



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

**PROCUREMENT AND DISPOSAL AUDIT REPORT OF KYEGEGWA
DISTRICT LOCAL GOVERNMENT FOR FINANCIAL YEAR 2019/2020**

JULY 2021

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ACRONYMS

DLG	District Local Government
FY	Financial Year
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SCC	Special Conditions of Contract
UGX	Uganda Shillings
VAT	Value Added Tax

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out the Procurement and Disposal audit of Kyegegwa District Local Government. The audit covered a representative sample of seventeen (17) procurement transactions carried out during the Financial Year 2019/20. The audit involved a review of procurement system, procurement processes and asset disposal processes following the Public Procurement and Disposal of Assets Act 2003 and Local Governments (PPDA) Regulations, 2006.

From the findings of the procurement audit exercise, the performance of Kyegegwa District Local Government for the Financial Year 2019/20 established an overall weighted average risk rating of **49.2%** which is a **satisfactory risk rating** as per the ranking in table 11 in the detailed report.

Despite the Satisfactory performance, the following key exceptions were noted:

1. Failure to develop a shortlist of bidders by the Procurement and Disposal Unit for approval by the Contracts Committee in all the six sampled procurements under selective bidding procurement method worth UGX 135,565,267. This may expose the Entity to unfair rotation of prequalified bidders which may deter competition and contravenes the principles of transparency and fairness in the procurement process.
2. Inadequate evaluation criteria requirements stated in the issued solicitation documents in five procurements worth UGX 316,406,931. This results into submission of non-responsive bids, cause challenges during evaluation and contract implementation, deter competition and may also lead to contracting of incompetent providers.
3. Failure by the Evaluation Committees to adhere to the evaluation criteria by passing non-compliant/non-responsive bidders in five (5) procurements worth UGX 312,712,481. This may expose the Entity to a risk of awarding contracts to bidders without capacity to undertake the works hence exposing the Entity to failure to perform, loss of money in shoddy works and loss of time due to repetition of process.
4. Execution of works on unsecured contracts. Performance security was not obtained from contractors in two procurements worth UGX. 179,468,531 and yet it was a requirement stated in the Special Conditions of Contract. This exposed the entity to the risk of lack of recourse in the event of failure in contract execution by the contractor.
5. Delayed completion of works resulting into execution of works on expired contracts. This was in three (3) of the sampled procurements worth UGX 158,270,400. The works were not executed within the contractual period stated in the contract. There was no evidence on file to show that the contractors had requested for contract extension prior to expiry of the contracts. This implies that the entity did not have binding contracts with the above contractors which may expose the entity to abandoned works by contractors leading to delayed service delivery.
6. Payment of VAT to non a VAT registered company leading to a financial loss to the entity. This was noted in the completion of maternity ward (phase II) at Kishagazi HC II in Ruyonza Sub county worth UGX 56,805,672. The provider, Lawumil Enterprises Limited, was not registered for VAT as evidenced by the Uganda Revenue Authority certificate of registration submitted during the bidding process as well as the URA Online Application (Ask URA). However, the price quoted by the provider was inclusive of 18% VAT and so were the payments made. This caused a financial loss to the Entity worth UGX 8,665,470.

7. Irregular use of force account mechanism in three procurements worth UGX 14,734,000. The projects implemented did not fall in the listed description of works as stipulated under Circular No. 3 of 2012 to Local Governments on use of force account mechanism. The entity runs a risk of exposure to fraudulent practices through abuse of the force account mechanism.
8. Improper computations of payment certificates leading to overpayment of contractor by UGX. 695,508. This was in the rehabilitation of 11 boreholes in selected sites worth UGX 48,788,000. This caused a financial loss worth UGX 695,508 to the entity and government.

In summary, the User Departments and the Procurement and Disposal Unit were not fully playing their roles in accordance with the PPDA Act. 2003 and the Local Government (PPDA) Regulations, 2006.

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

1. The Head Procurement and Disposal Unit should come up with a shortlist of bidders for approval by the Contracts Committee for all procurements handled under selective bidding in accordance with Regulation 38 of the Local Governments (PPDA) Regulations, 2006.
2. The Head Procurement and Disposal Unit should ensure that the solicitation documents prepared, have the most appropriate evaluation methodology and criteria, define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity in accordance with Regulations 48(2) & 48(4) of the Local Governments (PPDA) Regulations.
3. The Evaluation Committees should ensure that the determination of a bid's compliance and responsiveness is based on the contents of the bid and a substantially compliant bid is one that conforms to all the set criteria in the bidding document without material deviation or omission in accordance with Regulation 73 (1) and (2) of the Local Government (PPDA) Regulations, 2006.
4. The Accounting Officer should ensure that contract supervisors enforce the requirement of performance security as specified in the contracts in accordance with Regulation 102 of the Local Governments (PPDA) Regulations, 2006.
5. the Accounting Officer should task contract supervisors to ensure that every provider meets all performance or delivery obligations in accordance with the terms and conditions of a contract in accordance with Regulation 119 (10) (a) (i) of the Local Governments (PPDA) Regulations, 2006.
6. The Accounting Officer should recover UGX 8,665,470 from the Lawumil Enterprises Limited being the VAT component irregularly paid to a non VAT registered provider.
7. The Accounting Officer and the Head of works department should ensure that works implemented under force account mechanism fall in the listed description of works and in accordance with PPDA (Force Account Mechanism) Regulations 2014 and Circulars No.2 and No. 3 of 2008 and 2012 to Local Governments on use of force account mechanism dated 21st August 2008 and 21st September 2012 respectively.
8. The Accounting Officer should follow-up on the recovery of **UGX 695,508** from Benchmark Technical Services being the amount that was overpaid to the contractor for the rehabilitation of 11 boreholes in selected sites worth UGX 48,788,000.

CHAPTER 1: INTRODUCTION

1.1. Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Kyegegwa District Local Government that covered a representative sample of seventeen (17) procurement transactions under Financial Year 2019/20. The audit involved a review of procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act 2003 and Local Governments (PPDA) Regulations, 2006.

1.2 PPDA Mandate

The PPDA is mandated under Section 7 (j) of the PPDA Act, 2003 and Local Governments (PPDA) Regulations, 2006 to institute procurement and disposal audits in the Entities. This mandate is executed in line with the principles and objectives below:

1.3. Main Audit Objectives

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

The specific objectives were:

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

1.4. Scope of the Audit

The audit covered a pre-selected sample of seventeen (17) case files worth UGX 894,939,862 for procurement transactions carried out in the Financial Year 2019/20. The list of sampled transactions is contained in **Annex 1**.

Population			Sample		Percentages	
Method	Number	Value (UGX)	Number	Value (UGX)	% Number	% Value
Open National Bidding	15	1,162,301,293	9	671,342,595	60	58
Selective Bidding	20	377,387,059	6	135,565,267		36
Force Account	21	245,321,000	2	88,032,000	10	36
Total	56	1,785,009,352	17	894,939,862	30	50

NB: Sampling was done based on the Entity's submitted quarterly reports

1.5. Audit Methodology

The 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, a physical verification was undertaken to ascertain the level of contractual delivery and fit for purpose.

During the audit, the auditors held interviews with the staff from the Procurement and Disposal Unit (PDU) and User Departments that were necessary in obtaining crucial qualitative information about the internal control system 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 **25th March 2021** before the auditors could embark on preparation of the management letter. The auditors prepared the management letter, which was sent to the Entity on **6th May 2021** with a request to submit a management response by **18th May 2021**, which was submitted on **18th May 2021**. The exit meeting was held on **20th May 2021** at PPDA Mbarara Regional Office.

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

1.6. Reporting

Reporting is in a format which identifies the findings by exception, the level of risk and the recommendations. The procurements are rated in four categories according to the weakness identified namely High Risk, Medium Risk, Low risk and Satisfactory. The definition of the risk rating is in Annex 5.

CHAPTER 2: AUDIT FINDINGS

This chapter presents the findings arising from the audit. The audit was carried out based on the set criteria per the PPDA Act, Regulations and Guidelines and the procurement audit manual. The root causes of non-compliance and implications are presented. The recommendations are made considering the management responses from the entity.

Objective 1: Compliance with the general provisions of the PPDA Act and Local Government's Regulations

2.1. Failure to facilitate the Procurement and Disposal Unit

Whereas the Entity had a functional Procurement & Disposal Unit (PDU), the Authority noted that the Entity's PDU had insufficient space and storage in form of lockers for the volume of work and activities for the Unit.

Implication

This may lead to loss of records hence affecting the audit trail.

Management Response

The entity has secured funds under DRDIP project and more space to the procurement and Disposal Unit shall be availed after completion of the administration block of which works are ongoing.

Recommendation

The Authority noted the entity's response and further advised the Accounting Officer to prioritize the facilitation good storage equipment to enable safe storage of records and also enable the Unit carry out its functions efficiently.

2.2. Procurement Plan implementation rate

Non implementation of 29% of the procurement plan

The entity successfully implemented 71% of the procurement plan however failed to implement 29% of the planned procurements as detailed in table 1 below:

Table 1: Procurement Plan Implementation Rate

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	4,821,240,486
Total procurement spend value inclusive of VAT (UGX)	3,426,236,412
Procurement plan implementation rate (%)	71%
Implementation variance (UGX)	1,395,004,074

NB: This information is based on the Entity's procurement plan and quarterly reports submitted to the Authority.

Implications

- The entity failed to deliver planned services worth UGX 1,395,004,074 to intended beneficiaries.
- Failure to fully implement the procurement plan may be an indicator of poor planning which affects service delivery.

Management Response

- ✓ *The entity realised budget cuts especially for Uganda Road Fund where fourth quarter release was not realised. i.e. the budget for the roads was worth UGX 505,119,000 and only UGX 368,536,596 was released. The entity therefore did not receive UGX 136,582,404 under Uganda Road Fund in the fourth quarter as per evidence attached.*
- ✓ *Some items in the procurement plan totalling to UGX 254,704,835/= were implemented under framework contract but were not reported in the quarterly reports namely; stationery supplies of UGX 105,081,018/=, Fuel supplies of UGX 87,301,942/=, Supply of airtime, Newspapers and modem worth UGX 7,546,000/=, vehicle repairs of UGX 50,575,875/= and welfare worth UGX 4,200,000*

Recommendations

- The Authority noted the entity's response and advised the Accounting Officer and Management to 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.
- The Accounting Officer should ensure to report all call off orders issued under framework contracts to the Authority in the entity's quarterly reports in accordance with Regulation 7 (1) of the Local Governments (PPDA) Regulations, 2006.

2.3. Procuring outside the procurement plan

The entity conducted three (3) procurements worth UGX 63,784,067 outside the procurement plan for the Financial Year under review as detailed in the table below.

Table 2: Procurements outside the procurement plan

No.	Subject of procurement	Contract Value (UGX)
1.	Construction of 2 disability friendly 5 stance latrine blocks for girls at Kyanyambali and Kataturwa P/S Kigambo	27,965,965
2.	Construction of 2 disability friendly 5 stance latrine blocks for girls at Wekomiire and Kicumu P/S Kyegegwa T/C and Kakabara S/C	28,941,652
3.	Supply of 50 three seater desks to Ruyonza Sub county	6,876,450
	Total	63,784,067

Implication

Unplanned procurements lead to unplanned expenditures resulting in creation of domestic arrears and budget overruns for the entity.

Management Response

The omission of these items is noted and management pledges to improve.

Recommendation

The Accounting Officer should ensure that the User Departments prepare comprehensive work plans and all intended items are included on the plan in accordance with Regulation 62 (1) of the Local Governments (PPDA) Regulations, 2006. In the event that amendments are made to the procurement plan, the Head, Procurement and Disposal Unit should update the procurement plan in accordance with Regulation 62 of the Local Government (PPDA) Regulations, 2006.

2.4. Inadequate notices of best evaluated bidders

In all sampled procurements, the notices of best evaluated bidders did not show the unsuccessful bidders and reason for their bids being unsuccessful.

Implication

Failure to display unsuccessful bidders with their reasons for failure deprives the unsuccessful bidders the opportunity to improve on their bid responsiveness and also contravenes the principles of transparency and accountability in the evaluation process.

Management Response

Management noted the anomaly of not displaying the unsuccessful bidder notice and pledged to improve.

Recommendation

The Head Procurement and Disposal Unit should ensure that the displayed notice of best evaluated bidder is in accordance with the required Local Government PPDA format as stated in Section 56 (2) of the PPDA Act, 2003.

2.5. Records Management

Incomplete procurement action files

The Authority noted that various records were missing from their respective procurement action files contrary to Regulation 46 (2) of the PPDA, Local Governments Regulations 2006. These cases include;

Table 3: List of procedural forms and documents missing on procurement action files

No.	Subject of procurement	Amount (UGX)	Missing documents
1.	Construction of a PWD Immunization hall up to the wall plate at Kigambo sub county	29,206,231	Payment records, Contract management records
2.	Completion of maternity ward (phase II) at Kishagazi HC II in Ruyonza Sub county	56,805,672	Contract management records

Implications

- The Authority was unable to confirm payment in accordance with the contractual amount and was also unable to confirm whether works were certified before payment.
- This further casts doubt on whether the entity was monitoring projects effectively and efficiently.
- Incomplete files affect the audit trail and contravenes the principle of accountability which affects the audit trail.

Management Response

Records are available for verification and are on file.

Recommendations

The entity did not provide evidence of existence of the above records as stated in their response. The Authority therefore recommends as follows:

- The Head Procurement and Disposal Unit should ensure that procurement action files are complete with all documents in accordance with Section 31 (o) of the PPDA Act 2003.
- The Accounting Officer should direct the Finance Department to always share copies of payments records with the Procurement and Disposal Unit in order for procurement action files to be closed off.

2.6. Reporting to the Authority

The Authority noted the following irregularities in regards to the entity reporting to the Authority:

2.6.1. Failure to report on macro-procurements handled by Sub counties under DRDIP Project

On review of the entity's Contracts Committee minutes and Internal audit reports, the Authority established that the entity received funds from the Office of Prime Minister (OPM) through DRDIP Project (Development Response to Displacement Impacts Project) to implement procurements at Sub county level using the Community purchase procurement method. In the financial year under review, the sub counties implemented projects worth UGX 5,249,957,157 as detailed below:

- i. Construction of; one block of 8 classrooms, a block of 3 classrooms with head teacher's office and 3 blocks of five stances drainable latrines plus supply of two water tanks at Kazinga Primary School worth UGX 591,809,815.
- ii. Construction of; four classroom block, 3 blocks of five stances latrine, supply of furniture and 10,000 litres stainless steel rain water tank at Nyakasaka Primary School worth UGX 267,466,200.
- iii. Construction of paediatric ward at Kyegegwa Health Centre IV worth UGX 443,888,550.
- iv. Construction of two blocks of; 3 classrooms, a block of 2 classrooms with headmaster's office and staffroom, water tanks per block and 3 blocks of five stances latrines at Bukere Primary School worth UGX 477,470,208.
- v. Construction works at Ruhangire HCII worth UGX 137,196,038.
- vi. Construction of a three classrooms block, a two classrooms block with an office and three stance drainable latrine and supply and installation of a water tank at Magoma Primary School worth UGX 368,331,302.
- vii. Construction of Kyegegwa- Nkomangani-Kasenene-Buraro road worth UGX 977,303,550

- viii. Construction of Migongwe-Migamba-Kazinga road worth UGX 743,346,764
- ix. Construction works at Rutaraka Primary School worth UGX 179,752,755.
- x. Construction of operating theatre and OPD Blocks at Kyegegwa HCIV worth UGX 1,063,391,975.

The Authority noted that the above procurements worth **UGX 5,249,957,157** were neither planned for in the entity's procurement plan for FY 19/2020 nor were they reported to the Authority in the Entity's quarterly reports submitted to the Authority.

The Authority further established that there was irregular use of the Community purchase procurement method in all the above listed procurements conducted by the Sub counties. Regulation 42 of the Local Governments (PPDA) Regulations, 2006 provides for the use of community purchase method for community programmes or projects in accordance with the thresholds prescribed by the Authority. The Local Governments (PPDA) Guidelines, 2008 provide for the use of community purchases provided the estimated value of the works does not exceed UGX 500,000.

Implication

This contravenes the principles of transparency and accountability which affects the audit trail.

Management Response

Following guidance from office of Prime Minister and the available Manuals developed from World Bank guidelines, DRDIP (Development Response to Displacement Impact Projects) programmes are Community sub projects where procurements and management are handled at the community level i.e. from level of planning to payment. In this regard, Contracts committee does not have a role in the DRDIP procurement process. The technical team is only co-opted for technical guidance. Each community has its own procurement and management committee to execute this responsibility.

Management will seek guidance on how to report on projects procured and managed by the community

Recommendations

- The Authority notes the entity's response and recommends that the Accounting Officer should ensure that all procurements that are planned to be funded through DRDIP Project are included in the entity's procurement plan in accordance with Regulation 62 (1) of the Local Governments (PPDA) Regulations, 2006.
- The Accounting Officer should ensure that all awarded contracts funded through DRDIP Project are reported to the Authority in the entity's quarterly reports in accordance with Regulation 7 (1) of the Local Governments (PPDA) Regulations, 2006.

2.6.2. Failure to report on micro procurements conducted at Sub Counties and those conducted by User departments at the district

The Authority noted that User departments and Sub Counties did not submit monthly reports for the micro procurements conducted to the Contracts Committee through the PDU for ratification

and further reporting to the Authority contrary to Regulation 41 (8) of the Local Governments (PPDA) Regulations, 2006.

Implication

This puts the Entity at risk of fraudulent practices, compromises accountability and could be an indicator of lack of transparency in the procurement process.

Management Response

There were a number of ratifications for micro procurements handled by Contracts committee as indicated below:

- ✓ *Min. Kyeg 123/3/2019/20 at the sitting of 23rd March 2020, ratified procurement of 250 banana suckers (100 mutule and 150 mpologoma) all worth shs. 250,000/=*
- ✓ *Min. Kyeg 87/12/2019/20, at the sitting of 17th December 2019, ratified procurement of 8 bags for Natural resources from Master General Merchandise worth shs. 400,000/=under Natural Resources*
- ✓ *Min. Kyeg 47/8/2019/20. at the sitting of 23rd August 2019, ratified procurement of sports equipment particularly football uniforms for 33 boys in Parishes of Kigambo Sub County worth shs. 150,000/=*

Management has gone ahead to communicate to all departments and Lower Local Governments to comply with the requirement.

Recommendations

- The User departments and Sub Counties should report on all micro procurements undertaken to the PDU for onward submission to the Contracts Committee and to PPDA in accordance with Regulation 41 (8) of the Local Governments (PPDA) Regulations, 2006.
- The Accounting Officer should caution in writing, the User departments and Sub Counties for failure to submit monthly reports for the micro procurements conducted to the Contracts Committee.

Objective 2: Compliance with the PPDA Act and Local Government Regulations in conduct of Procurement and Disposal activities

2.7. Inadequate evaluation criteria requirements stated in the issued solicitation documents

This was noted in five procurements worth UGX 316,406,931 as detailed in the table below:

Table 3: Procurements with inadequate evaluation criteria

No	Subject of procurement	Findings
1.	Construction of one block of 2 classrooms, fixing of lightening arrester, 5 stance VIP Latrine for girls, supply of classroom furniture (36 three seaters, 2 teachers chairs and 2 tables), a 5000 litres plastic tank at St.	Inadequate eligibility criteria The document was not requesting for a Transaction Tax Clearance Certificate/ income tax clearance certificate so as to ascertain the bidder’s tax compliance status. The entity simply requested for a copy of the bidder’s valid Tax Identification Number (TIN) as well as VAT registration

No	Subject of procurement	Findings
	Adolf Ngangi P/S in Rwentuha Sub Countyworth UGX 88,150,400	certificate (where applicable). It is noted that the above documents do not necessarily prove that the bidder has fulfilled his/her obligations to pay taxes and social security contributions as required in the Instruction to Bidder 4.1 (e).
2.	Construction of one block of 2 classrooms, fixing of lightening arrester, 5 stance VIP Latrine for girls, supply of classroom furniture (36 three seaters, 2 teachers chairs and 2 tables), a 5000 litres plastic tank at Kikuuta P/S in Kakabara Sub County worth UGX 88,466,087	<p>Inadequate eligibility criteria</p> <p>The document was not requesting for a Transaction Tax Clearance Certificate/ income tax clearance certificate so as to ascertain the bidder's tax compliance status. The entity simply requested for a copy of the bidder's valid Tax Identification Number (TIN) as well as VAT registration certificate (where applicable). It is noted that the above documents do not necessarily prove that the bidder has fulfilled his/her obligations to pay taxes and social security contributions as required in the Instruction to Bidder 4.1 (e).</p>
3.	Rehabilitation of 11 boreholes in selected sites worth UGX 48,788,000	<p>Inadequate technical criteria</p> <p>The document did not request for experience of the firm in similar works evidenced by copies of contracts and completion certificates and consequently did not elaborate on the required volume and the period within which this experience should have been attained.</p> <p>The document did not request for the bidder to submit proposed personnel as well as their CVs and proposed equipment to execute the works.</p> <p>Ambiguous criteria</p> <p>The document requested for submission of bank statements but did not elaborate on the required minimum balance or time period required from the bidder.</p>
4.	Construction of one block of 2 classrooms, fixing of lightening arrester, 5 stance VIP Latrine for girls, supply of classroom furniture (36 three seaters, 2 teachers chairs and 2 tables), a 5000 litres plastic tank at Kikuuba P/S in Kakabara Sub County worth UGX 91,002,444	<p>Inadequate eligibility criteria</p> <p>The document was not requesting for a Transaction Tax Clearance Certificate/ income tax clearance certificate so as to ascertain the bidder's tax compliance status. The entity simply requested for a copy of the bidder's valid Tax Identification Number (TIN) as well as VAT registration certificate (where applicable). It is noted that the above documents do not necessarily prove that the bidder has fulfilled his/her obligations to pay taxes</p>

No	Subject of procurement	Findings
		and social security contributions as required in the Instruction to Bidder 4.1 (e).

Implication

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

Management Response

The entity has noted the observation on inadequate eligibility criteria and necessary action shall be taken.

Recommendations

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

2.8. Competitiveness of procurement processes

The Authority noted the following irregularities in regards to competitiveness of procurement processes:

2.8.1. Failure to develop a shortlist of bidders for approval by Contracts Committee

The Authority noted that in all the six sampled procurements worth UGX 135,565,267 under selective bidding procurement method, there was no evidence of shortlist of bidders. The Procurement and Disposal Unit failed to develop a shortlist for approval by the Contracts Committee. The Contracts Committee minutes simply stated that selective bidding method is approved without approving the shortlist of bidders contrary to Regulation 38 (2) of The Local Governments (PPDA) Regulations, 2006.

Implication

Failure to come up with a shortlist of bidders under selective bidding may expose the Entity to unfair rotation of prequalified bidders which may deter competition and contravenes the principles of transparency and fairness in the procurement process.

Management Response

In a bid to promote competition and transparency the entity invited all prequalified providers through an advert whose copy is available for verification. Management however notes the need for contracts committee to approve the shortlist and pledges to improve.

Recommendation

The Head Procurement and Disposal Unit should come up with a shortlist of bidders for approval by the Contracts Committee for all procurements handled under selective bidding in accordance with Regulation 38 of the Local Governments (PPDA) Regulations, 2006.

2.8.2. Low bidder participation

The Authority noted that there was low bidder participation in four (4) of the sampled procurements worth UGX 122,768,417 conducted under both selective and Open bidding method worth with an average of 1.25 bids received contrary to Section 43 (c) of the PPDA Act,2003 as detailed in Table 4:

Table 4: Procurements with low bidder participation

No.	Subject of procurement	Amount (UGX)	Procurement Method	No. of invited bidders	No. of bids received
1	Construction of 2 disability friendly 5 stance latrine blocks for girls at Kyanyambali and Kataturwa P/S Kigambo	27,965,965	Selective Bidding	All prequalified (public advert)	1
2	Renovation of education offices	19,996,221	Selective Bidding	All prequalified (public advert)	1
3	Construction of a PWD Immunization hall up to the wall plate at Kigambo sub county	29,206,231	Selective Bidding	All prequalified (public advert)	2
4	Construction of a radio mast at Kyegegwa community radio	45,600,000	Selective Bidding	All prequalified (public advert)	1
Total/ Average		122,768,417			1.25

Implication

This is a red flag for lost trust by bidders in the procurement processes of the Entity which may lead to costly procurements and deter achievement of value for money.

Management Response

Efforts to attract maximum competition were done through a newspaper advert for both open and selective bids. Management is seeking mechanism to overcome this challenge.

Recommendation

The Authority notes the entity's response and recommends that the Accounting Officer should investigate the reasons for the low bidder participation in the Entity's procurement processes and

put in place measures to promote competition and value for money in accordance with Section 43 (c) of the PPDA Act, 2003.

2.8. Transparency and Accountability

The Authority noted that the entity failed to observe the transparency and accountability mechanisms embedded within the procurement and disposal process and as a result, a number of oversights were noted as detailed below:

2.8.1. Confirmation of availability of funding without delegated authority

In the procurement for Construction of a PWD Immunization hall up to the wall plate at Kigambo sub county worth UGX. 29,206,231, the Sub county chief confirmed funding on 13/08/2019 without evidence of delegated authority from the then Chief Administrative Officer contrary to Section 39 of the PPDA Act 2003.

Implications

- By allowing unauthorized people to confirm availability of funding, the Entity risks budget overruns and creation of domestic arrears.
- This could result in committing the Entity into contractual obligations that were unplanned or not funded.

Management Response

The Chief Administrative Officer delegated authority to the Sub County Chief as attached in the letter, thus Senior Assistant Secretaries are Accounting Officers at Lower Local Government Level.

Recommendation

The Authority reviewed the letter submitted by the entity from the Ministry of Finance quoting the Financial Management Act and noted that this was not sufficient to authorise sub county chiefs to confirm availability of funding. As per Section 26 (1) (f) of the PPDA Act 2003, the Accounting Officer is responsible for certifying availability of funds to support the procurement or disposal activities and where delegation of authority by the Accounting Officer is sought, this should be formally done in accordance with Regulation 65 (7) of the PPDA Local Government Regulations, 2006.

2.8.2. Lack of transparency within the procurement processes

Table 5: Procurements with transparency oversights noted

No	Issue	Specific procurements affected	Amount (UGX)
1.	Failure to communicate arithmetic error corrections	Construction of 2 disability friendly 5 stance latrine blocks for girls at Wekomiire and Kicumu P/S Kyegegwa T/C and Kakabara S/C <i>a) Bigtime Estates and contractor's Ltd bid was increased from UGX. 20,748,789 to UGX 29,563,53,</i> <i>b) Juscona Enterprises (U) Ltd was increased from UGX. 26,554,300 to UGX. 32,724,468.</i>	28,941,652
		Supply of 50 three seater desks to Ruyonza Sub county <i>The bid from Gukiina Furniture was increased from UGX 12,980,000 to UGX 23,010,000. The corrections were neither communicated to the respective bidders nor acknowledged by the evaluation committee in the evaluation report.</i>	6,876,450
		Rehabilitation of 11 boreholes in selected sites <i>The bid for Benchmark Technical Services Ltd had corrections worth UGX 792,000 that increased the bid price to UGX 48,788,000.</i>	48,788,000
		Construction of 2 classroom block at Nyabyerima till ring beam <i>The bid for Benchmark Technical Services Ltd had corrections worth UGX 33,453 that were not communicated.</i>	34,022,940

Implications

- Non transparency and accountability tendencies in the procurement process may expose the Entity to fraudulent practices and unfairness in the procurement and disposal process.
- By failing to communicate arithmetic error corrections, the bidders were not notified or given an opportunity to accept or reject the arithmetic corrections made during evaluation which may

expose the Entity to litigation issues and administrative reviews from unsatisfied bidders hence delaying service delivery.

Management Response

Management noted the anomaly and pledged to improve.

Recommendations

- The Accounting Officer should ensure that all procurements are conducted in a manner that promotes transparency and accountability in accordance with Section 45 of the PPDA Act, 2003.
- The Chairperson Evaluation Committee should always communicate arithmetic correction to all bidders in accordance with Regulation 74 (3) of the Local Governments (PPDA) Regulations, 2006 and to ensure prompt responses from bidders in accordance with Regulation 74 (6) of the Local Governments (PPDA) Regulations, 2006.

2.9. Failure to adhere to evaluation criteria by passing non-compliant/non-responsive bidders

The Authority noted the following irregularities at evaluation in five (5) procurements worth UGX 312,712,481 as detailed below:

Table 6: Procurements where non-compliant bidders were passed at evaluation stage

No	Subject of procurement	Findings
1.	Construction of one block of 2 classrooms, fixing of lightening arrester, 5 stance VIP Latrine for girls, supply of classroom furniture (36 three seaters, 2 teachers chairs and 2 tables), a 5000 litres plastic tank at St. Adolf Ngangi P/S in Rwentuha Sub County worth UGX. 88,150,400	<p>Passing Non-compliant bidder The best evaluated bidder Juscona Enterprise Ltd did not provide evidence of the experience of the required personnel in form of attached CV's but instead attached only the academic certificates of the individuals and was passed as compliant. This implies that the Entity was not able to establish the capacity of the firm in terms of personnel as required.</p> <p>Failure to follow procedures for evaluation methods Three bidders; Prudence logistics, Gukina Furniture and Eba Business solutions who were found non-compliant at preliminary stage of evaluation were further considered for the detailed technical evaluation stage contrary to Guideline 7 of Local Governments (PPDA) Guidelines 2008.</p>
2.	Construction of 2 disabilities friendly 5 stance latrine blocks for girls at Kyanyambali and Kataturwa P/S Kigambo worth UGX. 27,965,965	<p>Passing non-compliant bidder The best evaluated bidder, Kankosumu Ltd submitted an invalid bid and yet was passed at preliminary stage. The powers of attorney attached in the bid authorized Musebeni Sulaiman to be the lawful representative of the company however; the bid was signed by Kasangaki Joseph rendering it invalid.</p>
3.	Construction of one block of 2 classrooms, fixing of lightening arrester, 5 stance VIP Latrine for	<p>Passing a non-compliant bidder The best evaluated bidder, Expecta Logistics did not submit CVs for the proposed key personnel, i.e., the project manager</p>

No	Subject of procurement	Findings
	girls, supply of classroom furniture (36 three seaters, 2 teachers chairs and 2 tables), a 5000 litres plastic tank at Kikuuba P/S in Kakabara Sub County worth UGX 91,002,444	<p>and site foreman contrary to the criteria. But was found complaint.</p> <p>The bidder did not submit audited books of accounts for the last 3 years, and was still found compliant and passed.</p> <p>The bidder was required to submit evidence (in form of contracts, letter of award) of an annual volume of construction works over the past 2 years of at least UGX 100,000,000, the bidder only submitted evidence of 1 contract worth 83,000,000 executed in 2019.</p>
4.	Completion of maternity ward (phase II) at Kishagazi HC II in Ruyonza Sub county worth UGX 56,805,672	<p>Passing a non-compliant bidder</p> <p>Law trim Enterprises Limited, the best evaluated bidder, should have been eliminated at preliminary evaluation for submitting a bid signed off by Nsiimire Maurice (administrative Assistant) who was not authorised/ordained by the powers of Attorney to represent the company. The powers of Attorney were held by Mrs. Kansiime Tricillar.</p> <p>Furthermore, the bidder did not submit evidence for ownership, hire or lease of the minimum number of essential equipment like concrete mixer, batch boxes, 7 tonne Tipper truck, water drums 1000 litres.</p>
5.	Rehabilitation of 11 boreholes in selected sites worth UGX 48,788,000	<p>Passing non-compliant bidder</p> <p>The best evaluated bidder should have been failed for submitting an inadequate bid submission sheet. The bid submission sheet did not have the provision for stating the bid validity period and was not in the required format as for in the issued solicitation document.</p>

Implication

This may lead to awarding of contracts to bidders without capacity to undertake the works hence exposing the Entity to failure to perform, loss of money in shoddy works and loss of time due to repetition of process.

Management Response

- ✓ *For construction works at Ngangi, the evaluation committee considered the timing of the award of qualification certificate as per academic transcript to justify experience. For instance, Pariyo Bernard one of their staff submitted a transcript in Bachelor of Engineering in civil and Building dated 10th February 2006.*
- ✓ *For maternity ward at Kishagazi and Construction of 2 disabilities friendly 5 stance latrine blocks for girls at Kyanyambali and Kataturwa P/S Kigambo, the entity noted the anomaly of accepting a bid signed by a person not holding the powers of attorney and pledges to improve.*

Recommendations

The Authority notes the Entity's response and recommends as follows:

- The Evaluation Committees should ensure that the determination of a bid's compliance and responsiveness is based on the contents of the bid and a substantially compliant bid is one that conforms to all the set criteria in the bidding document without material deviation or omission in accordance with Regulation 73 (1) and (2) of the Local Government (PPDA) Regulations, 2006.
- The Head, Procurement and Disposal Unit should ensure that technical guidance is always provided to Evaluation Committees.

2.10. Execution of works on unsecured contracts.

Performance security was not obtained from the contractors and yet it was a requirement stated in the Special Conditions of Contract for the following procurements:

- i. Construction of one block of 2 classrooms, fixing of lightening arrester, 5 stance VIP Latrine for girls, supply of classroom furniture (36 three seaters, 2 teachers chairs and 2 tables), a 5000 litres plastic tank at Kikuuta P/S in Kakabara Sub County worth UGX 88,466,087. (5% performance security)
- ii. Construction of one block of 2 classrooms, fixing of lightening arrester, 5 stance VIP Latrine for girls, supply of classroom furniture (36 three seaters, 2 teachers chairs and 2 tables), a 5000 litres plastic tank at Kikuuba P/S in Kakabara Sub County worth UGX 91,002,444. (5% performance security)

Implication

This exposed the entity to the risk of lack of recourse in the event of failure in contract execution by the contractor.

Management Response

Management noted the gap and pledged to improve. On a good note though, the projects were fully completed.

Recommendation

The Authority noted the entity's response and that the projects were indeed completed, however the Accounting Officer should ensure that contract supervisors enforce the requirement of performance security as specified in the contracts in accordance with Regulation 102 of the Local Governments (PPDA) Regulations, 2006.

2.11. Irregular use of force account mechanism

Circular No. 3 of 2012 to Local Governments on use of force account mechanism describes the works to be handled by force account as “any work associated with the construction, reconstruction, repair or renovation of a district, urban or community access road under the management of a Local Government.” PPDA (Force Account Mechanism) Regulations 2014, describes the works to be handled by force account as “any work associated with the construction, reconstruction, demolition, repair or renovation of a building or structure, on the surface or

underground, on or under water.” The Authority noted that the entity irregularly used the force account mechanism to implement projects that did not fall in the listed description of works. Furthermore, there was no submission from the user departments to the Contracts Committee explaining the circumstances giving rise to the need to use force account in accordance with Circular No. 2 of 2008 to Local Governments on use of force account mechanism. The procurements include:

- Purchase of demonstration materials, seeds and fertilisers, pesticides worth for production UGX 7,650,000
- Feasibility study and engineering design of the mini solar piped system for Kinyimya school of the deaf worth UGX 7,084,000.
- Installation of solar at Migamba Health Centre II

Implication

The entity runs a risk of exposure to fraudulent practices through abuse of the force account mechanism.

Management Response

- ✓ *In reference to first bullet, contracts committee noted from the user department’s submission the need to prepare land in nine sub counties besides the purchase of demonstration materials of which their cost was not sufficient, and approved force account mechanism.*
- ✓ *Under bullet 2, Contracts committee considered the request from District Water Officer for force account using savings for that financial year 2019-2020 basing on their submission.*

Recommendation

The Accounting Officer and the Head of works department should ensure that works implemented under force account mechanism fall in the listed description of works and in accordance with PPDA (Force Account Mechanism) Regulations 2014 and Circulars No.2 and No. 3 of 2008 and 2012 to Local Governments on use of force account mechanism dated 21st August 2008 and 21st September 2012 respectively.

Objective 3: Efficiency and Effectiveness in Contract Implementation

2.12. Delayed procurement process

The procurement for construction of a radio mast at Kyegegwa community radio was executed inefficiently with various delays as detailed in the table below:

Table 7: Unnecessary delays within the procurement processes

No	Subject of procurement	Amount (UGX)	PPDA Finding	Delay
1.	Construction of a radio mast at Kyegegwa community radio	45,600,000	The evaluation report was signed on 14/10/2019 and the contract awarded on 16/10/2019. The contract however was signed on 24 th February 2020.	94
Total			Average Delay	Days

Implication

The entity runs risks of budgetary cuts due to non-performance hence failure in service delivery to the community.

Management Response

Management notes with great concern and will improve.

The delay to sign the contract for the mast was due to insufficient funds at that time. The district had realised only UGX 30,000,000/= (thirty million shillings) out of UGX 45,000,000/= (Forty-five million shillings) from the Local Revenue which was a contract value. The accounting officer halted the signing of the contract until the additional funding was realized.

Recommendations

The Authority notes the entity's response and recommends that:

- The Procurement and Disposal Unit should implement all procurement processes in an efficient manner in accordance with Section 48 of the PPDA Act, 2003.
- Contract supervisors should manage providers to perform their contractual obligations in accordance with the terms and conditions specified in the contract in accordance with Regulation 119 (9) (b) of the Local Governments (PPDA) Regulations, 2006.

2.13. Delayed completion of works resulting into execution of works on expired contracts

The Authority noted that three (3) of the sampled procurements worth UGX 158,270,400 had delays in completion of works which resulted into execution of works on expired contracts. The works were not executed within the contractual period stated in the contract. There was no evidence on file to show that the contractors had requested for contract extension prior to expiry of the contracts.

Table 8: Contracts executed outside the contract period

No	Subject of procurement	Contractual completion date	Actual completion date	Variance (days)
1.	Construction of one block of 2 classrooms, fixing of lightening arrester, 5 stance VIP Latrine for girls, supply of classroom furniture (36 three seaters, 2 teachers chairs and 2 tables), a 5000 litres plastic tank at St. Adolf Ngangi P/S in Rwentuha Sub County worth UGX. 88,150,400	25/02/2020	25/05/2020	64
2	Construction of a radio mast at Kyegegwa community radio worth UGX 45,600,000	24/04/2020	June 2020	44
3.	Water system design for Ntuntu in Kigambo feasibility study and engineering design worth UGX 24,520,400	8/02/2020	11/05/2020	94

Implications

- This implies that the entity did not have binding contracts with the above contractors which may expose the entity to abandoned works by contractors leading to delayed service delivery.
- Prolonged project completion results into commitment of more resources in terms of staff and time to projects that would have otherwise have been completed leading to failure to attain value for money.

Management Response

- ✓ *Completion of these projects was greatly affected by the outbreak of COVID-19 and its impacts thus restriction of movement of labourers, closure of businesses and hardships in transporting some of the required construction materials.*
- ✓ *Some materials required for the construction of the radio mast were imported from abroad.*
- ✓ *Management however noted the gap of not extending these projects and pledged to improve.*

Recommendation

The Authority notes the entity's response and recommends that the Accounting Officer should task contract supervisors to ensure that every provider meets all performance or delivery obligations in accordance with the terms and conditions of a contract in accordance with Regulation 119 (10) (a) (i) of the Local Governments (PPDA) Regulations, 2006.

2.14. Anomalies in payments

The following anomalies were noted in the entity's payments:

2.14.1 Payment of VAT to a non VAT registered company leading to a financial loss to the entity

This was noted in the completion of maternity ward (phase II) at Kishagazi HC II in Ruyonza Sub county worth UGX 56,805,672. The provider was not registered for VAT as evidenced by the Uganda Revenue Authority certificate of registration submitted during the bidding process as well as the URA Online Application (AskURA). However, the price quoted by the provider was inclusive of 18% VAT and so were the payments made as detailed in the table below:

Table 9: Procurements with payment of VAT to non VAT Registered companies

No.	Subject of procurement	Provider	VAT Status	TIN Number	VAT Amount paid (UGX)	Date of payment
2.	Completion of maternity ward (phase II) at Kishagazi HC II in Ruyonza Sub county worth UGX 56,805,672	Lawumil Enterprises Limited	Not registered	1013941252	8,665,470	June 2020
			Total		8,665,470	

Implication

Payment of VAT to a non VAT registered company caused a financial loss to the Entity worth UGX 8,665,470 since these provider was not registered for VAT and therefore did not remit the VAT to Uganda Revenue Authority through VAT Returns.

Management Response

Management formally communicated to the respective contractor to remit these funds, copies thereof are available for verification.

Recommendation

The Authority notes the entity’s response and further observes that the entity neither provided evidence for the remittance of the above mentioned VAT to Uganda Revenue Authority by the provider nor evidence of recovery of the UGX 8,665,470 from the provider by the entity.

The Authority therefore recommends that that the Accounting Officer should recover UGX 8,665,470 from the Lawumil Enterprises Limited being the VAT component irregularly paid to a non VAT registered provider.

2.14.2 Improper computations of payment certificates leading to overpayment of contractor

This was in the rehabilitation of 11 boreholes in selected sites worth UGX 48,788,000. Had the entity computed the two payment certificates properly, the contractor should have been liable for a net amount payable of UGX 41,676,529 VAT Inclusive (after deduction of 6% WHT and 10% retention) for 100% completion of works. However, the entity *overpaid* the contractor by **UGX 695,508** arising from two subsequent payments amounting to UGX 42,372,037 VAT Inclusive (after deduction of 6% WHT and 10% retention) i.e., payment for certificate no.1 worth UGX 26,345,520 and certificate 2 worth UGX 16,026,517 which led to an overpayment of contractor. The details of irregularities noted in both payment certificates and their subsequent payments are detailed below:

a) Irregularities noted during computation of payment certificate no.1 and subsequent payment
 During computation of payment certificate no. 1, the VAT component was left blank and yet the contractor, Benchmark Technical Services, is duly VAT Registered since 01-11-2016 (TIN 1005351957) and this contract was VAT Inclusive. Consequently, VAT worth UGX 4,018,808 was not computed in the certificate which led to an irregular net amount payable to the contractor worth UGX 24,764,789 as opposed to UGX 25,005,917. Furthermore, there was an irregularity during payment where the Entity on 24th January 2020 paid UGX 26,345,520 as payment for certificate no.1. This payment was irregular since the net amount payable for certificate no.1 should have been UGX 25,005,917. This therefore led to an overpayment of provider by UGX 1,339,603. The correct computation for payment certificate number 1 should have been as detailed in the table below:

Right computations for Payment Certificate 1 (60% of works done)	
Value of work due for payment (60%)	29,272,800
Less 10% retention	2,927,280

Right computations for Payment Certificate 1 (60% of works done)	
Residual Balance after Retention	26,345,520
VAT Embedded Value	4,018,808
VAT Exclusive amount	22,326,712
6% Withholding tax	1,339,603
Net Amount Payable to Contractor (18% VAT Inclusive) for certificate 1	25,005,917

b) Irregularities noted during computation of certificate no. 2, According to the certificate, the works were valued at 100% completion rate, which should have been commensurate with a payment UGX 48,788,000 (before reduction of previous payment, 10% retention and 6% WHT) however, this amount was irregularly lowered to UGX 48,034,000 (without justification or use of measurement sheets). This consequently led to a net amount payable for certificate number 2 worth UGX 16,026,517 as opposed to 16,670,612 and hence an underpayment to the contractor of UGX 644,095 on payment made on 4th March 2020. The correct computation for certificate number 2 should have been as detailed in the table below:

Right computations for Certificate 2 (100% of works done)	
Value of work due for payment (100%)	48,788,000
Less funds paid in certificate 1	29,272,800
Total amount due for payment to contractor	19,515,200
Less 10% retention	1,951,520
Residual Balance after Retention	17,563,680
VAT Embedded Value	2,679,205
VAT Exclusive amount	14,884,475
6% Withholding tax	893,068
Net Amount Payable to Contractor (18% VAT Inclusive) for certificate 2	16,670,612

Therefore, the overpayment of UGX 1,339,603 arising from payment of certificate 1 and underpayment of UGX 644,095 arising from payment of certificate no. 2 led to an overall overpayment of Benchmark Technical Services by **UGX 695,508**.

Implication

The contractor, Benchmark Technical Services, was over paid by **UGX695,508**. This caused a financial loss to the entity and government.

Management response

The VAT component was factored in at LPO level and was considered at the time of payment as evidenced from payment voucher no. 27557637 and LPO no.142.

Recommendation

The Authority noted that the entity submitted for review a letter addressed to the contractor instructing them to refund the overpayment. However, the entity did not avail evidence to show that the contractor complied to the instruction and was able to refund the above overpayment.

The Authority therefore recommends that the Accounting Officer should follow-up on the recovery of **UGX 695,508** from Benchmark Technical Services being the amount that was overpaid to the contractor for the rehabilitation of 11 boreholes in selected sites worth UGX 48,788,000.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This chapter will present graphically the scores per area assessed under different audit questions.

3.1 Overall Audit Conclusion

The performance of Kyegegwa District Local Government was **Satisfactory** with overall weighted average risk rating of **49.2%** as detailed below:

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 below:

Table 10: Entity's performance

Risk Category	Number of sampled procurements	Value (UGX)	Rating by No. %	Rating by Value%	Weights %	Total Weighted Score	
High	3	193,744,072	17.6	21.6	0.6	10.5	12.9
Medium	10	515,865,769	58.8	57.6	0.3	17.6	17.3
Low	1	19,996,221	6	2.2	0.1	0.6	0.2
Satisfactory	3	165,333,800	18	18.4	0	0	0
Total	17	894,939,862	100	100	1	28.7	30.4

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{28.7}{60} \times 100 = 47.8\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{30.4}{60} \times 100 = 50.6\%$$

$$\text{Combined Weighted Average} = \frac{47.8 + 50.6}{2} = 49.2\%$$

Since 49.2% falls within the 21% - 50% risk range, the performance of the Entity is rated **Satisfactory**.

Table 11: Risk rating

Risk Rating	Description of Performance
0-20%	Highly Satisfactory
21-50%	Satisfactory
51-80%	Unsatisfactory
81-100%	Highly Unsatisfactory

Figure 1: Risk Rating by Number

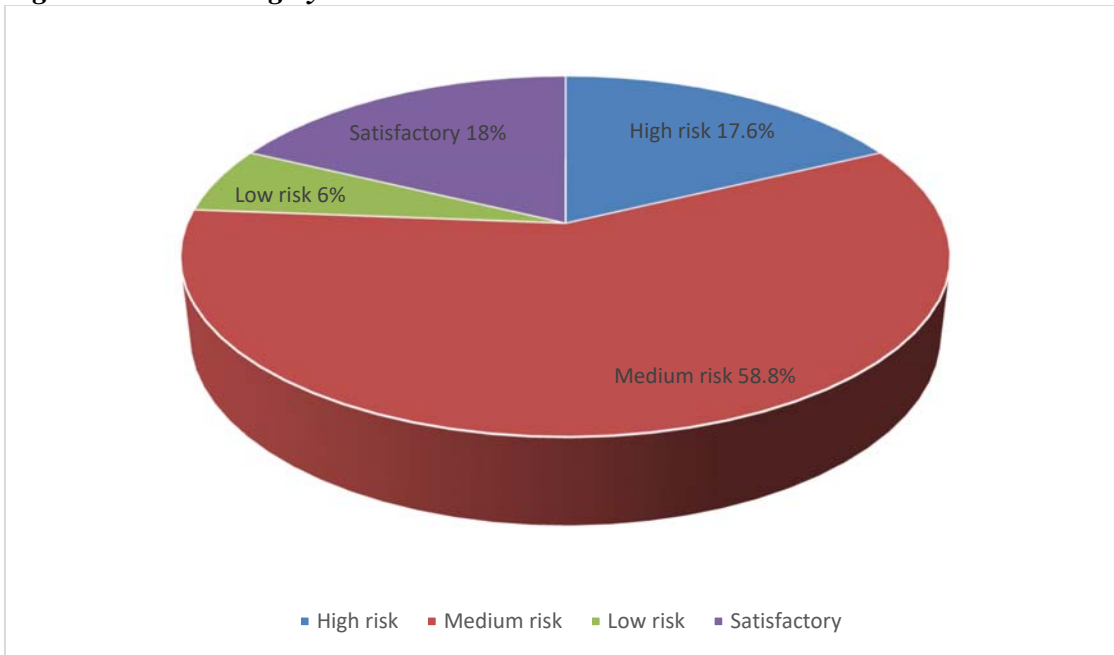
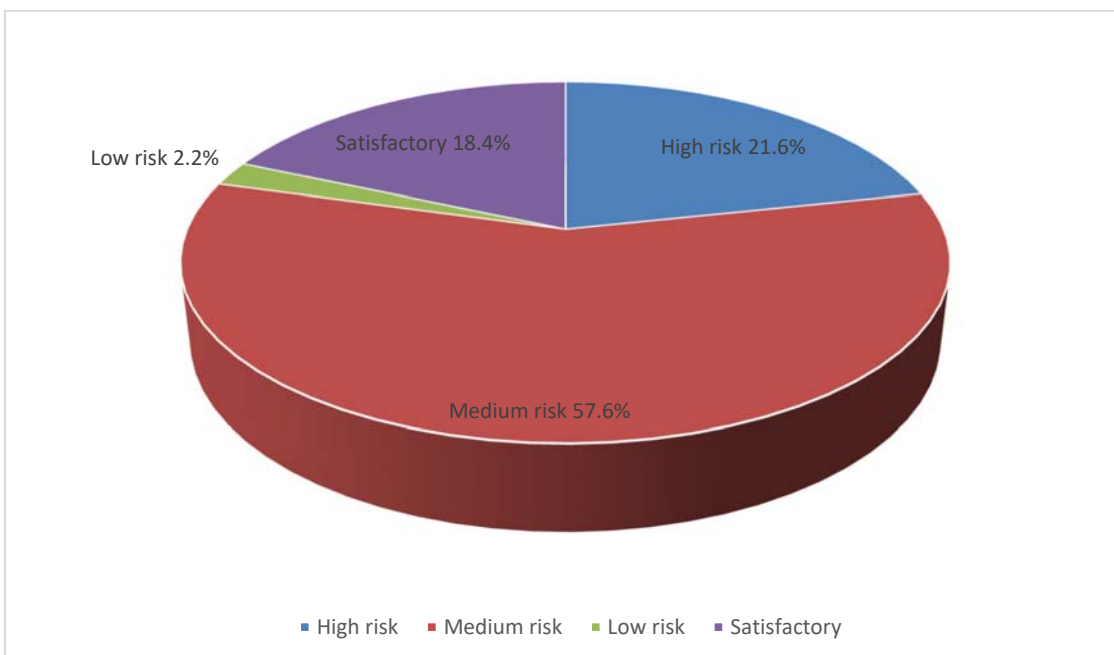


Figure 2: Risk Rating by Value



3.3 Recommended Action Plan

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

Table 12: Recommended Action plan

Origin	Recommended Action	Target Date
Accounting Officer	<ul style="list-style-type: none"> • The Accounting Officer should ensure that all recommendations by the Authority are shared with all Departments of the Entity and institute a mechanism to ensure full implementation in accordance with Regulation 14 (k) of the Local Governments (PPDA) Regulations, 2006. • The Accounting Officer should prioritize the facilitation good storage equipment to enable safe storage of records and also enable the Unit carry out its functions efficiently. • The Accounting Officer and Management should 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. • The Accounting Officer should ensure that the User Departments prepare comprehensive work plans and all intended items are included on the plan in accordance with Regulation 62 (1) of the Local Governments (PPDA) Regulations, 2006. • The Accounting Officer should ensure that all procurements that are planned to be funded through DRDIP Project are included in the entity's procurement plan in accordance with Regulation 62 (1) of the Local Governments (PPDA) Regulations, 2006. • The Accounting Officer should ensure that all awarded contracts funded through DRDIP Project are reported to the Authority in the entity's quarterly reports in accordance with Regulation 7 	January 2022

Origin	Recommended Action	Target Date
	<p>(1) of the Local Governments (PPDA) Regulations, 2006</p> <ul style="list-style-type: none"> • The Accounting Officer should caution in writing, the User departments and Sub Counties for failure to submit monthly reports for the micro procurements conducted to the Contracts Committee. • The Accounting Officer should investigate the reasons for the low bidder participation in the Entity’s procurement processes and put in place measures to promote competition and value for money in accordance with Section 43 (c) of the PPDA Act, 2003. • As per Section 26 (1) (f) of the PPDA Act 2003, the Accounting Officer is responsible for certifying availability of funds to support the procurement or disposal activities and where delegation of authority by the Accounting Officer is sought, this should be formally done in accordance with Regulation 65 (7) of the PPDA Local Government Regulations, 2006. • The Accounting Officer should ensure that all procurements are conducted in a manner that promotes transparency and accountability in accordance with Section 45 of the PPDA Act, 2003. • The Accounting Officer should ensure that contract supervisors enforce the requirement of performance security as specified in the contracts in accordance with Regulation 102 of the Local Governments (PPDA) Regulations, 2006. • The Accounting Officer and the Head of works department should ensure that works implemented under force account mechanism fall in the listed description of works and in accordance with PPDA (Force Account Mechanism) Regulations 2014 and Circulars No.2 and No. 3 of 2008 and 2012 to Local Governments on use of force account 	

Origin	Recommended Action	Target Date
Procurement and Disposal Unit	<p>mechanism dated 21st August 2008 and 21st September 2012 respectively.</p> <ul style="list-style-type: none"> • The Accounting Officer should task contract supervisors to ensure that every provider meets all performance or delivery obligations in accordance with the terms and conditions of a contract in accordance with Regulation 119 (10) (a) (i) of the Local Governments (PPDA) Regulations, 2006 • The Accounting Officer should recover UGX 8,665,470 from the Lawumil Enterprises Limited being the VAT component irregularly paid to a non VAT registered provider. • The Accounting Officer should follow-up on the recovery of UGX 695,508 from Benchmark Technical Services being the amount that was overpaid to the contractor for the rehabilitation of 11 boreholes in selected sites worth UGX 48,788,000. • In the event that amendments are made to the procurement plan, the Head, Procurement and Disposal Unit should update the procurement plan in accordance with Regulation 62 of the Local Government (PPDA) Regulations, 2006. • The Head Procurement and Disposal Unit should ensure that the displayed notice of best evaluated bidder is in accordance with the required Local Government PPDA format as stated in Section 56 (2) of the PPDA Act, 2003. • The Head Procurement and Disposal Unit should ensure that the solicitation documents prepared, define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity and have the most appropriate evaluation methodology and criteria in accordance with Regulations 48(2) & 	January 2022

Origin	Recommended Action	Target Date
	<p>48(4) of the Local Governments (PPDA) Regulations, 2006.</p> <ul style="list-style-type: none"> • The Head Procurement and Disposal Unit should come up with a shortlist of bidders for approval by the Contracts Committee for all procurements handled under selective bidding in accordance with Regulation 38 of the Local Governments (PPDA) Regulations, 2006. • The Head, Procurement and Disposal Unit should ensure that technical guidance is always provided to Evaluation Committees. • The Procurement and Disposal Unit should implement all procurement processes in an efficient manner in accordance with Section 48 of the PPDA Act, 2003. 	
Contracts Committee	The Contracts Committee should ensure that the bidding documents are scrutinized for quality before approval	January 2022
Evaluation Committees	<ul style="list-style-type: none"> • The Chairperson Evaluation Committee should always communicate arithmetic correction to all bidders in accordance with Regulation 74 (3) of the Local Governments (PPDA) Regulations, 2006 and to ensure prompt responses from bidders in accordance with Regulation 74 (6) of the Local Governments (PPDA) Regulations, 2006. • The Evaluation Committees should ensure that the determination of a bid's compliance and responsiveness is based on the contents of the bid and a substantially compliant bid is one that conforms to all the set criteria in the bidding document without material deviation or omission in accordance with Regulation 73 (1) and (2) of the Local Government (PPDA) Regulations, 2006 	January 2022

Origin	Recommended Action	Target Date
Procurement planning and procurement plan management	The Accounting Officer and Management should 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.	January 2022
User Departments	<ul style="list-style-type: none"> • The Accounting Officer should ensure that User Departments prepare comprehensive work plans and all intended items are included on the plan in accordance with Regulation 62 (1) of the Local Governments (PPDA) Regulations, 2006. • The User departments and Sub Counties should report on all micro procurements undertaken to the PDU for onward submission to the Contracts Committee and to PPDA in accordance with Regulation 41 (8) of the Local Governments (PPDA) Regulations, 2006. • Contract supervisors should manage providers to perform their contractual obligations in accordance with the terms and conditions specified in the contract in accordance with Regulation 119 (9) (b) of the Local Governments (PPDA) Regulations, 2006. 	January 2022

ANNEXES:

Annex 1: Sample List for Kyegegwa District Local Government FY 2019/2020

No.	Reference Number	Subject of procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk Rating
1.	KYEG584/WRKS/19-20/00018	Construction of one block of 2 classrooms, fixing of lightening arrester, 5 stance VIP Latrine for girls, supply of classroom furniture (36 three seaters, 2 teachers chairs and 2 tables), a 5000 litres plastic tank at St. Adolf Ngangi P/S in Rwentuha Sub County	Open bidding	Juscona Enterprises Ltd	88,150,400	High Risk
2.	KYEG584/WRKS/19-20/00017	Construction of one block of 2 classrooms, fixing of lightening arrester, 5 stance VIP Latrine for girls, supply of classroom furniture (36 three seaters, 2 teachers chairs and 2 tables), a 5000 litres plastic tank at Kikuuba P/S in Kakabara Sub County	Open bidding	Expecta Logistics Co. Ltd	91,002,444	Medium risk
3.	KYEG584/WRKS/19-20/00016	Construction of one block of 2 classrooms, fixing of lightening arrester, 5 stance VIP Latrine for girls, supply of classroom furniture (36 three seaters, 2 teachers chairs and 2 tables), a 5000 litres plastic tank at Kikuuta P/S in Kakabara Sub County	Open bidding	Eba Business Solution and Finance Co. Ltd	88,466,087	Medium risk
4.	KYEG584/WRKS/19-20/00079	Drilling, siting, surveying and hydrological studies of 4 boreholes	Open bidding	MSR Technologies U Ltd	77,301,800	Medium risk

No.	Reference Number	Subject of procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk Rating
5.	KYEG584/WRKS/19-20/00081	Phase one construction of Rwemitwaro water supply system at Rwemitwaro in Mpara sub county	Open bidding	Mast Logistics	139,263,600	Medium risk
6.	KYEG584/WRKS/19-20/00031	Completion of maternity ward (phase II) at Kishagazi HC II in Ruyonza Sub county	Open bidding	Lawumil Enterprises Limited	56,805,672	High risk
7.	KYEG584/WRKS/19-20/00025	Construction of 2 disability friendly 5 stance latrine blocks for girls at Kyanyambali and Kataturwa P/S Kigambo	Selective bidding	Kankosumu Ltd	27,965,965	Medium risk
8.	KYEG584/WRKS/19-20/00029	Construction of 2 disability friendly 5 stance latrine blocks for girls at Wekomiire and Kicumu P/S Kyegegwa T/C and Kakabara S/C	Selective bidding	Detus Engineering and Construction Co. Ltd	28,941,652	Medium risk
9.	KYEG584/SRVS/19-20/00064	Water system design for Ntuntu in Kigambo feasibility study, engineering design and drilling of 1 borehole	Selective bidding	MSR Technologies (U) Ltd	24,520,400	Satisfactory
10.	KYEG584/WRKS/19-20/00031	Renovation of education offices	Selective bidding	Kad Contractors Ltd	19,996,221	Low risk
11.	KYEG584/WRKS/19-20/00091	Construction of a PWD Immunization hall up to the wall plate at Kigambo sub county	Selective bidding	Turibamwe Investment Ltd	29,206,231	Medium risk

No.	Reference Number	Subject of procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk Rating
12.	KYEG584/WRKS/19-20/00078	Rehabilitation of 11 boreholes in selected sites	Open bidding	Benchmark Technical Services Ltd	48,788,000	High risk
13.	KYEG584/WRKS/19-20/00094	Construction of a radio mast at Kyegegwa community radio	Open bidding	Komam Broadcasters Ltd	45,600,000	Medium risk
14.	KYEG584/WRKS/19-20/00006	Routine mechanized maintenance of Gassani-Ntuntu-Magoma 20kms	Force Account	District Engineer	41,218,000	Satisfactory
15.	KYEG584/Supls/19-20/00076	Supply of 50 three seater desks to Ruyonza Sub county	Selective bidding	Nakwirr development Co. Ltd	6,876,450	Medium risk
16.	KYEG584/WRKS/19-20/00002	Routine mechanized maintenance of 20kms Kasule-Kakasoro-Kikuba-Kidindimya road	Force Account	District engineer	46,814,000	Satisfactory
17.	KYEG584/WRKS/19-20/00016	Construction of 2 classroom block at Nyabyerima till ring beam	Selective bidding	Benchmark Technical Services Ltd	34,022,940	Medium risk
TOTAL					894,939,862	

Annex 2: Findings and rating on the individual contracts reviewed

No	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	<p>Construction of one block of 2 classrooms, fixing of lightening arrester, 5 stance VIP Latrine for girls, supply of classroom furniture (36 three seaters, 2 teachers chairs and 2 tables), a 5000 litres plastic tank at St. Adolf Ngangi P/S in Rwentuha Sub County worth UGX. 88,150,400</p> <p>Juscona Enterprises Ltd</p>	<p>Inadequate eligibility criteria The document was not requesting for a Transaction Tax Clearance Certificate/ income tax clearance certificate so as to ascertain the bidder’s tax compliance status. The entity simply requested for a copy of the bidder’s valid Tax Identification Number (TIN) as well as VAT registration certificate (where applicable). It is noted that the above documents do not necessarily prove that the bidder has fulfilled his/her obligations to pay taxes and social security contributions as required in the Instruction to Bidder 4.1 (e).</p> <p>Passing Non-compliant bidder The best evaluated bidder Juscona Enterprise Ltd did not provide evidence of the experience of the required personnel in form of attached CV’s but instead attached only the academic certificates of the individuals and was passed as compliant. This implies that the Entity was not able to establish the capacity of the firm in terms of personnel as required.</p> <p>Failure to follow procedures for evaluation methods Three bidders; Prudence logistics, Gukina Furniture and Eba Business solutions who were found non-compliant at preliminary stage of evaluation were further considered for the detailed technical evaluation stage contrary to Guideline 7 of Local Governments (PPDA) Guidelines 2008.</p> <p>Delayed completion of works resulting into execution of works on expired contracts.</p>
2.	<p>Completion of maternity ward (phase II) at Kishagazi HC II in Ruyonza Sub county worth UGX 56,805,672</p> <p>Lawumil Enterprises Limited</p>	<p>Passing a non-compliant bidder Law trim Enterprises Limited, the best evaluated bidder, should have been eliminated at preliminary evaluation for submitting a bid signed off by Nsiimire Maurice (administrative Assistant) who was not authorised/ordained by the powers of Attorney to represent the company. The powers of Attorney were held by Mrs. Kansime Tricillar.</p> <p>Furthermore, the bidder did not submit evidence for ownership, hire or lease of the minimum number of essential equipment like concrete mixer, batch boxes, 7 tonne Tipper truck, water drums 1000 litres.</p>

No	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
		<p>Payment of VAT to non VAT registered companies leading to a <i>financial loss</i> of UGX 8,665,470 to the Entity.</p> <p>No contract management records.</p>
3.	<p>Rehabilitation of 11 boreholes in selected sites worth UGX 48,788,000</p> <p>Benchmark Technical Services Ltd</p>	<p>Inadequate technical criteria The document did not request for experience of the firm in similar works evidenced by copies of contracts and completion certificates and consequently did not elaborate on the required volume and the period within which this experience should have been attained.</p> <p>The document did not request for the bidder to submit proposed personnel as well as their CVs and proposed equipment to execute the works.</p> <p>Ambiguous criteria The document requested for submission of bank statements but did not elaborate on the required minimum balance or time period required from the bidder.</p> <p>Failure to communicate arithmetic error corrections.</p> <p>Passing non-compliant bidder The best evaluated bidder should have been failed for submitting an inadequate bid submission sheet. The bid submission sheet did not have the provision for stating the bid validity period and was not in the required format as for in the issued solicitation document.</p> <p>Improper computations of payment certificates and subsequent payments leading to overpayment of contractor and a financial loss of UGX 695,508</p>

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	<p>Construction of 2 disability friendly 5 stance latrine blocks for girls at Kyanyambali and Kataturwa P/S Kigambo worth UGX. 27,965,965</p> <p>Kankosumu Ltd</p>	<ul style="list-style-type: none"> • Procurements outside the procurement plan • Low bidder participation <p>Passing non-compliant bidder The best evaluated bidder, Kankosumu Ltd submitted an invalid bid and yet was passed at preliminary stage. The powers of attorney attached in the bid authorized Musebeni Sulaiman to be the lawful representative of the company however, the</p>

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
		bid was signed by Kasangaki Joseph rendering it invalid.
2.	Construction of a radio mast at Kyegegwa community radio worth UGX. 45,600,000	<ul style="list-style-type: none"> • Delayed completion of works resulting into execution of works on expired contracts. • Delayed procurement process. • Low bidder participation
3.	Construction of 2 disability friendly 5 stance latrine blocks for girls at Wekomiire and Kicumu P/S Kyegegwa T/C and Kakabara S/C worth UGX. 28,941,652 Detus Engineering and Construction Co. Ltd	Procurement outside the procurement plan Failure to communicate arithmetic error corrections
4.	Construction of a PWD Immunization hall up to the wall plate at Kigambo sub county worth UGX. 29,206,231 Turibamwe Investment Ltd	<ul style="list-style-type: none"> • Confirmation of funds on the requisition form was certified by the Sub County chief without formal delegated authority from the Accounting Officer. • There is no evidence of an approved shortlist of bidders contrary to Regulation 38 (2) of The Local Governments (PPDA) Regulations, 2006. • Chaka & Brothers Carpentry Workshop should have been eliminated at preliminary for failure to attach a copy of notarized powers of attorney with a sample signature. However, the evaluation committee declared them compliant to this criterion and yet there is no evidence on the bid. • Contract management records are not on file • Payment records are not on file
6.	Supply of 50 three seater desks to Ruyonza Sub county worth UGX 6,876,450	<ul style="list-style-type: none"> • Procurement not on the plan • Confirmation of funding and approval to procure was not signed. • Failure to communicate arithmetic errors. The bid from Gukiina Furniture was corrected from UGX 12,980,000 to UGX 23,010,000 an addition of UGX 10,030,000. This was ignored by the evaluation committee that indicated that there were no adjustments.
7.	Construction of one block of 2 classrooms, fixing of lightening arrester, 5 stance VIP Latrine for girls, supply of classroom furniture (36 three seater, 2 teachers chairs	<p>Inadequate eligibility criteria</p> <p>The document was not requesting for a Transaction Tax Clearance Certificate/ income tax clearance certificate so as to ascertain the bidder's tax compliance status. The entity simply requested for</p>

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	<p>and 2 tables), a 5000 litres plastic tank at Kikuuta P/S in Kakabara Sub County worth UGX 88,466,087</p> <p>Eba Business Solution and Finance Co. Ltd</p>	<p>a copy of the bidder's valid Tax Identification Number (TIN) as well as VAT registration certificate (where applicable). It is noted that the above documents do not necessarily prove that the bidder has fulfilled his/her obligations to pay taxes and social security contributions as required in the Instruction to Bidder 4.1 (e).</p> <ul style="list-style-type: none"> • Execution of works on unsecured contracts.
9.	<p>Phase one construction of Rwemitwaro water supply system at Rwemitwaro in Mpara sub county worth UGX 139,263,600</p> <p>Mast Logistics</p>	<ul style="list-style-type: none"> • Execution of works on unsecured contracts. • Delayed completion of works resulting into execution of works on expired contracts
10.	<p>Water system design for Ntuntu in Kigambo feasibility study, engineering design and drilling of 1 borehole worth UGX 24,520,400</p> <p>MSR Technologies U Ltd</p>	<ul style="list-style-type: none"> • Procurement outside the procurement plan • Delayed completion of works resulting into execution of works on expired contracts • Failure to develop a shortlist of bidders for approval by Contracts Committee
11.	<p>Construction of 2 classroom block at Nyabyerima till ring beam worth UGX 34,022,940</p> <p>Benchmark Technical Services Ltd</p>	<p>Failure to communicate arithmetic error corrections</p> <p>The bid for Benchmark Technical Services Ltd had corrections worth UGX 33,453 that were not communicated.</p> <p>Failure to develop a shortlist of bidders for approval by Contracts Committee.</p>
12.	<p>Construction of one block of 2 classrooms, fixing of lightening arrester, 5 stance VIP Latrine for girls, supply of classroom furniture (36 three seaters, 2 teachers chairs and 2 tables), a 5000 litres plastic tank at Kikuuba P/S in Kakabara Sub County worth UGX 91,002,444</p> <p>Expecta Logistics Co. Ltd</p>	<p>Inadequate eligibility criteria</p> <p>The document was not requesting for a Transaction Tax Clearance Certificate/ income tax clearance certificate so as to ascertain the bidder's tax compliance status. The entity simply requested for a copy of the bidder's valid Tax Identification Number (TIN) as well as VAT registration certificate (where applicable). It is noted that the above documents do not necessarily prove that the bidder has fulfilled his/her obligations to pay taxes and social security contributions as required in the Instruction to Bidder 4.1 (e).</p> <p>Passing a non-compliant bidder</p> <p>The best evaluated bidder, Expecta Logistics did not submit CVs for the proposed key personnel, i.e., the</p>

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
		<p>project manager and site foreman contrary to the criteria. But was found compliant.</p> <p>The bidder did not submit audited books of accounts for the last 3 years, and was still found compliant and passed.</p> <p>The bidder was required to submit evidence (in form of contracts, letter of award) of an annual volume of construction works over the past 2 years of at least UGX 100,000,000, the bidder only submitted evidence of 1 contract worth 83,000,000 executed in 2019.</p>

No.	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	Renovation of education offices worth UGX. 19,996,221 Kad Contractors Ltd	<ul style="list-style-type: none"> • Low bidder participation

No	SATISFACTORY CONTRACTS
1.	Routine mechanized maintenance of 20kms Kasule-Kakasoro-Kikuba-Kidindimya road worth UGX 46,814,000 District engineer
2.	Drilling, siting, surveying and hydrological studies of 4 boreholes worth UGX 77,301,800 MSR Technologies U Ltd
3.	Routine mechanized maintenance of Gassani-Ntuntu-Magoma 20kms worth UGX 41,218,000

Annex 3. List of staff in the Procurement and Disposal Unit

No.	Name	Job Title
1.	Mr. Nsaba Emmanuel	Senior Procurement Officer/ HPDU
2.	Mr. Ngonzi Julius	Procurement Officer

Annex 4. List of Contracts Committee members

No.	Name	Job Title
1.	Ms. Nakachwa Perpetua	Chairperson
2.	Ms. Ninsiima Nshabano	Member
3.	Mr. Businge Lawrence	Member
4.	Mr. Kasaija Kalya Ezra	Member
5.	Ms. Kabagombe Rose	Member
6.	Mr. Nsaba Emmanuel	Secretary

Annex 5: 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>

RISK	DESCRIPTION	AREA	IMPLICATION
<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 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.</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 non-pre-qualified firms and splitting procurement requirements.</p>	<p>This implies lack of efficiency, standardisation and avoiding competition.</p>
		<p>Procurement Structures: Lack of procurement structures</p>	<p>This implies lack of independence of functions and powers and interference in the procurement process.</p>
		<p>Record Keeping: Missing Contracts Committee records and incomplete contract management records.</p>	<p>This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.</p>
		<p>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.</p>	<p>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.</p>
<p>Failure by the Entity to incorporate in the</p>			

RISK	DESCRIPTION	AREA	IMPLICATION
		<p>solicitation document aspects of gender, social inclusion, environment, health and safety.</p> <p>Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.</p>	
LOW	<p>Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded “low” provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.</p>	<p>Planning: Lack of procurement reference numbers.</p> <p>Bidding Process: Not signing the Ethical Code of Conduct</p>	<p>This leads to failure to track the procurements which leads to poor record keeping.</p> <p>This leads to failure to declare conflict of interest and lack of transparency.</p>
SATISFACTORY	<p>Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time.</p>		

Annex 6: Physical verification Pictures as at 18th March 2021

Case 12	Contract value: UGX 48,788,000
Contract: Rehabilitation of 11 boreholes in selected sites	
Provider: Benchmark Technical Services Ltd	
Status of Works: The works at Kasambya and Ruhangire were completed and the boreholes were in use as seen below.	



Case 5	Contract value (UGX): 139,263,600
Contract: Phase one construction of Rwemitwaro water supply system at Rwemitwaro in Mpara sub county	
Provider: Mast Logistics	

Status of Works: The works were completed and they entailed an office, latrines and a pump house.



Case 1	Contract value (UGX):88,150,400
Contract: Construction of one block of 2 classrooms, fixing of lightening arrester, 5 stance VIP Latrine for girls, supply of classroom furniture (36 three seaters, 2 teachers chairs and 2 tables), a 5000 litres plastic tank at St. Adolf Ngangi P/S in Rwentuha Sub County	
Provider: Juscona Enterprises Ltd	

Status of Works: Works were complete and the facilities were in use. The works entailed a 2 classroom block, supply of furniture and a 5000 litres tank, 5 stance VIP latrine.





Case 2	Contract value (UGX):91,002,444
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Contract:Construction of one block of 2 classrooms, fixing of lightening arrester, 5 stance VIP Latrine for girls, supply of classroom furniture (36 three seaters, 2 teachers chairs and 2 tables), a 5000 litres plastic tank at Kikuuba P/S in Kakabara Sub County

Provider:Expecta Logistics Co. Ltd

Status of Works:
Works were complete and the facilities were in use. The works entailed a 2 classroom block, supply of furniture and a 5000 litres tank, 5 stance VIP latrine..





Case: 11	Contract value (UGX):29,206,231
Contract: Construction of a PWD Immunization hall up to the wall plate at Kigambo sub county	
Provider: Turibamwe Investment Ltd	
Status of Works: The works construction works were complete up to the wall plate as per BOQs.	



Case 12	UGX 27,965,965
Contract: Construction of 2 disability friendly 5 stance latrine blocks for girls at Kyanyambali and Kataturwa P/S Kigambo	
Provider: Kankosumu Ltd	
<p>Status of Works: The works were complete and the latrine was in use at Kyanyambali P/S.</p> <p>Exceptions noted:</p> <ul style="list-style-type: none"> • There was no washing facility • No engraving. • The paint had already peeled off the walls because the contractor had not used a weather resistant paint as seen in the pictures below. 	



Case 9	UGX 24,520,400
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Contract: Water system design for Ntuntu in Kigambo feasibility study ,engineering design and drilling of 1 borehole	
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Provider: MSR Technologies U Ltd	
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Status of Works: The works entailed drilling only and were complete.
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Case 14	UGX 24,520,400
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Contract: Routine mechanized maintenance of Gassani-Ntuntu-Magoma 20kms	
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Provider: District engineer	
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Status of Works:

The works were completed and entailed grading, compacting, bush clearing, desilting of culverts and installation of 2 lines of culverts.

