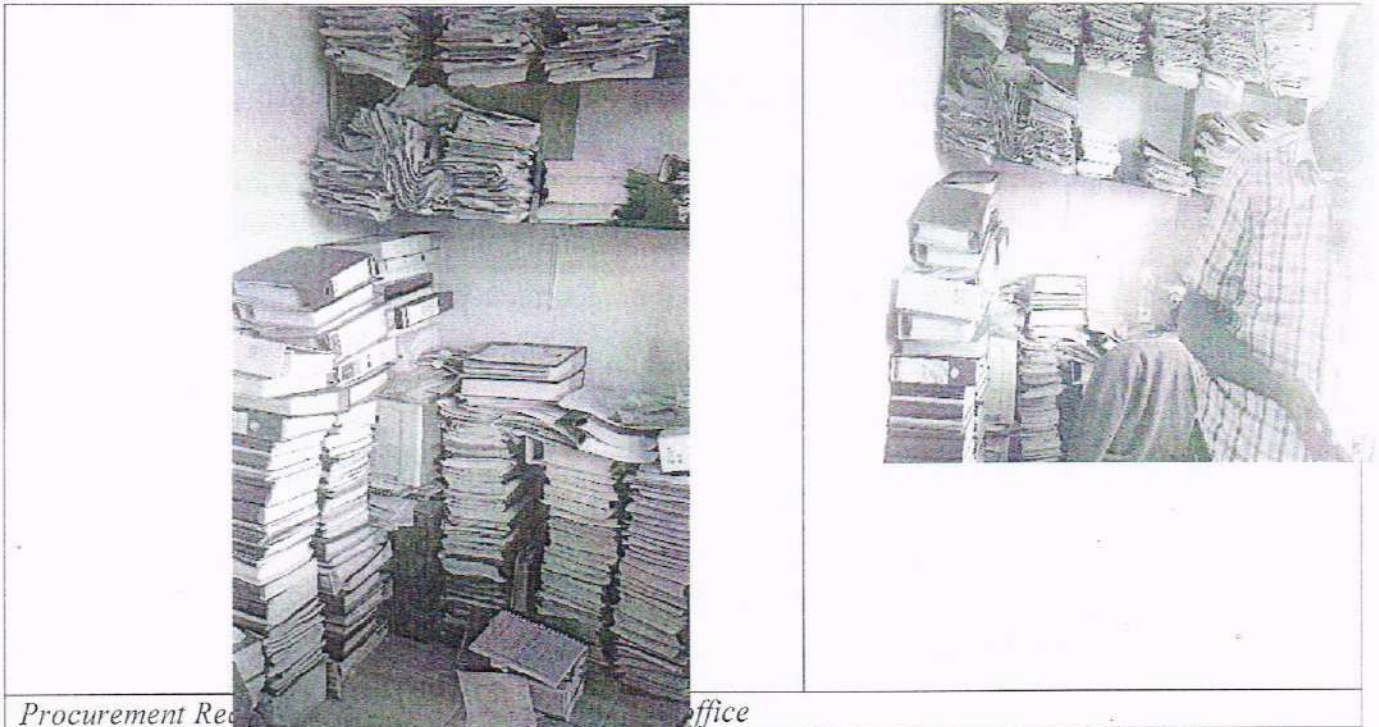
The Authority notes the Accounting Officer's response; however, the records were not provided for verification and therefore recommends that:

The Head Procurement and Disposal Unit should ensure that all procurement records are maintained on their respective action files in accordance with Section 41 of the PPDA Act 2003.

2.2.7 Lack of adequate storage of Procurement and Disposal records

The Authority noted that the Entity’s Procurement and Disposal Unit was not adequately facilitated with sufficient storage space and filing cabins to file/store the procurement action files. Some of the documents were on the floor in the Procurement and Disposal Unit as illustrated in Figure 2 below:

Figure 2: Photos showing lack of adequate storage of Procurement and Disposal records.



Procurement Records

office

Implication

Lack adequate of records thus affe

records may result into misplacement or loss of of public funds.

Management Response

The entity noted the observation and explained that the construction of a procurement store is underway.

Recommendation

The Accounting Officer should provide the Procurement and Disposal Unit with alternative storage space and shelves to enable proper and safe storage of records as stipulated in Section 41 of the PPDA Act 2023.

2.3 THE LEVEL OF EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION

The Authority analysed the execution of procurement activities within the stipulated timelines to ensure timely delivery of services to the intended beneficiaries in compliance with Section 48 of the PPDA Act, 2003. The following non-conformities were noted:

2.3.1 Failure to obtain performance Security from successful bidders.

Regulation 102 (1) of the Local Governments (PPDA) Regulations, 2006 provides that a performance security may be requested to protect against non-performance of a contract. The Special Conditions of Contract GCC 61.1 of the bidding document issued to bidders required the successful bidder to submit a performance security worth 10% of the contract price.

The Authority noted that contractors did not provide performance securities in four procurements worth UGX 469,591,311 yet they were required. Details of the procurements indicated in table 13 below:

Table 13: Signed contracts with no required performance securities

No	Subject of Procurement	Amount (UGX)
1.	Construction of a Staff House at Lukuli Primary School in Kiboga District	139,224,129
2.	Renovation of OPD at Katwe Health Centre III	61,777,720
3.	Drilling of six (06) Deep Boreholes	120,950,222
4.	Construction/completion of Kindike Mini Piped Water scheme(Phase11)	147,639,240
	Total	469,591,311

Implication

Failure to request for a performance security leaves the Entity with no remedy in case the Contractor failed to perform the contract according to the contractual obligations

Management response

The Accounting Officer explained that the contractors commenced and completed the works with satisfactory performance prior to acquisition of performance securities. This is an observation the entity is to follow up to ensure commencement letters are issued on submission of performance securities.

Recommendation

The Head, Procurement and Disposal should ensure that where required, the successful bidder provides a performance security to the Entity in accordance with regulation 102 of the Local Governments (PPDA) Regulations, 2006.

2.3.2. Inadequate Contract Management.

Regulation 119 (10) of the Local Governments (PPDA) Regulations, 2006 requires a Contract Supervisor to among others ensure that the providers meets their obligations as specified in the contract, a provider submits all required documentation in accordance with the terms and conditions of a contract and all contract management records are kept and archived as required

The Authority noted that the provider did not provide performance security, some contracts expired without extension before the provider performed their obligations and contract management records were missing in nine procurements worth UGX 864,060,273 as indicated in the table 14 below:-

Table14: Procurements with inadequate contract management records

No	Subject of procurement	Contract Amount (UGX)	Missing records
1.	Construction of a staff house at lukuli primary school in Kiboga district	139,224,129	<ul style="list-style-type: none"> • Performance security
2.	Renovation of OPD block at Katwe Health Centre III	61,777,720	
3.	Supply and Installation of Irrigation system at Kibinga	25,498,148	
4.	Supply and Delivery of Construction materials for tarmacking of Sekamate&Kizito-Toko Road in Lwamata TC – Lot 1	149,730,000	
5.	Consultancy Services for the Preparation of a Physical Development Plan and Detailed for Lwamata Town Council	149,860,000	<ul style="list-style-type: none"> • Inception report • Report diagnostic analysis of the Town Council • Draft Town Council physical development plan • Physical development plans • Corresponding approvals • Progress reports
6.	Drilling of six (06) Deep Boreholes	120,950,222	<ul style="list-style-type: none"> • No performance security of 10% was issued to the entity
7.	Construction of Pedestrian Ramp at Kiboga District Administration Block	50,059,612	<ul style="list-style-type: none"> • Contract ended on 30th June 2023 but there was no evidence of extension at the time of audit in July 2023.

No	Subject of procurement	Contract Amount (UGX)	Missing records
8.	Construction/completion of Kindike Mini Piped Water scheme(Phase11)	147,639,240	<ul style="list-style-type: none"> • No performance security that was submitted to the Entity • No correspondence or any document highlighting the adjusted bills of quantities or items that deemed not necessary that led to reduction in scope • No cost breakdown of the costing and how the new total price was arrived at and which scope was reduced
9.	Purchase of 2 (two) Motor Cycles for the Production and water Department	19,321,202	<ul style="list-style-type: none"> • No contract management records • No correspondences on file signed between Kiboga District and Parts Land International Ltd pertaining the details of cancelling the contract. • No information pertaining delegation of the contract to CFAO Motors Ltd
	Total	864,060,273	

Implication

Inadequate contract management hinders effective service delivery and exposes the Entity to breach of contract and hence risk of litigation and unnecessary costs therein.

Management response

The Accounting Officer noted the observation and explained that by the time of audit, some records were on the general file and were available verification.

Recommendations

The Audit team was not provided with records for verification and therefore recommends that;

- The Accounting Officer should ensure that Contract Supervisors are appointed for all signed contracts
- Contract Supervisors should submit regular progress/ contract management reports to the Accounting Officer as required under Regulation 119 (10) (f) of the Local Governments (PPDA) Regulations, 2006.
- The Head PDU should ensure that procurement action files are complete with all required information

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section presents the scores per area assessed under different compliance audit risk questions.

3.1 Overall Compliance Audit Conclusion

The performance of Kiboga District Local Government for the Financial Year 2022/2023 was **Moderately satisfactory** with overall weighted average risk rating of **31%**.

The risk rating is as in Table 15 shown below:

Table 15: Overall Entity Ranking

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

3.2 Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 16 below:

Table 16: Risk Computation

Risk category	No.	No.%	Value (UGX)	Value%	Weights	Total weighted Average	
						By No	By Value
High	0	0	0	0	0.6	0	0
Medium	5	50	526,089,997	58	0.3	15	17.4
Low	3	30	103,393,672	12	0.1	3	1.5
Satisfactory	2	20	268,589,462	30	0	0	0
Total	10	100	898,073,136	100	1	18	18.9

$$\text{Weighted Average (By No.)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{18 \times 100}{60} = 30\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{18.9 \times 100}{60} = 31.5\%$$

$$\text{Combined Weighted Average} = \frac{30 + 31.5}{2} = 31\%$$

Figure 1: Chart representation of the risk rating by value

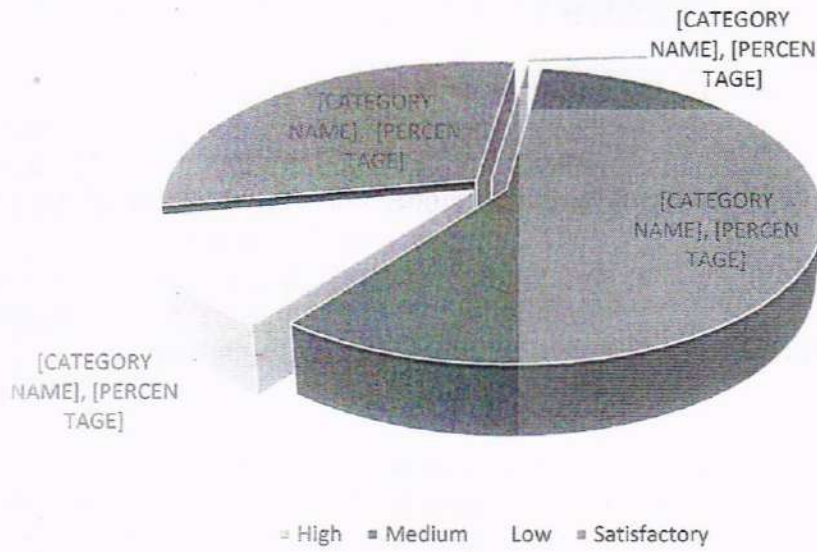
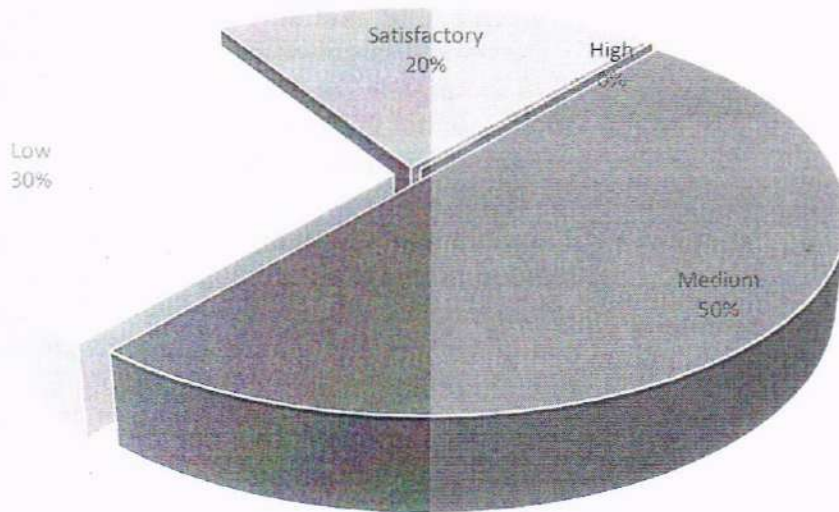


Figure 2: Chart representation of the cases by number



Annex 1: Findings and rating on the individual contracts reviewed

No.	SUBJECT OF PROCUREMENT	EXCEPTIONS NOTED
1.	<p>Construction of a staff house at Lukuli primary school in Kiboga district</p> <p>Contract price: UGX 139,224,129</p> <p>Method: Open Domestic Bidding</p> <p>Provider: Ever Investments Limited</p>	<p>1. Delays in the procurement process.</p> <ul style="list-style-type: none"> • The procurement was initiated by the user department on 1st November, 2022 and the Accounting Officer approved it on 8th December, 2022 causing a delay of a month. • Incomplete Bidding Document: the evaluation methodology for Personnel did not include the required qualification and experience of the Environmental Officer and Social Development Officer. <p>2. Over statement of methodology</p> <ul style="list-style-type: none"> • some of the equipment required are not necessary for the works to be done <p>3. Passing a non-compliant bidder during evaluation.</p> <ul style="list-style-type: none"> • The best evaluated bidder submitted a mobilisation schedule for a different project (2 classroom Block) yet this was construction of a staff/Teaches' house. The dates on the mobilisation schedule run from 14th September 2022 to 12th October 2022 yet the project was to be implemented from January going forward of 2023 • The completion Schedule of the Best evaluated bidder states 3 months of completion yet the mobilisation schedule states one month of completion. The evaluation committee however scored the two schedule compliant. • Contractor submitted an expired Trading License issued by Kyengera TC on 19th January 2022 and expired on 31st December 2022 yet the date of submission was 3rd January, 2023 but Evaluation Committee Scored the bidder compliant contrary to ITB 15.1 (i) of the bidding document. • The evaluation committee did not evaluate the criteria of required equipment and report does not indicate whether it was waived or not, the best evaluated bidder was however passed even with non-submission of all required equipment. • Lack of evidence of ownership of submitted equipment by the Bidder. The contractor submitted equipment that belonged to Skylight General services limited but there were no lease agreement signed on accessibility of the equipment. • Non-compliance to the instructions in the bidding

No.	SUBJECT OF PROCUREMENT	EXCEPTIONS NOTED																											
		<p>document (section 4 – bidding forms).</p> <ul style="list-style-type: none"> • There were no signed CVs of the proposed personnel. And for those submitted, only academic documents were attached. • The Best evaluated bidder did not submit all the required Personnel but the bidder was passed as compliant <table border="1" data-bbox="730 517 1517 1088"> <thead> <tr> <th data-bbox="730 517 815 589">No.</th> <th data-bbox="815 517 1107 589">Required Personnel</th> <th data-bbox="1107 517 1517 589">Submitted Personnel</th> </tr> </thead> <tbody> <tr> <td data-bbox="730 589 815 629">1.</td> <td data-bbox="815 589 1107 629">Project Manager</td> <td data-bbox="1107 589 1517 629">Responsive</td> </tr> <tr> <td data-bbox="730 629 815 669">2.</td> <td data-bbox="815 629 1107 669">Site Engineer</td> <td data-bbox="1107 629 1517 669">Responsive</td> </tr> <tr> <td data-bbox="730 669 815 745">3.</td> <td data-bbox="815 669 1107 745">General Site Foreman</td> <td data-bbox="1107 669 1517 745"></td> </tr> <tr> <td data-bbox="730 745 815 786">4.</td> <td data-bbox="815 745 1107 786">Electrical Foreman</td> <td data-bbox="1107 745 1517 786"></td> </tr> <tr> <td data-bbox="730 786 815 826">5.</td> <td data-bbox="815 786 1107 826">Quantity Surveyor</td> <td data-bbox="1107 786 1517 826"></td> </tr> <tr> <td data-bbox="730 826 815 902">6.</td> <td data-bbox="815 826 1107 902">Health and Safety Officer</td> <td data-bbox="1107 826 1517 902">Responsive</td> </tr> <tr> <td data-bbox="730 902 815 978">7.</td> <td data-bbox="815 902 1107 978">Environmental Officer</td> <td data-bbox="1107 902 1517 978">Responsive</td> </tr> <tr> <td data-bbox="730 978 815 1088">8.</td> <td data-bbox="815 978 1107 1088">Social Development Officer</td> <td data-bbox="1107 978 1517 1088"></td> </tr> </tbody> </table> <ul style="list-style-type: none"> • No evidence on file to show that the participating Bidders were notified of the decisions of award of contract. • No Performance Guarantee furnished by the contractor yet it was a requirement in the Special Conditions GCC 61.1 of the bidding documents • Changes in terms of contract: The actual contract signed is different from the proposed contract in the bidding document. Special Conditions GCC 61.1 of the bidding documents states that a performance security of 10% of the contract price shall be required. However, the contract signed did not require a performance security as per section GCC 60.1 • Special Conditions of contract GCC 44.1 of the bidding Document states 120 days as the defect's liability period. The special condition GCC 35.1 of the signed contract states 90 days as the defect's liability period • GCC 22.1 states that the intended completion date for all of the works shall be 20th June, 2023, the signed contract GCC 17.1 states that the intended Completion date shall be 30th April 2023 	No.	Required Personnel	Submitted Personnel	1.	Project Manager	Responsive	2.	Site Engineer	Responsive	3.	General Site Foreman		4.	Electrical Foreman		5.	Quantity Surveyor		6.	Health and Safety Officer	Responsive	7.	Environmental Officer	Responsive	8.	Social Development Officer	
No.	Required Personnel	Submitted Personnel																											
1.	Project Manager	Responsive																											
2.	Site Engineer	Responsive																											
3.	General Site Foreman																												
4.	Electrical Foreman																												
5.	Quantity Surveyor																												
6.	Health and Safety Officer	Responsive																											
7.	Environmental Officer	Responsive																											
8.	Social Development Officer																												

No.	SUBJECT OF PROCUREMENT	EXCEPTIONS NOTED
2.	Renovation of OPD block at Katwe Health Centre III Contract price: UGX 61,777,720 Method: Open Domestic Bidding Provider: M/S Applied Investments Ltd	<ul style="list-style-type: none"> • Incomplete Bidding Document: the evaluation methodology for Personnel did not include the required qualification and experience of the Environmental Officer and Social Development Officer. • Non-approval of evaluation committee: the submission made by PDU to CC for approval of evaluation Committee did not contain names therefore the audit team wondered how Contracts Committee came up with the evaluation committee for approval. <p>1 Failure to seek Authenticity of Bid Security. The Evaluation committee went ahead and evaluated bids without seeking authenticity of the bid security from the issuing bank.</p> <p>2 Alterations in the Evaluation Committee: Tom Damulira was replaced by Mulungwa Joseph - Works Dep't Chairperson without approval by CC</p> <p>3 Passing a non-compliant bidder during evaluation</p> <ul style="list-style-type: none"> • Best evaluated bidder submitted an invalid Income Tax Clearance issued on 27th May 2022 for the period 01/07/2021 to 30th June 2022 contrary to the requirement in ITB 15.1 (i) of the Standard bidding document but was marked compliant • The evaluation committee did not evaluate the criteria of required equipment and report does not indicate whether it was waived or not. the Best evaluated bidder was however passed even with non-submission of all required equipment. • Lack of evidence of ownership of submitted equipment by the Bidder. The contractor submitted equipment that belonged to Skylight General services limited but there were lease agreement signed on accessibility of the equipment. • Non-compliance to the instructions in the bidding document <p>(section 4 – bidding forms). The Best evaluated bidder adopted different formats of forms that were submitted contrary to those provided;</p> <ul style="list-style-type: none"> ➤ The Bid Submission Sheet ➤ Form 1. Proposed personnel ➤ Form 2.CV of proposed personnel ➤ Form 3. And Form 3A Equipment ➤ Form 4 Bidder Information

No.	SUBJECT OF PROCUREMENT	EXCEPTIONS NOTED																											
		<p>sheet</p> <ul style="list-style-type: none"> ➤ Form 5 Historical Contract Non-performance ➤ Form 5A Pending Litigation ➤ Form 6 Current Commitments/Works in progress ➤ Form 6 Historical Financial performance ➤ Form 7 Average Annual Turnover ➤ Form 8 Financial Resources ➤ Form 9 General Experience ➤ Form 10 Specific experience <ul style="list-style-type: none"> • There were no signed CVs of the proposed personnel. And for those submitted, only academic documents were attached. • The Best evaluated bidder did not submit all the required Personnel but the evaluation Committee assessed the bidder as compliant <table border="1" data-bbox="759 1032 1517 1749"> <thead> <tr> <th data-bbox="759 1032 839 1106">No.</th> <th data-bbox="844 1032 1059 1106">Required Personnel</th> <th data-bbox="1064 1032 1517 1106">Submitted Personnel</th> </tr> </thead> <tbody> <tr> <td data-bbox="759 1113 839 1184">1.</td> <td data-bbox="844 1113 1059 1184">Project Manager</td> <td data-bbox="1064 1113 1517 1184">Project Manager – Moses Seruyange</td> </tr> <tr> <td data-bbox="759 1191 839 1263">2.</td> <td data-bbox="844 1191 1059 1263">Site Engineer</td> <td data-bbox="1064 1191 1517 1263">Site Engineer – Mutesasira Henry</td> </tr> <tr> <td data-bbox="759 1270 839 1341">3.</td> <td data-bbox="844 1270 1059 1341">General Site Foreman</td> <td data-bbox="1064 1270 1517 1341"></td> </tr> <tr> <td data-bbox="759 1348 839 1420">4.</td> <td data-bbox="844 1348 1059 1420">Electrical Foreman</td> <td data-bbox="1064 1348 1517 1420"></td> </tr> <tr> <td data-bbox="759 1426 839 1498">5.</td> <td data-bbox="844 1426 1059 1498">Quantity Surveyor</td> <td data-bbox="1064 1426 1517 1498"></td> </tr> <tr> <td data-bbox="759 1505 839 1576">6.</td> <td data-bbox="844 1505 1059 1576">Health and Safety Officer</td> <td data-bbox="1064 1505 1517 1576">Safety Officer – Sam Eyedu</td> </tr> <tr> <td data-bbox="759 1583 839 1655">7.</td> <td data-bbox="844 1583 1059 1655">Environmental Officer</td> <td data-bbox="1064 1583 1517 1655">Environmental Officer – Sekasamba Edris Mohammed</td> </tr> <tr> <td data-bbox="759 1662 839 1733">8.</td> <td data-bbox="844 1662 1059 1733">Social Development Officer</td> <td data-bbox="1064 1662 1517 1733">Nambalirwa Sophia</td> </tr> </tbody> </table> <p>4 No evidence on file to show that the participating Bidders were notified of the decisions of award of contract.</p>	No.	Required Personnel	Submitted Personnel	1.	Project Manager	Project Manager – Moses Seruyange	2.	Site Engineer	Site Engineer – Mutesasira Henry	3.	General Site Foreman		4.	Electrical Foreman		5.	Quantity Surveyor		6.	Health and Safety Officer	Safety Officer – Sam Eyedu	7.	Environmental Officer	Environmental Officer – Sekasamba Edris Mohammed	8.	Social Development Officer	Nambalirwa Sophia
No.	Required Personnel	Submitted Personnel																											
1.	Project Manager	Project Manager – Moses Seruyange																											
2.	Site Engineer	Site Engineer – Mutesasira Henry																											
3.	General Site Foreman																												
4.	Electrical Foreman																												
5.	Quantity Surveyor																												
6.	Health and Safety Officer	Safety Officer – Sam Eyedu																											
7.	Environmental Officer	Environmental Officer – Sekasamba Edris Mohammed																											
8.	Social Development Officer	Nambalirwa Sophia																											

No.	SUBJECT OF PROCUREMENT	EXCEPTIONS NOTED
		<p>5 No performance Guarantee furnished by the contractor yet it was a requirement in the Special Conditions GCC 61.1 of the bidding documents</p> <p>6 Variation of contract without Contracts committee approval: on 15th June, 2023, the contractor was added additional works of shs 4,720,000 for placement of steel doors yet shs 1,920,000 for replacement of existing (8) flash doors was paid. Bill Item No 4. Replacement and repairs – CC meeting held on 6th June, 2023</p> <p>7 Changes in terms of contract: The contract actual contract signed are different from the proposed contract in the bidding document. Special Conditions GCC 61.1 of the bidding documents states that a performance security of 10% of the contract price shall be required. However, the contract signed did not require a performance security as per section GCC 52.1</p> <ul style="list-style-type: none"> • Special Conditions of contract GCC 44.1 of the bidding Document states 120 days as the defects liability period. The special condition GCC 35.1 of the signed contract states 90 days as the defects liability period • GCC 22.1 states that the intended completion date for all of the works shall be 20th June, 2023. the signed contract GCC 17.1 states that the intended Completion date shall be 30th May 2023.
3.	<p>Supply and Installation of Irrigation system at Kibinga</p> <p>Contract price: UGX 25,498,148</p> <p>Method: Open Domestic Bidding</p> <p>Provider: M/S Muwad Investments (U) Limited</p>	<ul style="list-style-type: none"> • Low Bidder Participation <p>Passing a non-compliant bidder during evaluation.</p> <ul style="list-style-type: none"> • The best evaluated bidder submitted an invalid Income Tax Clearance issued on 3rd November 2021 for the period 1st July 2021 to 30th June 2022 addressed to Nakaseke District Local Government contrary to the requirement in ITB 15.1 (i) of the SBD but was marked compliant • No evidence on file to show that the participating Bidders were notified of the decisions of award of contract. • There are no records on files showing invitation of contracts committee members with indication of the date of sitting and the submissions made there under. • The intended completion or delivery period

No.	SUBJECT OF PROCUREMENT	EXCEPTIONS NOTED
		was not indicated in the standard bidding document nor the contract.
4. T	<p>Supply and Delivery of Construction materials for tarmacking of Sekamate&Kizito-Toko Road in Lwamata Trading Centre – Lot 1</p> <p>Contract price: UGX 149,730,000</p> <p>Method: Open Domestic Bidding</p> <p>Provider: M/S Yafesi Engineering Works Ltd</p>	<ul style="list-style-type: none"> • Low Bidder Participation <p>Passing a non-compliant bidder during evaluation.</p> <ul style="list-style-type: none"> • The best evaluated bidder submitted an income Tax Clearance for the period 1st July 2021 to 30th June 2022 contrary to the requirement in Section 3B 3 (e) of the Solicitation document which required a valid Tax clearance but was marked compliant • No evidence on file to show that the participating Bidders were notified of the decisions of award of contract. • The intended completion or delivery period is not indicated in the standard bidding document nor the contract. • Changes in terms of contract: The contract actual contract signed is different from the proposed contract in the bidding document. Special Conditions GCC 19.1 of the bidding documents states that a performance security of 10% of the contract price shall be required. However, the contract signed did not require a performance security as per section GCC 19.
5.	<p>Consultancy Services for the Preparation of a Physical Development Plan and Detailed for Lwamata Town Council</p> <p>Contract price: UGX 149,860,000</p> <p>Method: Open Domestic Bidding</p> <p>Provider: M/S Geo Spec (U) Ltd</p>	<p>Passing a non-compliant bidder during evaluation.</p> <ul style="list-style-type: none"> • BEB Submitted an invalid/ Expired Income Tax Clearance for the period 1st July 2021 to 30th June 2022 Government contrary to the requirement in ITC 14.1 (m) of the standard bidding document but was marked compliant • The completion period of the services as per Special Conditions of contract GCC 18.1 (Two calendar Months for phase 1 and Five calendar months for phase II. The Bidder however submitted a work plan and estimated time schedule for workers for a period of 10 months. Indicating non-acceptance of the conditions of the proposed contract. • No Best valuated Bidder Notice for technical

No.	SUBJECT OF PROCUREMENT	EXCEPTIONS NOTED																						
		<p>evaluation proposal on file</p> <ul style="list-style-type: none"> No evidence on file to show that the participating Bidders were notified of the decisions of award of contract. 																						
6.	<p>Drilling of six (06) Deep Boreholes. Contract price: UGX 120,950,222 Method: Open Domestic Bidding Provider: M/S Icon Projects Ltd</p>	<ul style="list-style-type: none"> Inadequate bidding Document Preparation particularly on the evaluation on methodology and Criteria. The qualification and minimum experience required Environmental officer and Development Officer was not indicated in the solicitation document. In addition, the bidder was required to demonstrate that it shall have access to the key equipment and PDU did not specify the minimum number required per each equipment <p>The Authority noted that PDU indicates a number of Equipment required to execute the contract with the intention of limiting contractors from participating hence reducing competition. For stance the following equipment were listed in the soliciting document</p> <table border="1" data-bbox="730 1057 1497 1478"> <thead> <tr> <th>Equipment</th> <th>No.</th> </tr> </thead> <tbody> <tr><td>Developing Equipment</td><td></td></tr> <tr><td>Cementing Equipment</td><td></td></tr> <tr><td>Fishing Equipment</td><td></td></tr> <tr><td>Drilling Bits</td><td></td></tr> <tr><td>Water Level Meters</td><td></td></tr> <tr><td>Radio Equipment</td><td></td></tr> <tr><td>Generators</td><td></td></tr> <tr><td>Compressors</td><td></td></tr> <tr><td>Test Pumps</td><td></td></tr> <tr><td>Drilling Rigs</td><td></td></tr> </tbody> </table> <ul style="list-style-type: none"> During evaluation exercise, four equipment out of ten (Drilling Rigs, Test Pumps, Compressors and Drill Bits) were considered and included in the evaluation criteria and Methodology <p>This reflects un fairness and lack of transparency in the procurement process</p> <ul style="list-style-type: none"> The bidding document did not indicate the validity of the bid Form 1 indicates that Contracts Committee approved the Method, Bidding document and evaluation Team on 1st July 2022 yet the advert for 	Equipment	No.	Developing Equipment		Cementing Equipment		Fishing Equipment		Drilling Bits		Water Level Meters		Radio Equipment		Generators		Compressors		Test Pumps		Drilling Rigs	
Equipment	No.																							
Developing Equipment																								
Cementing Equipment																								
Fishing Equipment																								
Drilling Bits																								
Water Level Meters																								
Radio Equipment																								
Generators																								
Compressors																								
Test Pumps																								
Drilling Rigs																								

No.	SUBJECT OF PROCUREMENT	EXCEPTIONS NOTED
		<p>the bid opportunity was run on 30th May,2022</p> <ul style="list-style-type: none"> • The Evaluation Committee that evaluated the bids was not recommended to Contracts Committee for approval as Form for approval of Evaluation Committee is blank. However the Contracts Committee minutes have the names of the evaluators included. • There was un fairness during evaluation process for failing to request Sky Light Africa Ltd to provide missing NSSF Certificate • In addition MSR Technologies Ltd was eliminated un fairly that Health and Safety Officer never had the qualifications required yet they were not stated in the bidding document • The Best Evaluated Bidder Notice was displayed on 1st July 2022 with the expiry date of 14th April,2022 • Certificates of payments are not detailed to show the measurements /bills of quantities
7.	<p>Construction of Pedestrian Ramp at Kiboga District Administration Block</p> <p>Contract price: UGX 50,059,612</p> <p>Method: Open Domestic Bidding</p> <p>Provider: M/S Mplamb Construction Services and Joinery Company Ltd</p>	<ul style="list-style-type: none"> • The bidding document does not indicate when it was issued to the bidders. • The deadline for bid submission in the bidding document is 3rd March however bids were received on 17th March, 2023 without any addendum to extend the bidding document. • The opening of bids was neither witnessed by the User department or a member of Contracts Committee. • The Evaluation Committee comprised of four people and include Tayebwa Drake, Ssenyonga Christopher, Kiiza Bukenya Namugenyi Jesca however the Evaluation report was only signed by two members of the evaluation Committee. <ul style="list-style-type: none"> • Namugenyi Jesca did not participate in the evaluation exercise and no justification was provided for failure to evaluate. • The project was not complete by July 2023 when the PPDA Team visited the site. • The Entity did not make an effort to verify the performance security with the issuing Bank.
8.	<p>Construction of 6 stance Lined Pit Latrine at Bukomero Health Centre IV</p>	<ul style="list-style-type: none"> • PDU delayed to submit the bidding document to Contracts Committee for approval • The submission to Contracts Committee regarding evaluation team were not indicated on the form

No.	SUBJECT OF PROCUREMENT	EXCEPTIONS NOTED																				
	<p>Contract price: UGX 34,012,863</p> <p>Method: Open Domestic Bidding</p> <p>Provider: M/S Plant Whiting Contractors Ltd</p>	<p>submitted to Contracts Committee however the Contracts Committee minutes has names of the members to conduct evaluation</p> <ul style="list-style-type: none"> • Only one bidder out of the 17 bidders invited picked the bidding document • Only one bidder submitted the bid (Low bidder participation) • There is no evidence that the shortlisted bidders were invited or informed about the opportunity. • The contract was signed above the estimated budget • No additional funding was raised before the contract signing • The contract had no start Date or commencement date • There was contradiction on the contract duration for the project since the original contract was indicated as 30th May,2023 but on 27th March 2023 requested for extension of the contract extension yet the contract duration was on. 																				
9.	<p>Construction/completion of Kindike Mini Piped Water scheme(Phase11)</p> <p>Contract price: UGX 147,639,240</p> <p>Method: Open Domestic Bidding</p> <p>Provider: M/S Plant Whiting Contractors Ltd</p>	<ul style="list-style-type: none"> • The Accounting Officer signed Form 1(Requisition Form) on 28th May 2022 however on 23rd May 2023 the senior procurement officer had already submitted to Contracts Committee for approval • Ambiguous requirements in the bidding document. the Authority observed that the Equipment specified in the bidding document are meant to limit bidder's participation which eventually limits competition <p>These requirements are almost uniform across all the construction projects undertaken by the Entity.</p> <table border="1" data-bbox="710 1377 1492 1908"> <thead> <tr> <th>Equipment</th> <th>No</th> </tr> </thead> <tbody> <tr> <td>Dump Trucker (10-20Ton Capacity)</td> <td>1</td> </tr> <tr> <td>Concrete Porker Vibrators-40mm diameter</td> <td>4</td> </tr> <tr> <td>Concrete Mixers(1-2m3)</td> <td>2</td> </tr> <tr> <td>Plate Compactor</td> <td>1</td> </tr> <tr> <td>Welding Set</td> <td>1</td> </tr> <tr> <td>Re-Bar Bending /cutting Machine</td> <td>1</td> </tr> <tr> <td>Form work Plates</td> <td>1</td> </tr> <tr> <td>Material Hoist (Min.12meters)</td> <td>1</td> </tr> <tr> <td>30kva Generator</td> <td>1</td> </tr> </tbody> </table>	Equipment	No	Dump Trucker (10-20Ton Capacity)	1	Concrete Porker Vibrators-40mm diameter	4	Concrete Mixers(1-2m3)	2	Plate Compactor	1	Welding Set	1	Re-Bar Bending /cutting Machine	1	Form work Plates	1	Material Hoist (Min.12meters)	1	30kva Generator	1
Equipment	No																					
Dump Trucker (10-20Ton Capacity)	1																					
Concrete Porker Vibrators-40mm diameter	4																					
Concrete Mixers(1-2m3)	2																					
Plate Compactor	1																					
Welding Set	1																					
Re-Bar Bending /cutting Machine	1																					
Form work Plates	1																					
Material Hoist (Min.12meters)	1																					
30kva Generator	1																					

No.	SUBJECT OF PROCUREMENT	EXCEPTIONS NOTED																																				
		<table border="1" data-bbox="726 284 1522 544"> <tr> <td>Wheel Loader -105HP& 1.8M3 Bucket Capacity</td> <td>1</td> </tr> <tr> <td>Vibrator and Hand Rammer</td> <td>1</td> </tr> <tr> <td>Dumpy Level/Surveying Equipment</td> <td>1</td> </tr> <tr> <td>Compressor 125/175</td> <td>1</td> </tr> </table> <ul data-bbox="774 551 1522 772" style="list-style-type: none"> • Low bidder participation since the procurement attracted two bidders • Passing of un compliant bidder who has not met the criteria stated in the bidding document particularly on Equipment as indicated below <div data-bbox="726 808 1522 1032" style="border: 1px solid black; padding: 5px;"> <p>Passing of un compliant bidder who has not met the criteria stated in the bidding document particularly on Equipment as indicated below</p> <table border="1" data-bbox="774 1070 1501 1682"> <thead> <tr> <th>Equipment</th> <th>No</th> </tr> </thead> <tbody> <tr> <td>Dump Trucker (10-20Ton Capacity)</td> <td>1</td> </tr> <tr> <td>Concrete Pocker Vibrators-40mm diameter</td> <td>4</td> </tr> <tr> <td>Concrete Mixers(1-2m3)</td> <td>2</td> </tr> <tr> <td>Plate Compactor</td> <td>1</td> </tr> <tr> <td>Welding Set</td> <td>1</td> </tr> <tr> <td>Re-Bar Bending /cutting Machine</td> <td>1</td> </tr> <tr> <td>Form work Plates</td> <td>1</td> </tr> <tr> <td>Material Hoist (Min.12meters)</td> <td>1</td> </tr> <tr> <td>30kva Generator</td> <td>1</td> </tr> <tr> <td>Wheel Loader -105HP& 1.8M3 Bucket Capacity</td> <td>1</td> </tr> <tr> <td>Vibrator and Hand Rammer</td> <td>1</td> </tr> <tr> <td>Dumpy Level/Surveying Equipment</td> <td>1</td> </tr> <tr> <td>Compressor 125/175</td> <td>1</td> </tr> </tbody> </table> </div> <ul data-bbox="774 1727 1522 1899" style="list-style-type: none"> • The scope of the Contract was varied/reduced which automatically reduced the contract value from 147,639,240 to 119,746,400. However, no correspondences on file or any document highlighting the adjusted bills of quantities or items 	Wheel Loader -105HP& 1.8M3 Bucket Capacity	1	Vibrator and Hand Rammer	1	Dumpy Level/Surveying Equipment	1	Compressor 125/175	1	Equipment	No	Dump Trucker (10-20Ton Capacity)	1	Concrete Pocker Vibrators-40mm diameter	4	Concrete Mixers(1-2m3)	2	Plate Compactor	1	Welding Set	1	Re-Bar Bending /cutting Machine	1	Form work Plates	1	Material Hoist (Min.12meters)	1	30kva Generator	1	Wheel Loader -105HP& 1.8M3 Bucket Capacity	1	Vibrator and Hand Rammer	1	Dumpy Level/Surveying Equipment	1	Compressor 125/175	1
Wheel Loader -105HP& 1.8M3 Bucket Capacity	1																																					
Vibrator and Hand Rammer	1																																					
Dumpy Level/Surveying Equipment	1																																					
Compressor 125/175	1																																					
Equipment	No																																					
Dump Trucker (10-20Ton Capacity)	1																																					
Concrete Pocker Vibrators-40mm diameter	4																																					
Concrete Mixers(1-2m3)	2																																					
Plate Compactor	1																																					
Welding Set	1																																					
Re-Bar Bending /cutting Machine	1																																					
Form work Plates	1																																					
Material Hoist (Min.12meters)	1																																					
30kva Generator	1																																					
Wheel Loader -105HP& 1.8M3 Bucket Capacity	1																																					
Vibrator and Hand Rammer	1																																					
Dumpy Level/Surveying Equipment	1																																					
Compressor 125/175	1																																					

No.	SUBJECT OF PROCUREMENT	EXCEPTIONS NOTED
		<p>that deemed not necessary</p> <ul style="list-style-type: none"> • Certificates of payment is not detailed to show the measurements /bills of quantities • They don't provide a breakdown of the costing and how the total was arrived at and which scope was reduced to arrive at the new price
10.	<p>Purchase of 2 (two) Motor Cycles for the Production and water Department</p> <p>Contract price: UGX 19,321,202</p> <p>Method: Open Domestic Bidding</p> <p>Provider: M/S CFAO Motors</p>	<ul style="list-style-type: none"> • The contract was signed above the estimated budget • A wrong bidding document was used when drafting the contract (used open Domestic bidding document rather than for quotation) • The contract had no delivery period for the motorcycles • In the process the contract was transferred to CFAO Motors Ltd and no correspondence are on file pertaining the details of cancelling the contract signed between Kiboga District and Parts Land International Ltd

Appendix 2: Transaction list for FY 2022-2023

No	Reference Number	Subject of Procurement	Procurement Method	Provider	Contract Value (UGX)	Risk Rating
1.	Kibo525/Wrks/22/23/0005	Construction of a staff house at Lukuli primary school in Kiboga district	Open Bidding	M/S Ever Investments Ltd	139,224,129	Medium risk
2.	Kibo525/Wrks/22/23/0031	Renovation of Opd at Katwe Health Centre III	Open Bidding	M/S Applied Investments Ltd	61,777,720	Medium risk
3.	Kibo525/supls/22/23/0020	Supply and Installation of Irrigation system at Kibinga	Open Bidding	M/S Muwad Investments (U) Limited	25,498,148	Medium Risk

No	Reference Number	Subject of Procurement	Procurement Method	Provider	Contract Value (UGX)	Risk Rating
4.	Kibo525/supls/22/23/00025	Supply and Delivery of Construction materials for tarmacking of Sekamate&Kizito-Toko Road in Lwamata TC – Lot 1	Open Bidding	M/S Yafesi Engineering Works Ltd	149,730,000	Medium risk
5.	Kibo525/srcs/22/23/00009	Consultancy Services for the Preparation of a Physical Development Plan and Detailed for Lwamata Town Council	Open Bidding	M/S Geo Spec (U) Ltd	149,860,000	Medium risk
6.	Kibo 525/Wrks /2022-23/0001	Drilling of six (06) Deep Boreholes	Open Bidding	Icon Projects Ltd	120,950,222	Satisfactory
7.	Kibo 525/Wrks /2022-23/00030	Construction of Pedestrian Ramp at Kiboga District Administration Block	Open Bidding	Mplamb Construction Services and Joinery Company Ltd	50,059,612	Low risk
8.	KIBO525/SRVCS/2022-23/00015	Construction of 6 stance Lined Pit Latrine at Bukomero Health Centre IV	Open Bidding	Plant Whiting Contractors Ltd	34,012,863	Low Risk
9.	Kibo525/wrks/2022-23/00002	Construction/completion of Kindike Mini Piped Water scheme(Phase11)	Open Bidding	Ferest Investment Ltd	147,639,240	Satisfactory
10.	KIBO525/SPLS/2022-23/00022	Purchase of 2 (two) Motor Cycles for the Production and water Department	Selective National Bidding	CFAO Motors Ltd	19,321,202	Low Risk
		Total			898,073,136	

Appendix 3: Risk Rating Criteria

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

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	non-pre-qualified firms and splitting procurement requirements.	
		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 framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with	Planning: Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

RISK	DESCRIPTION	AREA	IMPLICATION
	detailed procedures.		