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In any correspondence on  
this subject please quote No. FAD 154/308/01

THE REPUBLIC OF UGANDA

7<sup>th</sup> August 2014

**All Accounting Officers  
(Central and Local Governments Votes)**

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**CIRCULAR ON CONDUCTING DUE DILIGENCE ON INFORMATION  
SUBMITTED BY BIDDERS**

It has come to the attention of the Ministry of Finance, Planning and Economic Development that Accounting Officers are committing the Government under high value contracts with bidders without following the requisite procedures for due diligence under the PPDA Act and Regulations. As a result, a number of contracts have been signed with non performing bidders and funds have been disbursed on the basis of forged and unauthentic documents including securities from financial institutions.

This circular is issued to provide the following guidance to all Accounting Officers on the conduct of due diligence.

- a. The due diligence exercise informs the evaluation process and should be undertaken before the award of the contract to verify information included in the bid document and confirm the capacity of the bidder to handle the procurement.
- b. There is need for further due diligence from the relevant financial institutions after contract award but before

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Mission

"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"

disbursement of funds on the securities submitted by the bidder such as performance and advance payment securities.

- c. All records regarding the due diligence of the documents submitted by bidders should be filed on the procurement action file which will be subject to procurement audit by PPDA.

The purpose of this Circular therefore, is to advise all Accounting Officers to ensure that due diligence is undertaken through verification of documentation submitted by bidders. Standard formats for conducting due diligence have been prepared by PPDA and are attached as Annexes 1 and II for your use.

Should you have a problem in implementing this directive, please revert back to me.



Keith Muhakanizi

**PERMANENT SECRETARY/ SECRETARY TO THE TREASURY**

- c.c. Hon. Minister of Finance, Planning & Economic Development
- c.c. The Inspector General of Government
- c.c. The Auditor General
- c.c. The Accountant General
- c.c. Executive Director, PPDA

**Encl – Annexes I and II.**

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