



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

**PERFORMANCE AUDIT REPORT FOR FINANCIAL YEAR
2022/23**

BULAMBULI DISTRICT LOCAL GOVERNMENT

FEBRUARY 2024

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ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
CC	Contracts Committee
EC	Evaluation Committee
FY	Financial Year
HC	Health Center
LG	Local Government
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SRVCS	Services
SPLS	Supplies
UGX	Uganda Shillings
VAT	Value Added Tax

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Bulambuli District Local Government that covered a representative sample of 19 procurement transactions worth UGX. 10,263,473,044 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 Bulambuli District Local Government's procurement system and processes with the provisions of the PPDA Act, 2003 and the Local Governments (PPDA) Regulations, 2006 and assess the level of procurement performance over the audit period.

From the findings of the procurement and disposal audit exercise, the performance of Bulambuli District Local Government for the Financial Year 2022/23 was **moderately satisfactory** with overall weighted average risk rating of **66%** as detailed in chapter 3 of the report.

Despite the moderately satisfactory performance, the following issues were noted:

1. Failure to fully constitute the Contracts Committee as the tenure of two members had expired on 24th August 2023 and yet there was no evidence to confirm whether the Head Procurement and Disposal Unit had notified the Accounting Officer about this expiry and whether the Accounting Officer had nominated new Contracts Committee members for approval by the PS/ST. This was contrary to Regulation 24 (i) of the Local Governments (PPDA) Regulations 2006;
2. Failure to implement 83.6% of the previous audit recommendations for the Financial Year 2019/2020 issued in April 2021. Out of six recommendations made, four recommendations representing 66.6% were not implemented, one representing 16.7% was partially implemented and one representing 16.7% was implemented which denies the Entity a chance to improve its performance;
3. The Entity irregularly advanced cash worth UGX. 2,217,246,159 to the Entity's personnel/staff instead of awarded providers to conduct procurement activities at the Entity without following the prescribed procurement procedures enshrined in the PPDA Act 2003 and the Local Governments (PPDA) Regulations of 2006;
4. Failure to fully report on procurements for supply of different items such as repairs and maintenance of road equipment, supply of fuel and road construction materials;
5. Delays were noted at initiation in six procurements worth UGX 794,696,235 with an average delay of 45 days which was contrary to Section 48 of the PPDA Act, 2003;
6. Evaluation irregularities such as awarding contracts to non-compliant bidders were noted in two procurement transactions worth UGX 165,098,000 contrary to Regulation 73 (1) (2) and (3) of the Local Governments (PPDA) Regulations, 2006 that provides that detailed evaluation shall be conducted to compare the details of the received bids with the terms, conditions and criteria stated in the bidding documents and that the detailed evaluation shall not be based on any terms, conditions or criteria that was not included in the bidding documents;
7. Failure to obtain adequate competition in three procurements worth UGX 74,228,000 as only one to two bids were received in response to the bid invitation, contrary to Section 46 of the PPDA Act, 2003 that requires the Entity to conduct procurements in a manner that maximizes competition and achieves value for money. This was attributed to failure to invite all shortlisted bidders, restrictive technical requirements and loss of confidence in the procurement process due to unfairness at evaluation;

8. Failure to prepare contract management plans in 17 procurements worth UGX 9,367,328,876 contrary to Regulation 119 (1) of the Local Governments (PPDA) Regulations, 2006;
9. Failure to account for UGX. 18,512,100 that was part of the release under Uganda Road Fund received by the Entity for the FY 2022/23.
10. Failure to dispose obsolete items due for disposal which inhibits achievement of value for money as funds are held up in assets and also lost through depreciation contrary to Regulation 122 (2) of the Local Governments (PPDA) Regulations 2006;
11. Delayed contract implementation in two procurements worth UGX 1,629,033,812 with an average number of 38 days' delay.
12. Failure to implement projects as per the specifications in the Bills of Quantities in five procurements worth UGX 6,664,021,084. Out of the 11 works projects visited during physical verification held on 2nd November 2023, anomalies such as failure to, hoard off construction sites, install lightning conductors were noted.

Key Recommendations:

1. The Accounting Officer should;
 - i. Ensure that the Contracts Committee is fully constituted and members inducted in accordance with Section 26 (1) (a) of the PPDA Act, 2003;
 - ii. Ensure that a strong mechanism is put in place to implement recommendations made by the Authority so as to improve the Entity's performance;
 - iii. Ensure that all structures in the procurement and disposal system of the Entity operate objectively and independently in line with Section 38 of the PPDA Act, 2003 as amended in order to improve the Entity's performance and achievement of value for money;
 - iv. Task Heads of User Departments to desist from handling and managing procurement processes since it is a Procurement and Disposal Unit function and ensure that whenever need for those items arises, requisitions should be placed through the Procurement and Disposal Unit;
 - v. Task Heads of User Departments to submit progress reports/contract management reports and all contract implementation documentation to the PDU and Accounting Officer in accordance with the Local Governments (PPDA) Regulations, 2006;
 - vi. Ensure that the unaccounted for funds of UGX. 18,512,100 that was part of the release under Uganda Road Fund received by the Entity for the FY 2022/23 are recovered from the responsible officers;
 - vii. Ensure that works undertaken using Force Account Mechanism are implemented in accordance with circular No. 3 of 2012 to Local Governments on use of Force Account Mechanism;
 - viii. Engage the donating Entities possessing the logbooks/ownership documents for the disposable vehicles to facilitate transfer of ownership to the Entity in order to ensure prompt disposal of the Entity's assets in accordance with the methods outlined in Regulations 122-133 of the LG (PPDA) Regulations, 2006.
 - ix. Ensure that procurements are undertaken in a manner that enhances efficiency as required by Section 43 of the PPDA Act 2003;
 - x. Task the contract supervisors to ensure timely completion of projects through enforcing clauses in the contracts like liquidated damages, recommending contract termination and appraising poor performers in accordance with Regulation 104 of the Local Governments (PPDA) Regulations, 2006;
 - xi. Ensure that all defects that were noted during physical verification in the five procurements worth UGX 6,664,021,084 are rectified immediately by the Contractors and a report on this submitted to the Authority within one month of

- receipt of this report. Failure by the Contractors to rectify the defects and other non-conformities to the BOQs such as failure to install lightning conductors, among others, the Accounting Officer should recover money meant for such works from the contractors and recommend them to the Authority for black listing.
- xii. Conduct procurements in a manner that promotes economy and efficiency in public procurement in accordance with Section 48 of the PPDA Act, 2003;
 - xiii. Caution the Head Procurement and Disposal Unit for failure to guide the evaluation committee members in the evaluation process so as to adhere to the set evaluation criteria;
2. The Evaluation Committees should ensure that evaluations are conducted according to the criteria set in the bidding document in accordance with Section 71 (3) of the PPDA Act, 2003
 3. The Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 45 of the PPDA Act, 2003 before approving the evaluation reports;
 4. The Head Procurement and Disposal Unit should ensure that all bidders shortlisted for a particular procurement are formally invited in accordance with Regulation 66 (1) of the Local Government (Public Procurement and Disposal of Public Assets) Regulations, 2006 and evidence of invitation recorded in accordance with Regulation 66 (4) of the LG (PPDA) Regulations, 2006;

Bulambuli District Local Government should implement the recommended action plan on pages 43 and 44.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal compliance audit of Bulambuli District Local Government that covered a representative sample of 19 procurement transactions worth UGX. 10,263,473,044 under the Financial Year 2022/23. The audit involved a review of the procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act 2003 and Local Governments (PPDA) Regulations 2006.

1.2 Overall Objective

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

The specific objectives of the compliance audit were:

- i. Establish the level of compliance by the entity with general provisions of the PPDA Act, 2003 and Local Governments (PPDA) Regulations 2006 with regard to the performance of the procurement structures and conduct of procurement processes;
- ii. Establish the level of compliance of the Entity's disposal process with the provisions of the PPDA Act, 2003 as amended and Local Governments (PPDA) Regulation 2006; and
- iii. Assess the level of efficiency and effectiveness in contract implementation including the application of environmental, social, health, and safety (ESHS) requirements in the procurement process.

1.3 Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation on sample basis. The procurement and Disposal audit covered a representative sample of 19 procurement transactions under the Financial Year 2022/23. The list of sampled transactions is contained in Annex 2. Table 1 below details the distribution of the transaction population and sample: -

Table 1: Distribution of the transaction population and sample

Procurement method	Popn Value(UGX)	Sample Value(UGX)	% Value	Pop n no	Samp le no	% no
Open National bidding	13,324,110,444	10,144,395,044	80	19	15	78.9
Selective National bidding	994,047,937	119,078,000	12	48	4	8.3
Total	14,318,158,381	10,263,473,044	71.7	67	19	28.4

The above information was picked form the Entity's quarterly reports throughout the Financial Year under review.

1.4 Methodology

The auditors examined records and documents for each sampled procurement transaction and/or disposal and obtained the relevant evidence to derive audit conclusions. This involved a review of the Entity's procurement and disposal planning, initiation, bidding, evaluation, contract placement and processes. At the end of the document review, physical verification was undertaken on selected projects to ascertain the level of contractual delivery and fitness for purpose.

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

A debrief meeting to clear all pending issues that arose during the audit was held with the Entity management and staff on 3rd November 2023 before the auditors could embark on preparation of the management letter. The auditors prepared the management letter, which was sent to the Entity on 4th December 2023 with a request to submit a management response by 11th December 2023. However, Management responses were submitted on 14th December 2023. An exit meeting was held with Entity on 14th December 2023.

On completion of data collection and 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.

CHAPTER TWO: KEY FINDINGS AND RECOMMENDATIONS

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

2.1.1 Procurement Structure of the Entity

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

i. Accounting Officer

Section 26 of the PPDA Act 2003 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. The Chief Administrative Officer during the financial year under audit was Ms. Stella Abyato and the designated Accounting Officer effective July 2023 was Mr. Moses Echiat.

ii. Composition of the Contracts Committee

The Authority noted that the tenure of two members of the Contracts Committee had expired on 24th August 2023 and their reappointment had not yet been approved by the PS/ST contrary to Regulation 24 (i) of the Local Governments (PPDA) Regulations 2006. Table 2 below shows the composition of the Contracts Committee:-

Table 2: List of Contracts Committee Members

No	Name	Position on the Committee	Job Title	Date of Appointment	Tenure of Office
1.	Mr. Micheal Madoyi N	Chairperson	District Water Officer	02 nd November 2023	2 nd Term
2.	Ms. Sandra Kakai	Member	Senior Planner	02 nd November 2023	2 nd Term
3.	Mr. Vincent Natega	Member	Asst District Health Officer	02 nd November 2023	2 nd Term
4.	Ms. Damali Nabwire	Member	Senior Community Development Officer	Yet to be approved	2 nd term
5.	Mr. Paul Mweru	Member	Community development officer	Yet to be approved by the PS/ST	1 st term

Implications

- The Contracts Committee might have challenges constituting a quorum to transact business in the entity which may delay procurement activities and service delivery to the intended beneficiaries.
- This may affect the effectiveness and efficiency of the Contracts Committee.

Management Response

The contracts committee was in place with three members approved by PSST/Finance other members are in the approval process. Appendix 1

Recommendation

The Accounting Officer is advised to ensure that the Contracts Committee is fully constituted in accordance with Section 26 (1) (a) of the PPDA Act, 2003.

iii. Staffing of the Procurement and Disposal Unit

The Authority noted that the Procurement and Disposal Unit was fully constituted with a Senior Procurement Officer (Head Procurement and Disposal Unit) and a Procurement Officer as shown in Table 3 below: -

Table 3: Composition of the Procurement and Disposal Unit

No	Name	Qualification	Position in PDU	Year in service
1.	Mr. Zemulani Nangai	Senior Procurement Officer	Post Graduate Diploma in Procurement and Logistics Management	16 Years
2.	Mr. Job Fred Womakuyu	Procurement Officer	Bachelor Of Procurement and Supply Chain Management	11 Years

2.1.2 Failure to implement 83.3% of the previous audit recommendations

The Entity was issued its previous audit report for the Financial Year 2019-2020 in April 2021. Out of six recommendations made, three recommendations representing 50% were not implemented, two representing 33.3% was partially implemented and one representing 16.7% was implemented as detailed in the table 4 below:

Table 4: Implementation of previous audit recommendations

No	Recommendation	Status
1.	The Accounting Officer should task the Head Procurement and Disposal Unit to ensure that post qualification evaluation is conducted where it is a requirement in accordance with Regulation 82 of the Local Governments (PPDA) Regulations 2006.	Partially Implemented
2.	The Accounting Officer and Management should regularly carry out a review of the implementation of the procurement plan and update the procurement plan to include requirements that were not anticipated at the beginning of the Financial Year in accordance with Section 58 (4) of the PPDA Act, 2003.	Not implemented
3.	The Head Procurement and Disposal Unit should ensure that all bidders shortlisted for a particular procurement are formally invited in accordance with Regulation 66 (1) of the Local Government (Public Procurement and Disposal of Public Assets) Regulations, 2006 and evidence of invitation recorded in accordance with Regulation 66 (4) of the LG (PPDA) Regulations, 2006.	Not implemented
4.	The Accounting Officer should ensure that procurements are undertaken in a manner that enhances efficiency as required by Section 43 of the PPDA Act 2003.	Not implemented
5.	The Accounting Officer should ensure that all conditions for contract effectiveness are met promptly upon signing by providers of the contract and where the bidder fails or refuses to furnish a performance security within 28 working days of contract signature, the Entity should proceed to award the contract to the next Best	Partially implemented

No	Recommendation	Status
	Evaluated Bidder as required by Regulation 89 (2) of the Local Governments (PPDA) Regulations, 2006.	

Implication

Failure to fully implement audit recommendations affects performance of the procurement function and is an indicator of a weak implementation mechanism by the entity.

Management Response

Management noted the query and is committed to ensuring that all the recommendations made by the Audit are fully implemented

Recommendation

The Accounting Officer should ensure that a strong mechanism is put in place to implement recommendations made by the Authority so as to improve the Entity's performance.

2.1.3 Procurement plan implementation rate

Table 5 below summarizes information about the procurement plan, budget, and utilization of funds. The procurement plan implementation rate during the Financial Year under review was 94.2% while UGX 683,961,980 of the planned expenditure was not spent. Thus the Entity did not implement 5.8% of its procurement plan which denied service delivery to the intended beneficiaries.

Table 5: Procurement Plan Implementation Rate

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	11,885,566,886
Total procurement spend value inclusive of VAT (UGX)	11,201,604,906
Procurement plan implementation rate (%)	94.2
Variance (UGX)	683,961,980

NB: Analysis is based on the quarterly reports and approved procurement and disposal plan for the financial year.

Implication

Failure to absorb or expend the planned procurements denies service delivery to the intended beneficiaries of the planned projects.

Management Response

Management had planned to implement a number of projects however, there were budget cuts and some projects were not implemented. Where the funds were realized, the procurements were implemented.

Authority's response

The Entity's response did not articulate on what particular projects were affected by the aforementioned budget cuts.

Recommendations

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

2.1.4 By passing the Procurement and Disposal Function through cash advances to staff

The Authority noted that cash worth UGX. 2,217,246,159 was advanced to staff without following any formal procurement process as enshrined in the PPDA Act 2003. Refer to payment schedule in the annexure to the report.

Implication

This could result in to usurping the powers and functions of the other stakeholders in the procurement process which leads to conflict of interest, unethical tendencies, and compromise the achievement of value for money.

Management response

This was not true because when the system was upgraded, the business process of capturing the advance in the IFM system is now done using the LPO/ Local purchasing order workbench and therefore it cannot be separated from the purchasing activity register when you run the Report. Further details can be obtained from Ministry of finance.

Authority's response

The Entity did not provide evidence to distinguish that the above advances were not procurement related activities and expenditure and the Authority therefore finds the response unsatisfactory.

Recommendations

The Accounting Officer should ensure that all structures in the procurement and disposal system of the Entity operate objectively and independently in line with Section 38 of the PPDA Act, 2003 as amended in order to improve the entity's performance and achievement of value for money.

2.1.5 Failure to fully report on procurements conducted by the Entity to the Authority.

The Entity entered into framework contracts with providers for supply of different items such as repairs and maintenance of road equipment, supply of fuel and road construction materials. However, these procurements were not reported to the Authority in the Entity's quarterly reports on procurement and disposal. Furthermore, there was no evidence of delegation of this function to the Users.

Implication

Failure to fully report procurement transactions conducted by lower Local Governments compromises transparency and accountability in the Entity which also exposes the Entity to fraud in the procurement process.

Management response

That was not true as UGX 1,589,559,935 were advances captured in the IFM system using the LPO workbench business process. These were allowances and other related expenditure not procurement.

Authority's comment

The Entity did not provide evidence to distinguish that the above advances were allowances and other related expenditure and the Authority therefore finds the response unsatisfactory.

Recommendations

The Accounting Officer should task Heads of User Departments to desist from handling and managing procurement processes since it is a Procurement and Disposal Unit function and ensure that whenever need for those items arises, requisitions should be placed through the Procurement and Disposal Unit.

2.1.6 Delays at initiation

The Authority noted delays at initiation in six procurements worth UGX 794,696,235 with an average delay of 45 days which is contrary to Section 48 of the PPDA Act, 2003 as amended. These procurements are indicated in Table 6 below:

Table 6: Procurements with delays at initiation

No.	Subject of Procurement	Contract price (UGX)	Date of Initiation (Form 1)	Date of approval by the AO	No of delays (dates)
1.	Supply of HDPE pipes for Sotti, Buginyanya and Bulago Gravity flow scheme	23,098,000	28 th April 2022	19 th December 2022	160
2.	construction of a 2-classroom block at SOTI P/S	99,991,500	28 th July 2022	on 15 th August 2022	12
3.	Construction of office block at Namisuni S/C HQ	171,099,180	20 th July 2022 of 15 days	15 th August 2022.	15
4.	Construction of office block at Soti S/C HQ	183,690,535	20 th July 2022	15 th August 2022	15
5.	Construction of a twin staff house at Bumugibole Health Centre III in Bulambuli District	142,000,000	20 th June 2022	15 th August 2022	55
6.	Construction of Simu S/C Headquarters office block	174,817,020	20 th July 2022	15 th August 2022	15
	Total	794,696,235	Average delay		45 days

Implementation

Inefficiencies in the procurement process increase procurement lead times which delay service delivery to the intended beneficiaries.

Management response

The Entity was in the process of confirming the availability of funds for the project, and confirming the accuracy of the statements of requirement. (Verifying the accuracy of Bills of Quantities)

Recommendation

The Accounting Officer, User Departments and the Procurement and Disposal Unit should conduct procurements in a manner that promotes economy and efficiency in public procurement in accordance with Section 48 of the PPDA Act, 2003.

2.1.7 Irregularities at evaluation

The Authority noted irregularities in the evaluation processes of two procurement transactions worth UGX 165,098,000 such as passing firms that were non-compliant with the evaluation criteria contrary to Regulation 73 (1) (2) and (3) of the Local Governments (PPDA) Regulations, 2006 that provides that detailed evaluation shall be conducted to compare the details of the received bids with the terms, conditions and criteria stated in the bidding documents and that the detailed evaluation shall not be based on any terms, conditions or criteria that was not included in the bidding documents. The procurements where irregularities were observed are listed in table 7 below;

Table 7: Procurements for which irregularities at evaluation were noted

No.	Procurement subject	Contract Value (UGX)	Observation	Management response
1.	Supply of HDPE pipes for Sotti, Buginyanya and Bulago Gravity flow scheme	23,098,000	<ul style="list-style-type: none">The Best Evaluated bidder (Mawoma Creations Ltd) did not attach technical literature on the items to supply as required by the solicitation document but was considered compliant by the Evaluation CommitteeThe BEB according to the trade license is authorized to operate in the cottage industry which is unrelated to the procurement but was considered compliant by the	<i>The requirement was a trading license but the purpose was not stated in the SBD</i>

			Evaluations Committee	
2.	Construction of a twin staff house at Bumugibole Health Centre III in Bulambuli District	142,000,000	The BEB attached a Bid security in form of a bankers' cheque instead of a bank guarantee but was considered compliant and passed by the Evaluation Committee.	<i>This was a valid bank financial document and the committee accepted since it was the only bidder that met the requirements</i>
	Total	165,098,000		

Implications

- This is an indicator of unethical practices within the Entity which compromises transparency and fairness thus awarding contracts to non-compliant bidders for self-fish interests.
- This may lead to failure to attain value for money.

Authority's comment

The Authority found the Entity's responses unsatisfactory.

Recommendations

- Evaluation Committees should ensure that evaluations are conducted according to the evaluation criteria set in the bidding document in accordance with Section 71 (3) of the PPDA Act, 2003.
- The Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 45 of the PPDA Act, 2003 before approving the evaluation reports.
- The Accounting Officer should caution Head Procurement and Disposal Unit for failure to guide the evaluation committee members in the evaluation process so as to adhere to the set evaluation criteria.

2.1.8 Low bidder participation

The Entity failed to obtain adequate competition in three procurements worth UGX 74,228,000 as it obtained only one to two bidders responding to the bid invitation, contrary to Section 46 of the PPDA Act, 2003 that requires the Entity to conduct procurements in a manner that maximizes competition and achieves value for money. This was attributed to failure to invite all shortlisted bidders, restrictive technical requirements and loss of confidence in the procurement process due to unfairness at evaluation. Examples are listed in the table 8 below:

Table 8: Procurements with low bidder participation

No.	Procurement subject	Contract Value (UGX)	Method of procurement	Number of shortlisted firms where applicable	Number of bids received
1.	Supply and Installation of irrigation demonstration materials	24,980,000	Selective bidding	3	1
2.	Supply of HDPE pipes for Sotti, Buginyanya and Bulago Gravity flow scheme	23,098,000	Selective bidding	3	1
3.	Supply of value additional Agro Machinery (Motorized Coffee Seedlings)	26,150,000	Selective bidding	3	2
Total		74,228,000	Average no. of bids	1.33	

Implications

- Low bidder participation would deny the Entity the benefits of competition and this may compromise the achievement of value for money.

Management Response

For selective bidding, the bidders shortlisted were invited and they were all notified of the invitations however, some bidders came late and they were not accepted

Recommendations

- The Head Procurement and Disposal Unit should ensure that all bidders shortlisted for a particular procurement are formally invited in accordance with Regulation 66 (1) of the Local Government (Public Procurement and Disposal of Public Assets) Regulations, 2006 and evidence of invitation recorded in accordance with Regulation 66 (4) of the LG (PPDA) Regulations, 2006.
- The Entity should increase the number of shortlisted bidders to more than three in order to attain maximum competition.
- The Head Procurement and Disposal Unit should aggregate procurements and use the open bidding method which may attracts more firms to participate in the bidding process to avoid collusion.

2.1.9 Failure to prepare contract management records

A total of 17 procurements worth UGX 9,367,328,876 lacked contract management records on file contrary to Regulation 119 (1) of the Local Governments (PPDA) Regulations, 2006. Contract management documentation such as progress reports, evidence of delivery, supervision reports and completion certificates and reports as these were not submitted to the Procurement and Disposal Unit. Procurement with missing documents are listed in table 9 below;

Table 9: Missing contract management records

No	Subject of Procurement	Amount (UGX)	Missing records
1.	Construction of Bulambuli District Administration block – Phase 2	1,819,896,725	Contract implementation plan
2.	Construction of One Classroom Block and Store at Bunmuje Primary School	62,222,200	
3.	Supply of Six (6) deep boreholes in Bukhalu, Nabbongo, Bunalwere, Bwikhoge, and Bumufuni Sub Counties	113,263,488	
4.	Construction of Office Block at Nabiwutulu Sub County Headquarters	182,000,000	
5.	Extension of the contract period for the upgrade of Bukibologoto Health Center II to Health Center III	2,432,591,492	
6.	Roofing of Bumufuni Sub county office block	44,850,000	
7.	Supply of HDPE Pipes to the district	74,965,000	<ul style="list-style-type: none"> • Appointment of contract supervisor • Contract implementation plan. • Evidence of delivery to the intended beneficiaries.
8.	Supply and Installation of irrigation demonstration materials	24,980,000	Contract implementation plan
9.	Supply of HDPE pipes for Sotti, Buginyanya and Bulago Gravity flow scheme	23,098,000	
10.	Construction of a 2-classroom block at SOTI P/S	99,991,500	
11.	Construction of Sisiyi Seed Secondary in Bulambuli District under Lot 34 of the UgiFT program Phase II	3,010,032,108	
12.	Construction of Simu Seed Secondary School Phase 1	759,039,644	
13.	Construction of office block at Namisuni S/C HQ	171,099,180	

No	Subject of Procurement	Amount (UGX)	Missing records
14.	Construction of office block at Soti S/C HQ	183,690,535	
15.	Construction of a twin staff house at Bumugibole Health Centre III in Bulambuli District	142,000,000	
16.	Supply and installation of lighting system at the District headquarters	48,791,984	<ul style="list-style-type: none"> • Contract implementation plan • Payment documents
17.	Construction of Simu S/C Headquarters office block	174,817,020	Contract implementation plan
Total		9,367,328,876	

Implications

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

Management Response

The missing records are available for verification. Appendix 4

Authority's comment

The Authority verified the records that were provided and noted that only contract implementation plans had not been submitted. The submitted documents were dropped from the queries.

Recommendations

- User Department Heads should charge all Contract Supervisors to submit progress reports/contract management reports and all contract implementation documentation to the PDU and Accounting Officer in accordance with the Local Governments (PPDA) Regulations, 2006.
- The Procurement and Disposal Unit should maintain a complete set of documents of procurement cycle from needs identification to final payment as required by Regulation 46 of the Local Governments (PPDA) Regulations, 2006.

2.1.10 Management of Force Account

The Authority reviewed the procurements conducted under the Force Account Mechanism and noted that the Entity did not avail accountabilities worth UGX 18,512,100 for verification. A Summary of total release and accountabilities is indicated in table 10 below.

Table 10: Force Account accountability

No.	Particulars	Value (UGX)
1.	Total release	484,281,127
2.	Total actual expenditure for all quarters FY2022/2023 as per reports and accountabilities provided.	465, 769,027
3.	Percentage of amount accounted for	96.2%
4.	Variance between amount released and the amount accounted for	18,512,100

Missing documentation;

- Payment records for accountability of UGX 18,512,100
- Evidence of verification of works undertaken and completion certificates of works done.

The following anomalies were observed;

- Failure to account for UGX. 18,512,100 as part of the funds that were received by the Entity for the FY 2022/23 from the Uganda Road Fund.
- There was no documentation whatsoever to show that the Entity carried out any form of analysis as a basis to determine overhead costs to be incurred in using the Force Account Mechanism contrary to section 95 A (3) (b) of the PPDA Act, 2003.
- There was no evidence that the supervisor issued performance and completion certificates in respect of the assignments conducted under the Force Account Mechanism contrary to Regulation 5 (1) (d) of the PPDA (Force Account Mechanism) Regulations, 2014.

Implication

- This exposes the entity to the risk of a financial loss to Government worth UGX. 18,512,100.
- This casts doubt on the transparency and accountability for works undertaken using force account and risk of failure to achieve value for money.

Management Response

The District received 484,281,127/= (Four hundred eighty four million two hundred eighty one thousand one hundred twenty seven shillings) from Uganda Road Fund of which District Roads (199,938,192/=), Urban or Town Council Roads (223,642,593) and Community Access Roads (CARs) (60,700,342).

By the time audit exercise some of the required documents were being used by the officers from Office of Auditor General. However, the accountabilities are available for verification. Appendix 6

Authority's comment

The Authority took note of the aforementioned accountability attached as appendix however, There was a deficit of UGX. 18,512,100 that the Entity failed to account for.

Recommendations

The Accounting Officer should;

- Ensure that the unaccounted for funds of UGX. 18,512,100 that was part of the release under Uganda Road Fund received by the Entity for the FY 2022/23 are recovered from the responsible officers;


- ii. Ensure that works undertaken using Force Account Mechanism are implemented in accordance with circular No. 3 of 2012 to Local Governments on use of Force Account Mechanism.

2.2 COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, 2003 AS AMENDED AND LOCAL GOVERNMENTS (PPDA) REGULATION 2006.

2.2.1 Failure to conduct disposal during FY2022/2023

The Authority found that the Entity had not conducted any disposal process during the financial year under review, although some assets were found grounded and vandalized on the Entity's premises as shown in Table 11 below;

Table 11: Items due for disposal by the Entity

No	Disposal item
1.	 <p data-bbox="344 1122 767 1160">Fawo Tipper Truck LG0002-019</p>
2.	 <p data-bbox="344 1659 767 1697">Caterpillar Grade LG 00009-019</p>

3.



JMC Double Cabin pickup-LG 0005-019

4.



Isuzu D-Max LG 00015-019

Implication

Failure to dispose of assets leads to further loss of value to the assets due to deterioration, risk of vandalism and also possess an environmental hazard.

Management response

Most of these items are not owned by the Entity, the ownership / log books of these items have never been transferred to the Local Government and therefore we cannot proceed to dispose. However, Management has noted the query and shall ensure that a follow up is made with the responsible ministries.

Recommendation

- The Authority noted the Entity's response and recommends that to the Accounting Officer follows up on the matter of transfer of ownership with the respective Entities to ensure that these assets are reviewed and disposed of following the methods recommended under Regulations 122-133 of the LG (PPDA) Regulations, 2006.

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

2.3.1 Delayed execution of procurements

The Authority reviewed the procurement lead times for all the 20 sampled procurements that is, the period from initiation to contract signing against the indicative times provided by PPDA and noted that 6 procurements worth UGX2,152,639,367 had been executed outside the indicative timelines which provide 71 working days and 55 working days for procurements under open bidding and selective bidding respectively. The procurements with delays are highlighted in the table 12 below:

Table 12: Procurements for which delays were noted at initiation

No	Subject of Procurement	Procurement method	Contract Amount	Initiation Date	Contract Signature Date	Total Procurement lead time (Working Days)	delay	Management response
1.	Construction of a twin staff house at Bumugibole Health Centre III in Bulambuli District	Open Bidding	142,000,000	20 th June 2022	12 th December 2022	125 days	54	<i>The Entity was awaiting to confirm the availability of funds to place the contract</i>
2.	Construction of Simu Seed Secondary School Phase 1	Open bidding	759,039,644	25 th Aug 2022	12 th April 2023	158 days	87	<i>The entity was awaiting to confirm the availability of funds to place the contract</i>
3.	Construction of new facility at Kamu Health center III – Upgrade	Open bidding	869,994,168	25 th Aug 2022	7 th March 2023	135 days	64	<i>The delay as attributed due to change of site. the Ministry advertised a different site, and</i>

No	Subject of Procurement	Procurement method	Contract Amount	Initiation Date	Contract Signature Date	Total Procurement lead time (Working Days)	delay	Management response
								<i>the process of changing to a new site took longer</i>
4.	Supply of HDPE pipes for Sotti, Buginyanya and Bulago Gravity flow scheme	Selective Bidding	23,098,000	28 th April 2022	5 th April 2023	237 days	182	<i>The user department miss interpreted with the procurement work plan of submitting the procurement requirement to PDU before 30th April to comply with the requirement for planning. However, the user department initiated the procurement requisition on 28th April 2022 and presented to the accounting officer for</i>

No	Subject of Procurement	Procurement method	Contract Amount	Initiation Date	Contract Signature Date	Total Procurement lead time (Working Days)	delay	Management response
								<i>confirmation on 19 /December 2022.</i>
5.	Construction of office block at Soti S/C HQ	Open Bidding	183,690,535	20 th July 2022	15 th Feb 2023	148 days	77	<i>The service provider was secured early in September but delay to sign the contract was attributed to the delayed release of funds by the Ministry of finance for this project</i>
6.	Construction of Simu S/C Headquarters office block	Open Bidding	174,817,020	20 th July 2022	14 th Feb 2023	147 days	76	<i>The service provider was secured early in September but delay to sign the contract was attributed to the delayed release of funds by the Ministry of finance for this project</i>
Total			2,152,639,367			Average delay in days		90

No	Subject of Procurement	Procurement method	Contract Amount	Initiation Date	Contract Signature Date	Total Procurement lead time (Working Days)	delay	Management response
Average lead time						138		

Implication

Inefficiencies in the procurement process led to delayed delivery of services and might hinder achievement of value for money.

Authority's comment

The Authority found the Entity responses unsatisfactory.

Recommendation

The Accounting Officer should ensure that procurements are undertaken in a manner that enhances efficiency as required by Section 43 of the PPDA Act 2003.

2.3.2 Delayed contract implementation.

The audit revealed that two procurements worth UGX 1,629,033,812 had an average delay of 38 days at implementation. Contractors took longer times than stipulated in the contracts and there was no evidence to confirm whether providers requested for extensions and if the Entity provided the extensions on time as indicated in the table 13 below;

Table 13: Procurements where delays in execution were observed

No.	Subject of procurement	Contract price	Contract signing date	Contract end date in the contract	Project status	Delay (No. of working days)
1.	Construction of Simu Seed Secondary School	759,039,644	20 th April 2023	20 th October 2023	On going	45days
2.	Construction of new facility at Kamu Health center III – Upgrade	869,994,168	7 th March 2023	13 th November 2023	On going	31 days
Total		1,629,033,812				

Implications

- Delayed contractual completion results into delayed service delivery and failure to attain value for money.

- Prolonged project completion results into commitment of more resources in terms of staff and time to projects that would have otherwise been completed.

Management Response

The delays to place the contracts was majorly attributed to the delayed release of funds for these projects


Recommendation

The contract supervisors should ensure timely completion of projects through enforcing clauses in the contracts like liquidated damages, recommending contract termination and appraising poor performers in accordance with Regulation 104 of the Local Governments (PPDA) Regulations, 2006.

2.3.3 Failure to implement projects as per the specifications in the Bills of Quantities

The Authority noted project defects and anomalies in nine procurements worth UGX 6,664,021,084 out of the 11 works projects visited during physical verification held on 2nd November 2023. These are detailed in the table 14 below:

Table 14: Issues noted during physical verification



No.	Subject of Procurement
1.	<p>Subject of Procurement: Construction of Bulambuli District Administration Block phase I Contract value: 1,819,896,725 Contract signing date: 10th Feb 2023 Contract Completion: 13th December 2023</p> <p>Defects Liability Period: 180 days</p> 


No. Subject of Procurement



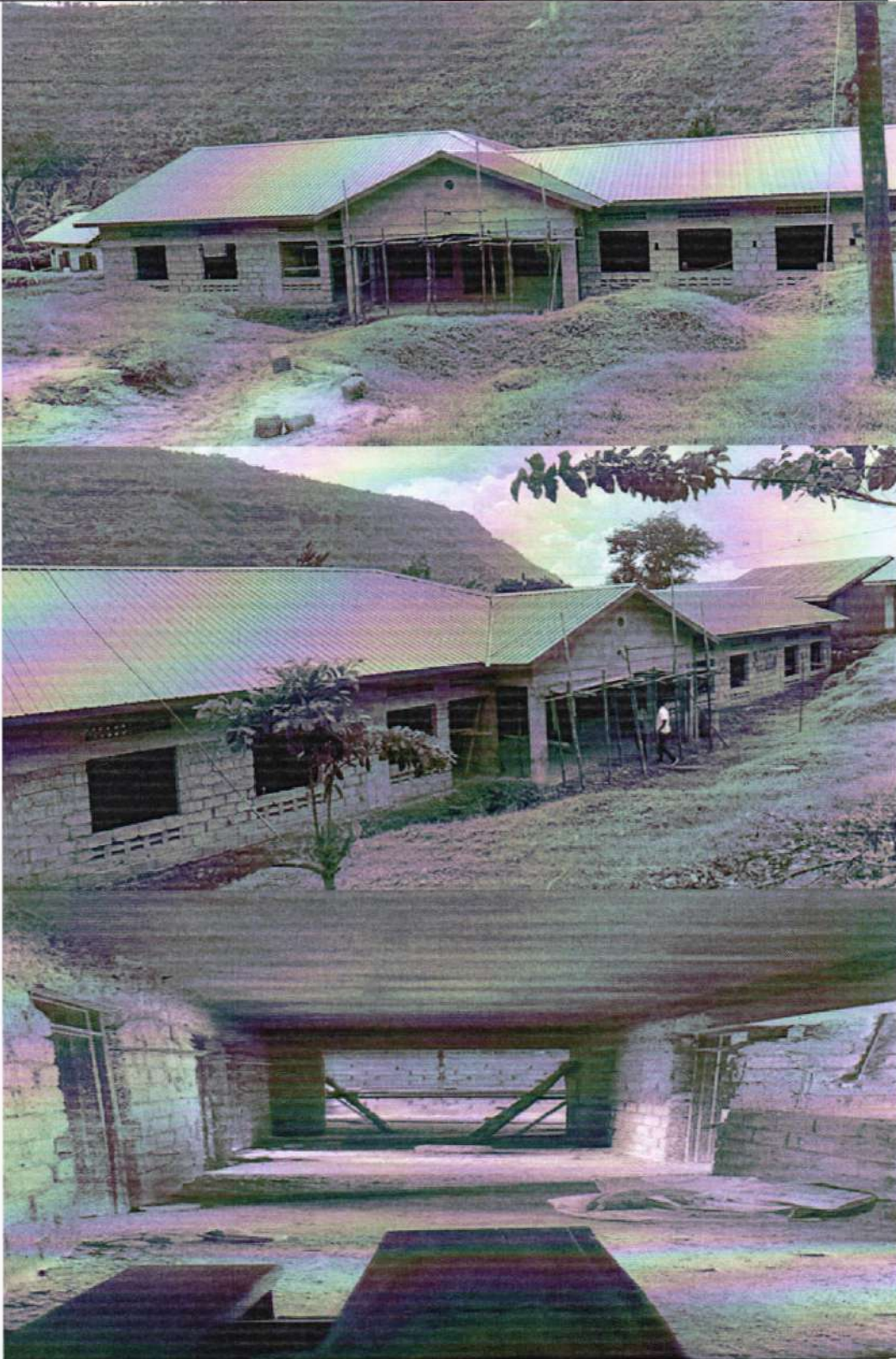
Observations


- There was no sufficient hoarding
- Failure to construct a temporary office and storage area

No.	Subject of Procurement
	<ul style="list-style-type: none"> • There was no evidence of completion of the office floor, painting, and glass installation • Contractor had abandoned site by the time of physical verification
2	<p>Subject of Procurement: Construction of Simu Seed Secondary School Contractor: M/s Zionate Multipurpose International Ltd. Contract value: UGX.759,039,644 Contract signing date: 20th April 2023 Contract Completion: 20th October 2023 Defects Liability Period: 180 days</p>  



No.	Subject of Procurement
	 <p data-bbox="295 801 462 833">Observations</p> <ul data-bbox="343 840 1340 1310" style="list-style-type: none"> • Delay in contract execution. The school structure was at wall plate stage by the time of the audit. • There was no hoarding of the site. • The pitch had not been cleared. • The labourers onsite did not wear protective gear and it was reported that the contractor was using casual workers within the community. • The contractor installed window frames and metallic doors on the classroom block yet roofing had not taken place • The site also had metallic doors & windows on site floor yet they were not well stored for actual installation after roofing takes place risking the items to be stolen from the site. • There was no signage on sight. • There were no planted trees on the site.
4.	<p data-bbox="295 1326 1332 1393">Subject: Extension of the contract period for the upgrade of Bukibologoto Health Center II to Health Center III</p> <p data-bbox="295 1400 813 1431">Contractor: M/s Wiljon Estates Ltd Ltd</p> <p data-bbox="295 1438 782 1469">Contract value: UGX. 2,432,591,492</p> <p data-bbox="295 1476 829 1507">Contract signing date: 18th February 2021</p> <p data-bbox="295 1514 901 1545">Contract Completion date: 5th September 2021</p> <p data-bbox="295 1552 726 1583">Defects liability period: 180 days</p>

No. Subject of Procurement



No.	Subject of Procurement
	 <p data-bbox="296 846 464 878">Observations</p> <ul data-bbox="344 882 1342 1171" style="list-style-type: none"> • Works progress were at 56% and time progress at 500% despite several extensions since 5th December 2021, 24th August 2022, 24th December 2022 yet works have not yet been completed by the contractor. • There was no hoarding of the site. • There was no evidence of any activity on site and the site was abandoned with some of the material left idle on site risking theft of the materials. • There was no signage on site. • There were no planted trees on the site.
5.	<p data-bbox="296 1182 1289 1214">Subject: Construction of Office Block at Nabiwutulu Sub County Headquarters</p> <p data-bbox="296 1218 895 1249">Procurement method: Open Domestic Bidding</p> <p data-bbox="296 1254 735 1285">Contractor: M/s Elgon Millers Ltd.</p> <p data-bbox="296 1290 735 1321">Contract value: UGX.182,000,000</p> <p data-bbox="296 1326 756 1357">Contract signing date: 4th May 2023</p> <p data-bbox="296 1361 810 1393">Contract Completion date:30th June 2023</p> <p data-bbox="296 1397 703 1429">Defects liability period:180 days</p>


No.	Subject of Procurement
	 <p data-bbox="300 1332 454 1361">Observations</p> <ul data-bbox="343 1366 1340 1556" style="list-style-type: none"> • Facility was not in use as it has not yet been handed over by the Entity to the intended beneficiaries • There was no lightening conductor installed • There was no signage on the wall • There were no planted trees on the site.
6.	<p data-bbox="300 1556 1141 1590">Subject: Construction of 2 Classroom block at Soti Primary School.</p> <p data-bbox="300 1594 965 1628">Contractor: Ideal Merchant Property Holdings (u) Ltd</p> <p data-bbox="300 1632 638 1666">Contract value: 99,991,500</p> <p data-bbox="300 1671 790 1704">Contract signature date: 22 March 2023</p> <p data-bbox="300 1709 734 1742">Completion date: 25th August 2023</p> <p data-bbox="300 1747 630 1780">Defects liability : 180 days</p>


No.	Subject of Procurement
	 <p data-bbox="300 846 470 878">Observations</p> <ul data-bbox="343 884 949 952" style="list-style-type: none"> • There was no lightening conductor installed. • There was no signage on the wall
7.	<p data-bbox="300 958 1324 1025">Subject: Construction of Construction of new facility at Kamu Health center III – Upgrade</p> <p data-bbox="300 1032 901 1064">Procurement method: Open Domestic Bidding</p> <p data-bbox="300 1070 1173 1102">Contractor: M/s African Construction Technicians & Contractors Ltd.</p> <p data-bbox="300 1108 742 1140">Contract value: UGX. 869,994,168</p> <p data-bbox="300 1146 774 1178">Contract signing date: 7th March 2023</p> <p data-bbox="300 1184 893 1216">Contract Completion date: 13th November 2023</p> <p data-bbox="300 1223 718 1254">Defects liability period: 365 days</p> 



No. Subject of Procurement



Observations

No.	Subject of Procurement
	<ul style="list-style-type: none"> • Delay in execution. Works were at 62% and time progress at 125% • There was no hoarding of the site. • The labourers onsite did not wear protective gear and it was reported that the contractor was using casual workers within the community. • There was no signage on sight. • There were no planted trees on the site.
8.	<p>Subject: Construction of Office block at Soti Sub county headquarters Contractor: M/s Buluganya International Ltd Contract value: UGX. 183,690,535 Contract signing date: 15th Feb 2023 Contract Completion date: 16th August 2023 Defects liability period: 180 days</p>
	
Observations	

No.	Subject of Procurement
	<ul style="list-style-type: none"> • Project was completed however not yet commissioned for use • There was no lightening conductor installed yet the facility is at a mountainous area.
10.	<p>Subject: Construction of twin staff house at Bumugibole Health centre III Contractor: Gane Enterprises Ltd Contract value: UGX. 142,000,000 Contract signing date: 12th December 2022 Contract Completion date: 22nd December 2023 Defects liability period: 365 days</p>
	

No.	Subject of Procurement
	 <p data-bbox="296 840 464 873">Observations</p> <ul data-bbox="344 880 1129 952" style="list-style-type: none"> • There was no lightening conductor installed on the facility. • There was no signage.
<p data-bbox="220 987 264 1021">II.</p>	<p data-bbox="296 987 1182 1021">Subject: Construction of office Block at Simu sub county headquarters</p> <p data-bbox="296 1025 679 1059">Contractor: Zeal Holdings Ltd</p> <p data-bbox="296 1064 746 1097">Contract value: UGX. 174,817,020</p> <p data-bbox="296 1102 754 1135">Contract signing date: 14th Feb 2023</p> <p data-bbox="296 1140 632 1173">Contract Completion date:</p> <p data-bbox="296 1178 715 1211">Defects liability period: 365 days</p> 

No.	Subject of Procurement
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Observations

- There was no lightning conductor installed.
- There was no hoarding at the site.

Implication

- Irregularities at contract implementation compromise quality and the intended beneficiaries do not get the desired effects of the services delivered.
- Delayed implementation of works denies the end users the desired timely benefits from the facilities. Thus no value for money.

Management Response

Management has noted the query and shall ensure that the defects identified are addressed within the defects liability period.

Recommendations

- The Accounting Officer should ensure that all defects that were noted in the five procurements worth UGX 6,664,021,084 are rectified immediately by the Contractors and a report on this submitted to the Authority within one month of receipt of this report. Failure by the Contractors to rectify the defects and other non-conformities to the BOQs such as failure to hoard off construction sites, install lightning conductors among others, the Accounting Officer should recover money meant for such works from the contractors and recommend them to the Authority for black listing.
- The Accounting Officer, User Departments and the Procurement and Disposal Unit should conduct procurements in a manner that promotes economy and efficiency in public procurement in accordance with Section 48 of the PPDA Act, 2003.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

3.1 Overall Audit Conclusion

The performance of Bulambuli District Local Government for the Financial Year 2022/23 was Moderately Satisfactory with overall weighted average risk rating of 66% as detailed in table 15 below;

Table 15: Risk rating criteria

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

3.2 Entity's Risk Assessment

The table 16 below shows the Entity's performance per risk category based on the sampled procurements:

Table 16: Showing summary of risk assessment of Bulambuli DLG

Risk Category	Number of Sampled Procurements	%Number	Value (UGX)	% Value
High	3	15.8	5,011,527,861	48.8
Medium	6	31.6	1,652,493,223	16.1
Low	10	52.6	3,599,451,960	35.1
Satisfactory	0	0	0	0
Total	19	100	10,263,473,044	100

3.3 Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in table 17 below:

Table 17: Weighted risk assessment of Bulambuli DLG

Risk category	Rating (By Number)	Weights	Total weighted Average	Rating (By Value)	Weights	Total weighted Average
High	15.8	0.6	9.5	48.8	0.6	29.3
Medium	31.6	0.3	9.5	16.1	0.3	4.8
Low	52.6	0.1	5.3	35.1	0.1	3.5
Satisfactory	0	0	0	0	0	0
Total	100	1	24.3	100	1	37.6

$$\text{Weighted Average (By no.)} = \sum \text{Weighted Score} \times 100 = \frac{24.3}{60} \times 100 = 40.5\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{37.6}{60} \times 100 = 62.7\%$$

$$\text{Combined Weighted Average} = \frac{24.3 + 62.7}{2} = 43.5\%$$

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

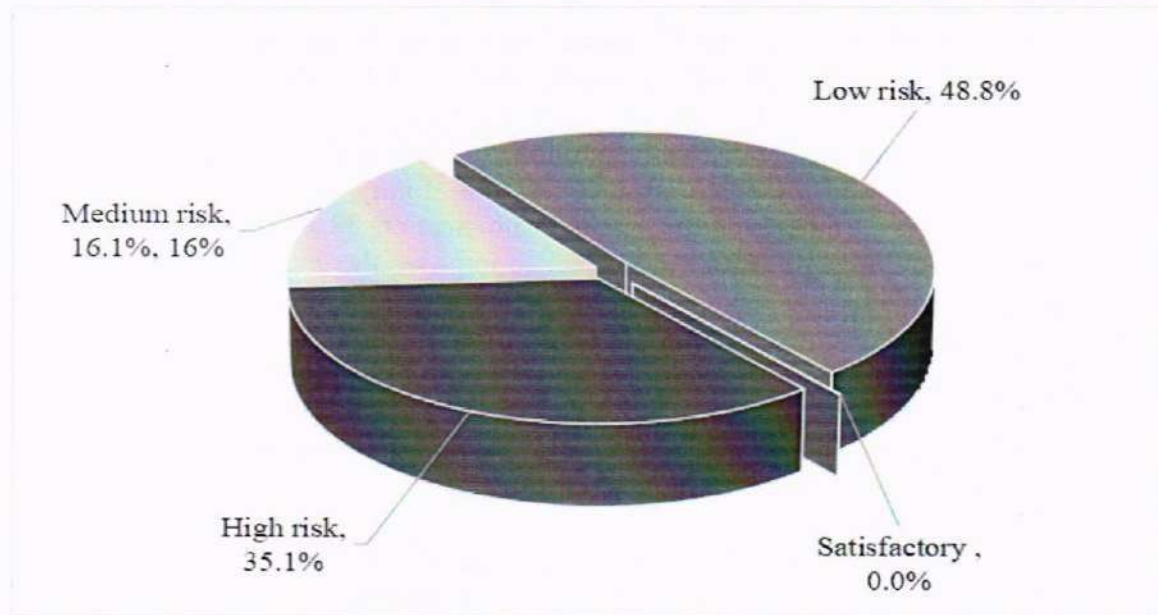
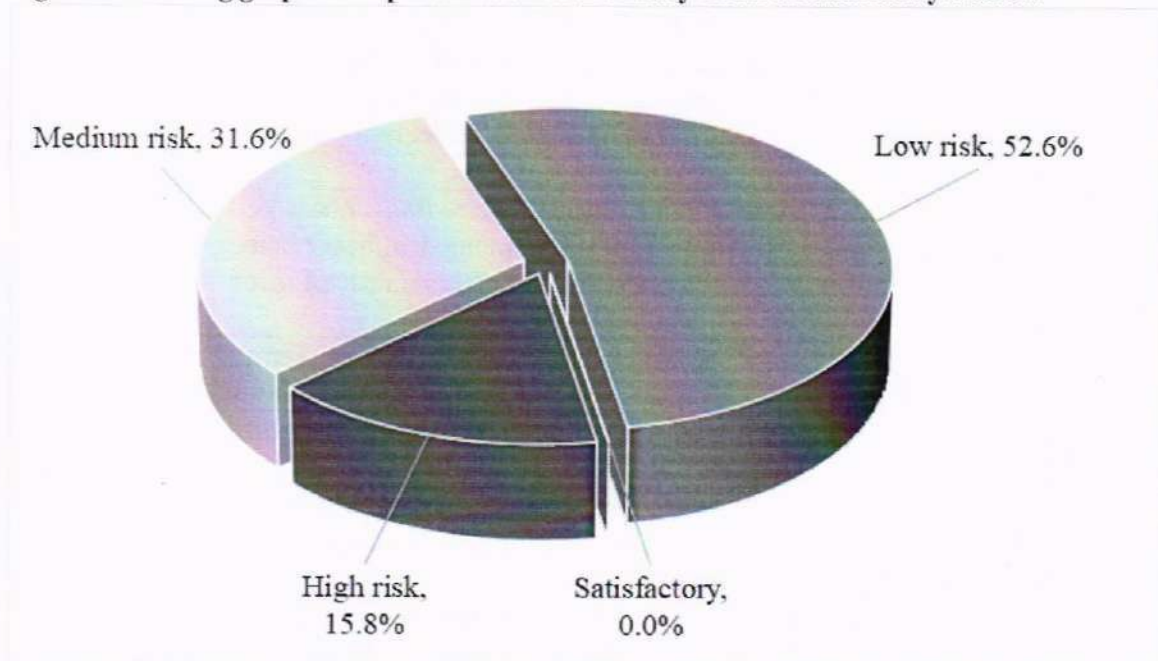


Figure 2: Showing graphical representation of the Entity's risk assessment by number



3.4 Recommended Action Plan

Bulambuli District Local Government should implement the following recommendations within the timeframe given in order to improve its performance in Procurement and Disposal as detailed in table 19 below;

Table 18: Recommended Action Plan

1.	The Accounting Officer is advised to ensure that the Contracts Committee is fully constituted in accordance with Section 26 (1) (a) of the PPDA Act, 2003. The Accounting Officer should ensure that a strong mechanism is put in place to implement recommendations made by the Authority so as to improve the Entity's performance.	June 2024
2.	The Accounting Officer should ensure that all structures in the procurement and disposal system of the Entity operate objectively and independently in line with Section 38 of the PPDA Act, 20023 as amended in order to improve the entity's performance and achievement of value for money.	June 2024
3.	The User Departments should desist from handling any procurements without delegation since it is a Procurement and Disposal Unit function and ensure that whenever need for those items arises, requisitions should be placed through the Procurement and Disposal Unit for completeness in reporting and transparency.	June 2024
4.	The Accounting Officer, User Departments and the Procurement and Disposal Unit should conduct procurements in a manner that promotes economy and efficiency in public procurement in accordance with Section 48 of the PPDA Act, 2003.	June 2024
5.	Delayed execution of procurements in six of the sampled procurements worth UGX2,152,639,367. These had been executed outside the indicative timelines with an average of 138 days contrary to 71 working days and 55 working days for procurements under open bidding and selective bidding respectively	June 2024
6.	The Accountitng Officer should ensure that works undertaken using force account mechanism are implemented in accordance with circular No. 3 of 2012 to Local Governments on use of force account mechanism.	June 2024
7.	The Accounting Officer should ensure that assets of the Entity are reviewed and disposed of following the methods recommended under Regulations 122-133 of the LG (PPDA) Regulations, 2006.	June 2024
8.	The Accounting Officer should ensure that procurements are undertaken in a manner that enhances efficiency as required by Section 43 of the PPDA Act 2003.	June 2024
9.	The contract supervisors should ensure timely completion of projects through enforcing clauses in the contracts like liquidated damages, recommending contract termination and appraising poor performers in accordance with Regulation 104 of the Local Governments (PPDA) Regulations, 2006.	June 2024

10.	The Accounting Officer should ensure that all defects that were noted in the five (5) procurements worth UGX 6,664,021,084 are rectified immediately by the Contractors and a report on this submitted to the Authority within one month of receipt of this report. Failure by the Contractors to rectify the defects and other non-conformities to the BOQs, the Accounting Officer should recover money meant for such works from the contractors and recommend them to the Authority for black listing.	June 2024
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Annex A: Findings and rating on the individual contracts reviewed

No	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	<p>Reference No: Bula820/WRKS/22-23/00002</p> <p>Subject of Procurement: Construction of Bulambuli District Administration block – phase 2</p> <p>Procurement method: Open Bidding</p> <p>Contract price: 1,819,896,725</p> <p>BEB: Wiljon Estates Ltd</p> <p>Contract signature date: 10th Feb 2023</p> <p>Completion date: 13th August 2023</p> <p>DLP: 180 calendar days</p>	<p>Issues noted at physical verification</p> <ul style="list-style-type: none"> • There was no sufficient hoarding which could lead to insecurity and injuries due to unauthorised access by gthe community. • Failure to construct a temporary office and storage area yet it had been provided for in the billos of quantities. • Non completion of the office floor, painting, and glass installation. • Contractor had abandoned site by the time of physical verification <p>Missing records</p> <p>Contract implementation plan</p>
2.	<p>4. Subject of procurement</p> <p>Reference No : MOH/Wrks/21-22/00013/13-28 LOT -17</p> <p>Subject: Extension of the contract period for the upgrade of Bukibologoto Health Center II to Health Center III</p> <p>Procurement method: Open Domestic Domestic Bidding</p> <p>Contractor: M/s Wiljon Estates Ltd Ltd</p> <p>Contract value: UGX. 2,432,591,492</p> <p>Contract signing date:18th February 2021</p> <p>Contract Completion date: 5th September 2021</p> <p>Defects liability period: 180 days</p>	<p>Delayed completion of the works by the contractor</p> <p>At the date of physical verification by the audit team on 3rd November 2023, the works were at progress percentage of 65% despite three contract extensions from September 2021 with a time progress percentage of 500%.</p> <p>Issues noted at Physical Verification</p> <ul style="list-style-type: none"> • There was no hoarding of the site leaving it axcessible to unauthorised personnel and posing risk of injury and theft of material • There was no evidence of any activity on site and the site was abandoned with some of the material left idle onsite risking theft of the materials. • There was no signage on site. • There were no planted trees on the site. <p>Missing records</p> <ul style="list-style-type: none"> • Contract implementation plan.
3. +	<p>ReferenceNo: Bula 589/Wrks/22-23/00003</p> <p>Subject: Construction of Simu Seed Secondary School Phase 1</p> <p>Procurement method: Open Domestic Bidding</p>	<p>Issues noted at physical verification</p> <ul style="list-style-type: none"> • Delay in contract execution. The contract completion date was 20th October 2023 • There was no hoarding of the site which left the site open to unauthorised personnel which poses risk of injury and theft of materials. • The pitch had not been cleared.

No	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
	<p>Contractor: M/s Zionate Multipurpose International Ltd.</p> <p>Contract value: UGX.759,039,644</p> <p>Contract signing date: 20th April 2023</p> <p>Contract Completion date: 20th October 2023</p> <p>Defects liability period: 180 days</p>	<ul style="list-style-type: none"> • The labourers onsite did not wear protective gear which makes them prone to injury. • The contractor installed window frames and metallic doors on the classroom block yet roofing had not taken place • The site also had metallic doors & windows kept on site floor and not well stored for actual installation after roofing takes place risking the items to be stolen from the site. • There was no signage on site. • There were no planted trees on the site in accordance with the ESHS parameters. <p>Missing records</p> <ul style="list-style-type: none"> • Contract implementation plan prepared by the contract management team.

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	<p>Reference No: Bula820/SPLS/22-23/00010</p> <p>Subject of Procurement: Supply of HDPE pipes for Sotti, Buginyanya and Bulago Gravity flow scheme</p> <p>Procurement method: Selective Bidding</p> <p>Contract price: 23,098,000</p> <p>BEB: Mawoma Creations Ltd</p> <p>Contract signature date: 5th April 2023</p>	<p>Delay at initiation</p> <ul style="list-style-type: none"> • Delay of over 160 working days. Form 1 was raised on 28th April 2022 and approved by AO on 19th December 2022. <p>Bidding</p> <ul style="list-style-type: none"> • Low bidder participation as only one bid was <p>Evaluation irregularities</p> <ul style="list-style-type: none"> • Trading License was for small cottage Industry • Technical literature on the items was not submitted <p>Missing Documents</p> <ul style="list-style-type: none"> • Contract implementation plan
2.	<p>ReferenceNo: Bula 589/Wrks/22-23/00001</p> <p>Subject: Construction of of new facility at Kamu Health center III – Upgrade</p> <p>Procurement method: Open Domestic Bidding</p>	<p>Physical verification</p> <ul style="list-style-type: none"> • There was no hoarding of the site which left the site open to unauthorised personnel which poses risk of injury and theft of materials. • The labourers onsite were not provided with protective gear which makes them prone to injury.

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	<p>Contractor: M/s African Construction Technicians & Contractors Ltd. Contract value: UGX. 869,994,168 Contract signing date: 7th March 2023 Contract Completion date: 13th November 2023 Defects liability period: 365 days</p>	<ul style="list-style-type: none"> • There was no signage on site. • There were no planted trees on the site in accordance with the ESHS parameters. <p>Missing records Contract implementation plan prepared by the contract management team.</p>
3.	<p>ReferenceNo: Bula589/WRKS/22-23/00004 Subject: Construction of Office Block at Nabiwutulu Sub County Headquarters Procurement method: Open Domestic Bidding Contractor: M/s Elgon Millers Ltd Contract value: UGX.182,000,000 Contract signing date: 4th May 2023 Contract Completion date: 30th June 2023 Defects liability period:</p>	<p>Issues at Physical Verification</p> <ul style="list-style-type: none"> • Facility was not in use as it has not yet been handed over by the Entity to the intended beneficiaries • There was no lightening conductor installed • There was no signage on the wall • There were no planted trees on the site. <p>Missing records</p> <ul style="list-style-type: none"> • Contract implementation plan.
4.	<p>Reference No: Bula820/WRKS/22-23/00013 Subject of Procurement: Construction of office block at Soti S/C HQ Procurement method: Open Bidding Contract price: 183,690,535 BEB: Buluganya International Ltd Contract signature date:15th Feb 2023 Completion date: 6 months DLP: 180 Days</p>	<p>Delay at initiation Delay of over 15 working days. Form 1 was raised on 20th July 2022 and approved by AO on 15th August 2022</p> <p>Issues at Physical Verification</p> <ul style="list-style-type: none"> • There was no lightening conductor installed. • There was no signage on the wall <p>Missing Documents Contract implementation plan</p>

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
5.	<p>Reference No: Bula820/WRKS/22-23/00013</p> <p>Subject of Procurement: Construction of a twin staff house at Bumugibole Health Centre III in Bulambuli District</p> <p>Procurement method: Open Bidding</p> <p>Contract price: 142,000,000</p> <p>BEB: Gane Enterprises Ltd</p> <p>Contract signature date: 12th December 2022</p>	<p>Initiation Delay of over 55 working days. Form 1 was raised on 20th June 2022 and approved by AO on 15th August 2022</p> <p>Issues noted at physical verification</p> <ul style="list-style-type: none"> • There was no lightening conductor installed on the facility. • There was no signage. <p>Missing Documents Contract implementation plan</p>
6.	<p>Reference No: BULA820/WRKS/22-23/00005</p> <p>Subject of Procurement: Construction of Simu S/C Headquarters office block</p> <p>Procurement method: Open bidding</p> <p>Contract price: 174,817,020</p> <p>BEB: Zeal holdings Ltd</p> <p>Contract signature date: 14th Feb 2023</p>	<p>Delay at initiation Delay of over 15 working days. Form 1 was raised on 20th July 2022 and approved by AO on 15th August 2022</p> <p>Bidding</p> <ul style="list-style-type: none"> • Low bidder participation. Only 2 bidders participated <p>Issues noted at physical verification</p> <ul style="list-style-type: none"> • There was no lightening conductor installed on the facility. • There was no signage. <p>Missing Documents</p> <ul style="list-style-type: none"> • Contract implementation plan

No.	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	<p>Reference No: Bula820/WRKS/22-23/00008</p> <p>Subject of Procurement: construction of a 2-classroom block at SOTI P/S</p> <p>Procurement method: Open Bidding</p> <p>Contract price: 99,991,500</p> <p>BEB: Ideal Merchant Property Holdings Ltd</p> <p>Contract signature date: 22 March</p>	<p>Delay at initiation</p> <ul style="list-style-type: none"> • Delay of over 12 working days. Form 1 was raised on 28th July 2022 and approved by AO on 15th August 2022 <p>Bidding</p> <ul style="list-style-type: none"> • Low bidder participation. received one bid response <p>Missing Documents</p> <ul style="list-style-type: none"> • Contract implementation plan
2.	<p>2. Reference No: Bula589/Supls/2022-23/00007</p> <p>Subject: Supply of Six (6) deep boreholes in Bukhalu,Nabbongo ,Bunalwere,Bwikhoge,and Bumufuni Sub Counties</p> <p>Procurement method: Selective Bidding</p> <p>Contractor: M/s Mama Borewells Africa Ltd</p> <p>Contract value: UGX.113,263,488</p> <p>Contract signing date: 15th December 2022</p> <p>Contract Completion date: 30th December 2022</p>	<p>Delayed confirmation of availability of fund at initiation</p> <p>Whereas initiation on requisition Form 1 was carried out by Mr. David Walyamuli (Maintenance Technician) on 28th April 2022, the Accounting Officer Ms. Stella Abyelo (CAO) confirmed availability of funds on 15th August 2022 causing a delay of 3 months.</p> <p>Missing records</p> <ul style="list-style-type: none"> • Appointment of Contract Manager Contract management plan
3.	<p>Reference No: Bula820/WRKS/22-23/00006</p> <p>Subject of Procurement: construction of office block at Namisuni S/C HQ</p> <p>Procurement method: Open Bidding</p> <p>Contract price: 171,099,180</p> <p>BEB: Sibita Contractors Ltd</p>	<p>Delay at initiation</p> <p>Delay of over 15 working days. Form 1 was raised on 20th July 2022 and approved by Accounting Officer on 15th August 2022</p> <p>Missing Documents</p> <p>Contract implementation plan</p>

4.	<p>Reference No: BULA820/WRKS/22-23/00045</p> <p>Subject of Procurement: Supply and installation of lighting system at the District headquarters</p> <p>Procurement method: Open Bidding</p> <p>Contract price: 48,791,984</p> <p>BEB: Ideal merchant property holdings U Ltd</p> <p>Contract signature date:</p> <p>Completion date: 3 months</p>	<p>Missing Documents</p> <ul style="list-style-type: none"> • Initiation form • Contract implementation plan
5.	<p>Reference No: Bula589/WRKS/22-23/00009</p> <p>Subject: Construction of One Classroom Block and Store at Bunmuje Primary School</p> <p>Procurement method: Open Domestic Bidding</p> <p>Contractor: M/s Digital World of Computers Ltd</p> <p>Contract value: UGX. 62,222,200</p> <p>Contract signing date: 28th November 2022</p> <p>Contract Completion date: 28th May 2023</p> <p>Defects liability period: 180 days</p>	<p>Low bidder participation The Entity only issued and received only one bid from M/s Digital World of Computers Ltd</p> <p>Missing records Contract implementation plan</p>
6.	<p>ReferenceNo: Bula589/Supls/22-23/00009</p> <p>Subject: Supply of HDPE Pipes to the district</p> <p>Procurement method: Open Domestic Bidding</p> <p>Contractor: M/s Namunsi General Agencies Ltd.</p> <p>Contract value: UGX.74,965,000</p> <p>Contract signing date: 13th Dec 2022</p> <p>Contract Completion date:13th Jan 2023</p> <p>Defects liability period: 30 days</p>	<p>Missing records Contract implementation plan.</p>

7.	<p>ReferenceNo: Moes/UgiFT/Wrks/2021-2022/00005/lot 5 Subject: Construction of Sisiyi Seed Secondary in Bulambuli District under Lot 34 of the UgiFT program Phase II Procurement method: Open Domestic Bidding Contractor: M/s Bam Construction & Surveyors Ltd. Contract value: UGX.3,010,032,108 Contract signing date: 13th October 2022 Contract Completion date: 27th March 2024 Defects liability period: 12 months</p>	<p>Missing records Contract implementation plan</p>
8.	<p>Reference No: Bula589/Wrks /2022-23/00017 Subject: Roofing of Bumufuni Sub county office block</p> <p>Procurement method: Selective Bidding Contractor: M/s Magiwa Contractors Ltd Contract value: UGX.44,850,000 Contract signing date: Contract not on file Contract Completion date: Contract is not on file</p>	<p>Missing records Contract implementation plan.</p>
9.	<p>ReferenceNo: Bula589/Supls/22-23/00009 Subject: Supply of value additional Agro Machinery (Motorized Coffee Seedlings) Procurement method: Selective Domestic Bidding Contractor: M/s Headon Enterprise Ltd. Contract value: UGX.26,150,000 Contract signing date: Contract Completion date: Not Defects liability period:</p>	<p>Missing records Contract implementation plan.</p>

Annex B: Sample list and rating per case

No	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk Rating
1.	Bula820/wrks/2022-23/00007	Drilling of 6 deep boreholes in Bumufuni, Bwikhonge, Nabbongo, Bukhalu and Bunalwere sub counties.	Open Bidding	MamaBorewells Africa Ltd	113,263,488	Low Risk
2.	Bula820/supls/2022-23/00009	Supply of HDPE Pipes to the district	Open Bidding	Namunsi General Agencies Ltd	74,965,000	Low Risk
3.	Bula820/wrks/2022-23/00002	Construction of Bulambuli District Administration Block phase II	Open Bidding	Wiljon Estates Ltd	1,819,896,725	High risk
4.	Bula820/wrks/2022-23/00003	Construction of Simu Seed Secondary School - phase 1	Open Bidding	Zionat Multipurpose International Ltd	759,039,644	High risk
5.	Bula820/wrks/2022-23/00005	Construction of office Block at Simu Sub County headquarters	Open Bidding	Zeal Holdings Ltd	174,817,020	Medium risk
6.	Bula820/wrks/2022-23/00006	Construction of office Block at Namisuni Sub County headquarters.	Open Bidding	Sibita Contractors Ltd	171,099,180	Low risk
7.	Bula820/wrks/2022-23/00009	Construction of a Classroom Block with store and Office at Bunamujje Primary school	Open Bidding	Digital World of Computers and General Contractors Ltd	62,222,200	Low risk

8.	Bula820/wrks/2022-23/000013	Construction of Office Block at Soti Sub County headquarters.	Open Bidding	Buluganya International Ltd	183,690,535	Medium risk
9.	Bula820/wrks/2022-23/000014	Construction of a Twin Staff house at Bumugibole Health centre III	Open Bidding	Gane Enterprises Ltd	142,000,000	Medium risk
10.	Bula820/wrks/2022-23/000017	Roofing of Bumufuni subcounty Office Block	Selective Bidding	Magiwa Contractors Ltd	44,850,000	Low risk
11.	Bula820/supls/2022-23/00010	Supply of HDPE Pipes for Sotti, Buginyanya and Bulaago Gravity flow scheme.	Selective Bidding	Mawoma Creations Ltd	23,098,000	Low risk
12.	Bula820/supls/2022-23/00011	Supply of valve additional Agro machinery (Motorized coffee pulper)	Selective Bidding	Headon Enterprises Ltd	26,150,000	Low risk
13.	Bula820/wrks/2022-2023/00011	Construction of 2 Classroom block at Soti Primary School.	Open Bidding	Ideal Merchant Property Holdings (u) Ltd	99,991,500	Medium risk
14.	Bula820/wrks/2022-2023/00038	Supply and Installation of assorted irrigation demonstration Materials in Bufumbo subcounty Mbigi parish	Selective Bidding	Mentor Technical Services Ltd	24,980,000	Low risk
15.	Bula820/wrks/2022-2023/00045	Supply and Installation of Lighting system to the District Headquarters.	Open Bidding	Ideal Merchant Property Holdings (u) Ltd	48,791,984	Low risk
16.	Bula820/wrks/2022-23/00004	Construction of Office Block at Nabiwutulu subcounty headquarters.	Open Bidding	Mt Elgon Millers Limited	182,000,000	Medium risk

17.	MOH/Wrks/21-22/00013/13-28 LOT -17	Construction of Bukibologoto Health centre III - Upgrade	Open Bidding	Wiljon Estates Ltd	2,432,591,492	High risk
18.	MoEs/UgIFT/Wrks/2021-2022/00005/Lot 34	Construction of Sisiyi Seed Secondary School	Open Bidding	Bam Construction and Surveyors Ltd	3,010,032,108	High risk
19.	MOH-UgIFT/Wrks/22-23/00001	Construction Of Kamu Health center III – Upgrade	Open Bidding	African Construction Technicians and Constructors (u) Ltd	869,994,168	Medium risk
					10,263,473,044	