



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

**PROCUREMENT AND DISPOSAL AUDIT REPORT FOR
THE FINANCIAL YEAR 2021/22**

OFFICE OF THE PRIME MINISTER

AUGUST 2023

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Acronyms

AO	Accounting Officer
CC	Contracts Committee
FY	Financial Year
HPDU	Head, Procurement and Disposal Unit
LPO	Local Purchase Order
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
ODB	Open Domestic Bidding
OPM	Office of the Prime Minister
RFP	Request for Proposals
RFQ	Request for Quotations
SBD	Standard Bidding Document
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a procurement and disposal audit of Office of the Prime Minister (OPM). The exercise covered a sample of 26 procurement transactions carried out during the Financial Year 2021/2022. The procurement and disposal audit exercise involved a review of the procurement system, procurement and disposal processes following the Public Procurement and Disposal of Assets Act, 2003 as amended and PPDA Regulations, 2014.

From the findings of the procurement and disposal audit exercise, the performance of the Office of the Prime Minister for the Financial Year 2021/22 was **moderately satisfactory** with an overall weighted average risk rating of **39%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the audit report.

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

1. Failure to fully implement the procurement plan. The Entity did not implement procurement transactions worth UGX 18,820,660,197 (20%). This denied service delivery to the intended beneficiaries.
2. Irregular evaluation leading to award of a contract to a bidder who forged eligibility documents. Tadtec Logistics Ltd committed a fraudulent act by altering a tax clearance certificate issued to another company in order to misrepresent itself in the procurement of assorted ICT equipment worth UGX 122,439,160. This goes against the Code of Ethics of Providers which was signed by the company, i.e. Clause 7 of the code.
3. Delays in the various stages of the procurement process in transactions worth UGX 27,536,444,706. The delays were noted at the initiation stage, evaluation and at the contracting stage of the procurement process. Any delay in the process creates unnecessarily lengthy procurement lead times hence denying timely service delivery.
4. Expiry of contracts before full execution of works in the construction of a multipurpose Hall in Kaabong Secondary School in Kaabong District contracted on 4th May 2020 at UGX 699,956,324. The Entity did not provide evidence of extension of the contract since works worth UGX 350,272,026 only had been certified by 26th October 2021. In addition, the advance payment worth UGX 209,986,892 that was made to Newton Technical Services Ltd on 4th February 2021 had not been recovered since its payment.
5. Delayed commencement of works for the construction of Lango Chiefs Complex for Lango Cultural Centre contracted at UGX 3,559,897,133. Whereas the contract was signed on 25th January 2021 running for a period of 3 years, works have not commenced to date.

In light of the above, the Authority recommends the following:

1. Tadtec Logistics Ltd should be held liable for the fraudulent act and breach of clause 7 (a) & (b) of the Code of Ethical Conduct in Business for Bidders and Providers. The Authority will institute suspension proceedings against the company in accordance with Section 37 of the PPDA Act, 2003.

2. The Accounting Officer should take responsibility for the delayed confirmation of funding and the delayed contract signing. The Evaluation Committee for the procurement of the ambulance should take responsibility for the delayed evaluation of bids.
3. The Accounting Officer should take responsibility and;
 - Ensure that UGX 209,986,892 advanced to Newton Technical Services Ltd is fully recovered and that the Contractor fully delivers on the contractual obligations.
 - The works for the construction of the Lango Chiefs Complex commence since the contract period of 3 years expires on 25th January 2024.
 - Task the appointed Contract Managers to ensure that contracts are implemented within the contractual terms and conditions in accordance with Regulation 53 of the PPDA (Contracts) Regulations, 2014.

The Office of the Prime Minister should implement the recommended action plan on page 19

CHAPTER 1: INTRODUCTION

1.1 Structure of the Entity

According to Section 26 of the PPDA Act 2003, the Accounting Officer has the overall responsibility for the successful execution of procurement, disposal and contract management in a Procuring and Disposing Entity. The Accounting Officer of Office of the Prime Minister during the Financial Year under review was Mr. Geoffrey Sseremba.

The Permanent Secretary/Secretary to the Treasury of Ministry of Finance, Planning & Economic Development approved the following members of the Contracts Committee who were in charge during the period under review:

Table 1: Membership of the Contracts Committee

No.	Name	Title	Position on Committee	Date of Appointment
1.	Mr. John Kalule	Assistant Commissioner/F&P	Chairperson	16 th March 2020
2.	Mr. Moses Mulengani	Assistant Commissioner/ PA	Member	16 th March 2020
3.	Ms. Annet Musinguzi	Commissioner Human Resource	Secretary	27 th December 2021
4.	Ms. Elizabeth Namagembe	State Attorney/MOJCA	Member	27 th October 2021

Note: The appointment for two members of the Committee expired on 16th March 2023.

According to Section 31 (a) of the PPDA Act 2003 as amended, all procurement or disposal activities of the Procuring and Disposing Entity except adjudication and the award of contract are to be managed by the Procurement & Disposal Unit. The Procurement & Disposal Unit during the financial year under review was headed by Mr. Godfrey Erukwaine.

1.2 Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of the Office of the Prime Minister that covered a representative sample of 26 procurement transactions under the Financial Year 2021/2022. 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 as amended and PPDA Regulations, 2014.

1.3 Main Audit Objectives

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Office of the Prime Minister's procurement and disposal system and processes with the provisions of the PPDA Act, 2003 as amended and the PPDA Regulations, 2014 and assess the level of procurement performance over the audit period.

The specific objectives were to:

- i. Establish the level of compliance by the Procuring and Disposing Entity with the general provisions of the PPDA Act 2003 as amended and PPDA Regulations 2014;
- ii. Establish the level of compliance with the PPDA Act, 2003 as amended in the conduct of procurement and disposal activities; and
- iii. Assess the level of efficiency and effectiveness in contract implementation.

1.4 Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation of the 26 transactions under Financial Year 2021/22 contained in **Appendix 1**. The distribution of the transaction population and the sample is in Table 2 below:

Table 2: Distribution of the transaction's population and sample for Office of the Prime Minister FY 2021-2022

Method	Value			Number		
	Population	Sample	% Value	Population	Sample	% No.
Direct procurement	702,888,666	416,200,386	59.2	7	1	14.2
Open bidding	9,428,863,131	9,428,863,131	100	14	14	100
Micro procurement	1,349,607,500	0	0	405	0	0
RFQ/RFP	7,745,709,827	1,273,116,416	16.5	168	5	2.98
Restricted Domestic Bidding	795,135,640	366,850,160	46.13	9	3	33.3
Framework contracts	53,727,473,142	36,397,008,500	67	3	3	100
Total	73,749,677,906	47,882,038,593	64.9	823	26	3.1

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. Special attention was given to reporting mechanisms within the Entity and internal controls due to repeated failures by the Entity as highlighted in previous reports.

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 27th March 2023 before the auditors could embark on preparation of the management letter. The auditors prepared the management letter, which was sent to the Entity on 26th April 2023 with a request to submit a management response by 5th May 2023, which was submitted on 26th July 2023. The exit meeting was held on 26th July 2023 at PPDA Head Office, PPDA-URF Tower, Nakasero Road, Kampala.

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.

CHAPTER TWO: AUDIT FINDINGS

2.1 Compliance with the general provisions of the PPDA Act 2003 and Regulations 2014

2.1.1. Procurement planning and management

The following anomalies were found in the procurement planning process:

1 Procurement plan implementation rate

Table 3: Procurement Plan Implementation Rate

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	92,570,338,103
Total procurement spend value inclusive of VAT (UGX)	73,749,677,906
Procurement plan implementation rate (%)	79.67
Implementation variance (UGX)	18,820,660,197

From the above table, the Authority observed that the Entity failed to implement the entire procurement plan. Procurements worth UGX 18,820,660,197 remained unimplemented. The Table 4 below shows some of the unimplemented transactions:

Table 4: Unimplemented planned transactions

S/no	Subject of procurement	Planned value (UGX)
1.	Supply and installation of Electronic Document Management System	100,000,000
2.	Phase II Construction of Namanve Stores	400,000,000
3.	Procurement of Oxen (200 heads)	200,000,000
4.	Hand hoes (10,000 pcs)	100,000,000
5.	Heifers (850 heads)	8,500,000,000
6.	Phase 1-Construction of one office block in Nakivale Refugee Settlement	149,000,000
7.	Phase 1-Construction of two staff accommodation blocks in Rwamwanja Refugee Settlement	150,000,000
8.	Procurement of 500 start-up kits for beneficiaries for distribution at the end of the training	625,000,000
9.	Contract a service provider for smart innovative projects in four sub-regions	1,004,864,000
10.	Construct police posts	4,320,643,000
11.	Construct boreholes	150,000,000
	Total	15,699,507,000

Implications

- This affects provision of service delivery to the intended beneficiaries.
- This also leads to low budget absorption. It also denies other beneficiary entities the requisite funds to execute their mandates where money is allocated to a PDE and its unutilised.

Management Response

Due to budgetary constraints arising out of budget shortfalls within the financial year, the entity couldn't execute some planned procurements. Relatedly, some of the procurements mentioned were for projects funded by EU and were procured under EU guidelines.

Recommendation

The Entity did not provide evidence of the projects funded by the EU that were procured. The Accounting Officer should prioritize planned procurements and ensure that they are fully executed to enhance service delivery to the intended beneficiaries.

2.2 Compliance with the PPDA Act 2003 and Regulations 2014 in the conduct of procurement and disposal activities

2.2.1. Missing documents

Section 41 of the PPDA Act states that a procuring and disposing entity shall maintain records on its procurement and disposal proceedings and the records to be maintained shall include a summary report of the procurement procedure used in respect of each contract. The records of the procurement and disposal process shall be open to inspection by the Authority during working hours.

In the following three procurements worth UGX 752,155,620, the Authority was unable to access some procurement records as indicated in Table 5 below:

Table 5: Missing Records

S/no	Subject of Procurement	Contract value (UGX)	Missing document	Management Response
1.	Construction of a dining hall at Kotido Secondary School in Kotido District-Phase II	275,000,000	- Progress reports - Evidence of completion of the contract	Supporting documents available for verification
2.	Construction of the Achorichori livestock market at Lorro Sub-County Amudat District	337,705,620	- Progress reports - Evidence of completion of the contract	
3.	Procurement of two grinding mills and 1 rice mill for Northern Uganda	139,450,000	- Evidence of delivery although payment of UGX 132,188,902 was made vide invoice number 2391/JUN2022	The documents are available for verification
	TOTAL	752,155,620		

Implication

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

Comments to the management response

- The missing documents for items 1 and 2 were not provided/attached to the management response.
- Procurement of two grinding mills: The Entity submitted a tax invoice and delivery note no 024 dated 25th July 2022 although payment had been made in June 2022. This implies that the supplies were paid for before delivery. The contract management report of 15th August 2022 indicated that the deliveries were made to the OPM stores in Namanve but there was no Goods Received Note to confirm the claim. The same report indicated that the items were inspected by an official from MAAIF and OPM. However, the inspection report had no names of the officials who inspected the equipment (See Annex 4). In addition, the beneficiaries of the equipment were not known by the time of delivery. This casts doubt on the authenticity of the documents that were submitted.

Recommendations

- The Accounting Officer should investigate the delivery of the two grinding mills and 1 rice mill and share a copy with the Authority.
- The Head Procurement and Disposal Unit should ensure that all procurement records are maintained on their respective action files in accordance with Section 31(o) of the PPDA Act 2003.

2.2.2. Irregularities during evaluation of bids

Section 17 of the PPDA (Evaluation) Regulations 2014 states that an Evaluation Committee shall at the preliminary examination verify the accuracy, validity and authenticity of the documents submitted by a bidder. The Authority noted that Tadtec Logistics Ltd submitted a forged Tax Clearance Certificate in the procurement of assorted ICT equipment worth UGX 122,439,160. Bidders were required to meet the criteria on having fulfilled obligations to pay taxes and social security contributions. Tadtec Logistics Ltd submitted a tax clearance certificate Reference No. UGND210133581 issued on 20th May 2022 for the tax period 1st 2020 and 30th June 2021. However, a search on the URA website showed that the above reference number was issued to Lifecare Diagnostics Limited on 24th February 2021 and the addressee was Mildmay Uganda.

Implication

Tadtec Logistics Ltd committed a fraudulent act by altering a tax clearance certificate issued to another company in order to misrepresent itself. This goes against the Code of Ethics of Providers which was signed by the company, i.e., Clause 7 of the code.

Management Response

The observation is noted. The Entity is now undertaking due diligence to ascertain the authenticity of the documents with relevant authorities before conclusion of the procurement process.

Recommendation

Tadtec Logistics Ltd should be held liable for the fraudulent act and breach of clause 7 (a) & (b) of the Code of Ethical Conduct in Business for Bidders and Providers. The Authority will institute suspension proceedings against the company in accordance with Section 94 of the PPDA Act, 2003.

2.2.3. Opening of bids at a date contrary to the provisions in the bidding document

ITB 25.1 of the bidding document required the purchaser to publicly open and read out all bids received by the deadline at the date, time and place specified in the Bid Data Sheet (BDS) in

the presence of bidder's designated representatives and anyone who chose to attend. The BDS indicated the date of bid opening as 28th December 2020 at 11:15am. The Authority noted that in the procurement of ICT equipment under lots for DRDIP- Lot 1, 2 and 3 worth UGX 569,614,320, the bids were opened on 4th January 2021. There was also no representative from the bidders at the time of the bid opening.

Implication

This exposes the bids to alteration.

Management response

It is true the bids were opened on 4th January 2021 because on the 28th December 2020, neither a member of the User Department nor a member of the Contracts Committee was available. In light of this, the bidders were notified of the change but none of them attended

Recommendation

The Entity did not attach any evidence to authenticate the claim that bidders were notified of the change.

The Procurement and Disposal Unit should properly manage the bidding process within the Entity because such irregularities negatively impact on the reputation of the Entity and may lead to low bidder participation thus impeding achievement of value for money.

2.2.4. Delays in the procurement process

The Authority analysed the ability of the Entity to execute procurement activities within the stipulated timelines to ensure timely delivery of services to the intended beneficiaries in compliance with Section 48 of the PPDA Act, 2003. The Authority noted that there were delays in four procurements worth UGX 27,536,444,706 indicated in Table 6 below:

Table 6: Procurements with delays

S/no	Subject of Procurement	PPDA Findings	Management Response
1.	Procurement of ICT equipment under lots for DRDIP- Lot 1, 2 and 3 UGX 569,614,320	<ul style="list-style-type: none"> Delayed initiation: According to the annual workplan for FY 2020/21, the department budgeted UGX 1,264,000,000 for procurement of assorted ICT equipment which funds were to be utilised in the 1st quarter, i.e., July-September 2020. However, the procurement was initiated in the second quarter and contracts signed in the 4th quarter, i.e., May 2021. This affected absorption of funds in the year the items were planned for and money was instead spent in the FY 2021-22 	The delay was occasioned by the delay to approve the workplan by the World Bank.

S/no	Subject of Procurement	PPDA Findings	Management Response
		<ul style="list-style-type: none"> • Delayed contract signing: Whereas the contracts for Lot 1 and 2 were cleared by the Solicitor General on 22nd March 2021, the contracts were signed on 5th May 2021, approximately two months later. 	This was attributed to the need to carry out more due diligence on the best evaluated bidders under each lot.
2.	Provision of DRDIP MIS service support contract for 10 months by Impiger Technologies UGX 416,200,386	Delayed Contracts Committee approval of contract award. The evaluation process was concluded on 24 th June 2021. However, Contracts Committee made the award decision on 30 th September 2021 contrary to Section 29 of the PPDA Act which requires the Contracts Committee to make its decisions within 10 working days upon receipt of a submission.	The entire PDU staff was interdicted and the Accounting Officer which affected the operations of the Contracts Committee
3.	Procurement of goats UGX 26,272,630,000	Delayed confirmation of funding. Whereas the user department initiated the transaction on 5 th November 2021, the Accounting Officer confirmed funding on 25 th January 2022.	There was need to acquire additional technical specifications and consultations from relevant institutions which were key to the procurement
4.	Procurement of an Ambulance UGX 278,000,000	Delay to conclude the evaluation process: Bids were opened on 5 th November 2021 but the process was concluded on 15 th December 2021, a delay of 27 working days contrary to the 20 days provided in the PPDA Law.	The delay was occasioned by the need to carry out verification of documents such as bid security from banks.

Implication

Delays in the procurement process create a lengthy lead time which consequently impedes service delivery.

Comments to the management response

- Procurement of ICT equipment: There was no evidence that further due diligence was conducted after the clearance of the contract by the Solicitor General.

- Procurement of goats: The specifications for the goats were obtained from NARO Nabuin Zonal on 12th October 2021, prior to the commencement of the procurement process and these were attached to the requisition which was raised on 5th November 2021. Therefore, the claim that the Entity was conducting additional consultations was not verifiable.
- Procurement of Ambulance: The claims did not have any evidence. There was also no request to the Accounting Officer in writing explaining the reasons for the delay and an appeal to extend the time period for the evaluation exercise as required under Regulation 5 (2) of the PPDA (Evaluation) Regulations, 2014.

Recommendations

- The Accounting Officer should take responsibility for the delayed confirmation of funding and the delayed contract signing.
- The Evaluation Committee for the procurement of the ambulance should take responsibility for the delayed evaluation of bids.

2.3 Level of efficiency and effectiveness in contract implementation

2.3.1. Irregularities during contract management

Section 53 of the PPDA (Contracts) Regulations, 2014 states that a contract manager shall manage the obligations and duties of the Procuring and Disposing Entity specified in the contract and make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract. The Authority noted irregularities during contract management in nine procurements worth UGX 2,582,277,982 as indicated in Table 7 below:

Table 7: Transactions with irregularities at contract management

S/no	Subject of Procurement	PPDA Findings	Management Response
1.	Construction of a dormitory block at Pokot Girls Secondary School Campus in Amudat District UGX 400,000,000	<ul style="list-style-type: none"> • Delayed contract completion. The contract was signed on 4th May 2020 and it commenced on 18th May 2020 with a contract completion period of six months, i.e., terminating on 18th November 2020. However, the final evaluation of the works, i.e. certificate No 3 was issued on 12th May 2022. There was no evidence that the contract duration was extended implying that works are being executed without a binding contract. There was no evidence that the performance security was extended and that the Entity was protected in the absence of a contract. • Lack of evidence of submission of a performance 	The delayed execution was attributed to COVID-19 and the prevailing insecurity in Karamoja at that time. Evidence for no cost extension is available for verification.

S/no	Subject of Procurement	PPDA Findings	Management Response
		<p>security. The SCC of the bidding document required bidders to submit a 10% performance security. However, there was no evidence that the requirement was adhered to.</p>	
2.	<p>Construction of a multipurpose hall at Kaabong Secondary School in Kaabong District- Lot 2</p> <p>UGX 400,000,000</p>	<p>Delayed contract execution: The contract was signed on 4th May 2020 with a contract completion period of nine months, i.e., terminating on 4th February 2021. However, by the time of the audit in November 2022, works were still ongoing. There was no evidence that the contract duration was extended implying that works were executed without a binding contract. There was no evidence that the performance security which expired on 7th April 2021 was extended and that the Entity was protected in the absence of a contract. There was also no evidence that UGX 209,986,892 advanced to the Contractor had been recovered since the guarantee expired on 7th April 2021.</p>	<p>The delay was attributed to effects of COVID-19, budgetary constraints and insecurity within the sub-region. The contract was extended at no cost as evidenced by the letters of extension which are available for verification. Advance payment of UGX 209,986,892 was recovered and documents are available for verification.</p>
3.	<p>Construction of Lango Chiefs Complex-Administration block, cultural centre and palace for Lango cultural institution in Lira Municipality</p> <p>UGX 1,400,000,000</p>	<ul style="list-style-type: none"> • Delayed contract signing: The procurement process commenced in the 3rd quarter of the FY 2018-2019 on 18th March 2019. The contract was cleared by the Solicitor General on 22nd November 2019 it was signed on 25th January 2021, one year and two months later. • Delayed contract execution: Whereas the contract was signed on 25th January 2021, and the commencement order issued on 12th April 2021, the works have never commenced to date. 	<p>The delayed contract signing was caused by a need to procure a consulting Engineer to supervise the works after the Ministry of Works and Transport declined to supervise the works. A decision was taken not to flag off the contractor before hiring a supervising</p> <p>.....</p> <p>Oubuntu Consulting</p>

S/no	Subject of Procurement	PPDA Findings	Management Response
			<p>services was contracted to review the designs and supervise the works.</p> <p>The consultant carried out a design review which revealed major discrepancies between the BOQs and the construction drawings. To date the consultations on the final drawings is still ongoing. Both the performance guarantee and advance payment were extended and are valid until 2nd December 2024.</p>
4.	Procurement of Lead vehicles and double cabin pick up by Merca Ltd UGX 382,277,982	The performance guarantee expired on 31 st March 2023. However, the vehicles have not been delivered.	The performance security was extended to enable contract performance.

Implications

- The Entity may not achieve value for money and the intended beneficiaries are unable to utilise the projects because of delays.
- This raises doubts on whether there was effective supervision of contracts.

Comments to the Management Response

- **Construction of dormitory at Pokot Girls:** The evidence of no cost extension of the contract was not provided.
- **Multipurpose hall at Kaabong Secondary School:** Whereas the Entity advanced UGX 209,986,892 to Newton Technical Services Ltd as part of its contractual obligations, there was no evidence of recovery. The Interim Valuation No.1 signed on 26th October 2021 worth UGX 350,272,026 did not have any advance payment deductions as claimed in the management response. Out of the total contract value of UGX 699,956,924, works worth UGX 350,272,026 (Interim Valuation No.1) have been certified as executed as per the documents provided to the Authority. There was no

evidence of extension of the contract period since works worth UGX 310,765,184 are yet to be executed.

- **Procurement of lead vehicles:** The evidence that the performance security was extended and that the vehicles were delivered was not provided.

Recommendations

The Accounting Officer should take responsibility and;

- Ensure that UGX 209,986,892 advanced to Newton Technical Services Ltd is fully recovered and that the Contractor fully delivers on the contractual obligations.
- Ensure that the performance security from Merca Ltd is up to date and that the lead cars are delivered.
- Task the appointed Contract Managers to ensure that contracts are implemented within the contractual terms and conditions in accordance with Regulation 53 of the PPDA (Contracts) Regulations, 2014.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1. Overall Audit Conclusion

The performance of the office of the Prime Minister for the Financial Year 2021/22 was **moderately satisfactory** with overall weighted average risk rating of **39%**.

Table 8: Risk rating criteria

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

Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 9 below: -

Table 9: Weighted score of Office of the Prime Minister

Risk category	No.	No. %	Value (UGX)	Value%	Weights	Total weighted Average	
						By No	By Value
High	6	26	2,674,594,780	5.9	0.6	15.6	3.54
Medium	6	26	28,318,722,688	62.2	0.3	7.8	18.66
Low	2	8.69	1,768,000,860	3.88	0.1	0.87	0.39
Satisfactory	9	39.1	12,728,088,299	27.98	0	0	0
Total	23	100	45,489,406,627	100	1	24.27	22.59

Note: Three cases were not rated because of the reasons shown in Appendix 1

$$\text{Performance by Number} = \frac{24.27 \times 100}{60} = 40.45\%$$

$$\text{Performance by Value} = \frac{22.59 \times 100}{60} = 37.6\%$$

$$\text{The average weighted risk rating} = \frac{40.45 + 37.6}{2} = 39\%$$

Figure 1: Risk rating by Value

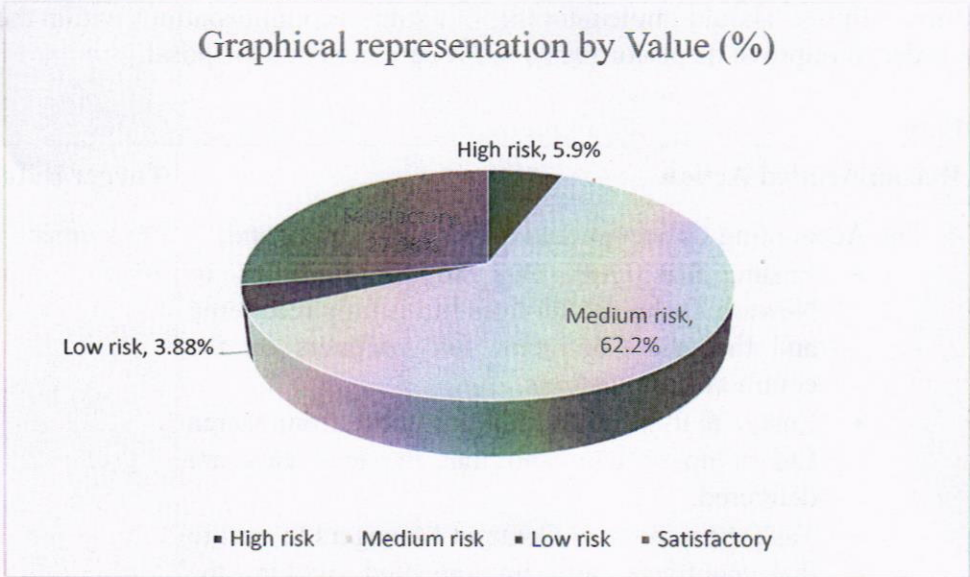
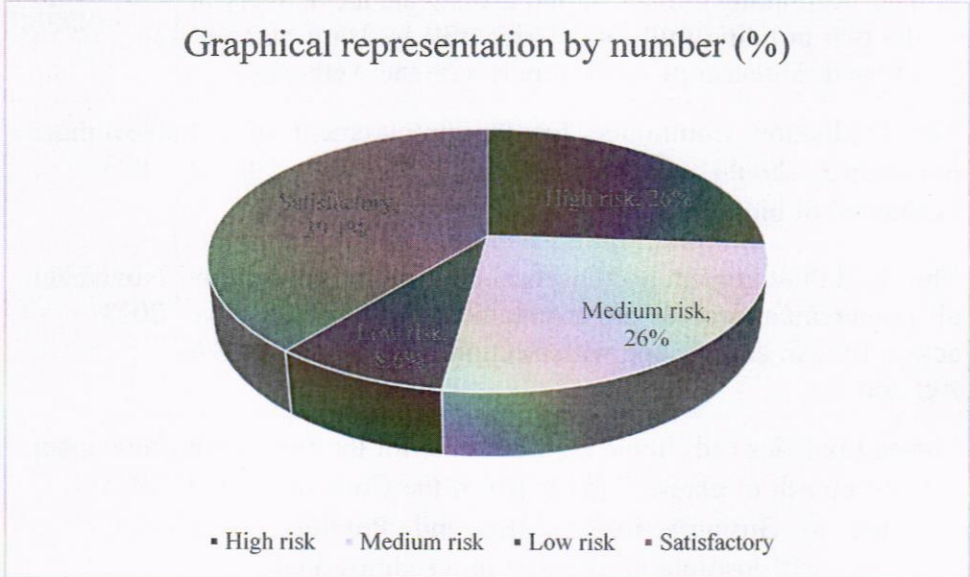


Figure 2: Risk rating by Number



3.2. Recommended Action Plan

The Office of the Prime Minister should implement the following recommendations within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 10: Action Plan

Origin	Recommended Action	Target Date
Accounting Officer	<p>4. The Accounting Officer should take responsibility and;</p> <ul style="list-style-type: none"> • Ensure that UGX 209,986,892 advanced to Newton Technical Services Ltd is fully recovered and that the Contractor fully delivers on the contractual obligations. • Ensure that the performance security from Merca Ltd is up to date and that the lead cars are delivered. • Task the appointed Contract Managers to ensure that contracts are implemented within the contractual terms and conditions in accordance with Regulation 53 of the PPDA (Contracts) Regulations, 2014. <p>5. The Accounting Officer should investigate the delivery of the two grinding mills and 1 rice mill by Blou Services Ltd and share a copy of the report with the Authority.</p>	November 2023
Evaluation Committee	The Evaluation Committee for the procurement of the ambulance should take responsibility for the delayed evaluation of bids.	November 2023
Procurement and Disposal Unit	The Head Procurement and Disposal Unit should ensure that all procurement records are maintained on their respective action files in accordance with Section 31(o) of the PPDA Act 2003.	November 2023
PPDA	Tadtec Logistics Ltd should be held liable for the fraudulent act and breach of clause 7 (a) & (b) of the Code of Ethical Conduct in Business for Bidders and Providers. The Authority will institute suspension proceedings against the company in accordance with Section 94 of the PPDA Act, 2003.	November 2023

Appendix 1: Transaction list for Financial Year 2021/2022 with risk rating per case

No.	Procurement Reference Number	Subject of procurement	Method of procurement	Provider	Contract value (UGX)	Risk rating
FRAMEWORK CONTRACTS						
1.	OPM/SUPLS/00 01-0010	Procurement of food items	Framework contract	1. Basaliza Holdings Ltd 2. Luwombo General Enterprises 3. Rosana Enterprises 4. Kahungye Supplier Ltd 5. MVCO General Enterprises 6. Peaceful Enterprises Ltd 7. Nansana Wakiso valley Millers Ltd 8. Byuma Trading Company 9. Benemma Enterprises Ltd 10. Real Remu Works Ltd	826,820,000	Satisfactory
2.	OPM/SUPLS/00 11-0069	Procurement of food items	Framework contract	Various providers	9,297,558,500	Satisfactory
3.	OPM/SUPLS/21 -22/00462/0001- 0063	Supply of goats	Framework contract	Various providers	25,900,580,000	Medium Risk
	Sub Total				36,397,008,500	
OTHERS						
4.	OPM/SUPLS/21 -22/00294-KAS	Procurement of 200 acres of land for resettlement of flood affected persons in Kasese	Open Domestic bidding	Watujo Millers Ltd	1,120,000,000	Not rated

No.	Procurement Reference Number	Subject of procurement	Method of procurement	Provider	Contract value (UGX)	Risk rating
5.	OPM/SUPLS/21-22/00294-KAY	Procurement of 200 acres of land for resettlement of flood affected persons in Kayunga	Open Domestic bidding	Bonafansio Mutundi Estates	780,000,000	Not rated
6.	OPM/SUPLS/21-22/00790	Procurement of two double cabin pickups for department of P&D	Open Domestic bidding	CFAO Motors Uganda Limited	492,631,966	Not rated
7.	OPM/NCONS/21-22/00749	Consultancy services to conduct an end of term evaluation of the Diary Market Access and Valuation project for M&E	RFP	SMISHES International Ltd	119,753,297	Low Risk
8.	OPM/NCONS/21-22/00896	Consultancy services to carry out records assessment classification and scan existing OPM manual records coordinated by HRM	RDB	Info consults International	104,961,000	Satisfactory
9.	OPM/SUPLS/21-22/00882	Procurement of assorted ICT equipment	RDB	Tadtec Logistics Ltd	122,439,160	High Risk
10	OPM/SUPLS/21-22/00528	Procurement of lead cars and double cabin pickups for executive offices	Open Domestic bidding	Merca Limited	382,277,982	Medium Risk

No.	Procurement Reference Number	Subject of procurement	Method of procurement	Provider	Contract value (UGX)	Risk rating
11	OPM/SUPLS/21-22/00206	Procurement of Station Wagons and one doubles OPM political leaders	Open Domestic bidding	Maybach Motors Ltd	Lot 1: 670,000,000 Lot 2: 650,000,000 Lot 3: 255,000,000	Satisfactory
12	OPM/SUPLS/21-22/00164B	Supply of an ambulance for Teso affairs	Open Domestic bidding	Meditec Uganda	278,000,000	Medium Risk
13	OPM/NCONS/21-22/00561	Hire of office space for the development response to displacement impact project (DRDIP)	RFQ	International Projects Ltd	516,878,612.28	Satisfactory
14	OPM/SUPLS/21-22/00537	Procurement of 760 Robust dedicated fingerprint Biometric Mobile Phones for EPAKS for the PMDU	Open Domestic bidding	Shenzhen Blovedream Technology Company Ltd	1,648,247,562.8	Low Risk
15	OPM/SUPLS/21-22/0000001	Construction of the Achorichori livestock market at Loroo Sub-County Amudat District	Open Domestic bidding	Gabikan Engineering Limited	337,705,620	High Risk
16	OPM/SUPLS/20-21/00559	Procurement of Biometric time and attendance system for Postel building and DoR Department	RFQ	Katki Business Solution Limited	35,917,312	Satisfactory

No.	Procurement Reference Number	Subject of procurement	Method of procurement	Provider	Contract value (UGX)	Risk rating
17	OPM/SUPLS/21-22/00260	Procurement of assorted ICT equipment under Lots for DRDIP	RFP	Lot 1: Gulf Africa Ltd Lot 2: Exponent Uganda Limited	Lot 1: 261,634,320 Lot 2: 307,980,000	Medium Risk
18	OPM/SUPLS/21-22/00752	Servicing and maintenance of DRDIP Management Information System	Direct Procurement	Impiger Technologies	416,200,386	Medium Risk
19	OPM/SUPLS/21-22/00851	Procurement of two grinding mills and 1 rice mill for Northern Uganda under P&D	RDB	Blou Services Ltd	139,450,000	High Risk
20	OPM/WRKS/21-22/00863	Procurement of civil works for OPM relief stores at Namanve	RFQ	Bresco Consultancy Services Ltd	30,952,875	Satisfactory
	Sub Total				8,320,132,395	
FOLLOW UP PROJECTS (Multi Year projects-ongoing contracts)						
21	OPM/WRKS/18-1900650	Construction of Lango chiefs complex	Open Domestic Bidding	CMD Investments Ltd	1,400,000,000	High Risk
22	OPM/WRKS/19-20/00194	Construction of a 40 double decker bed dormitory block at Pokot Girls SS in Amudat District	Open Domestic Bidding	Gastapo Company Ltd	400,000,000	Medium Risk
23	OPM/WRKS/19-20/00194	Construction of 2 classroom blocks at Morelem Boys	Open Domestic Bidding	Dankik Enterprises Ltd	170,000,000	Satisfactory

No.	Procurement Reference Number	Subject of procurement	Method of procurement	Provider	Contract value (UGX)	Risk rating
		Primary School in Abim District				
24	OPM/WRKS/19-20/00194	Construction of multipurpose hall at Kaboong Secondary School in Kaboong District-Phase III	Open Domestic Bidding	Newton Technical Services Ltd	400,000,000	High Risk
25	OPM/WRKS/19-20/00194	Fencing of Moroto Technical Institute in Moroto District with Chain link-Phase II	Open Domestic Bidding	Haheh Contractors Limited	170,000,000	Satisfactory
26		Construction of a dining hall at Kotido Secondary School in Kotido District Phase III	Open Domestic Bidding	Newton Technical Services Ltd	275,000,000	High Risk
	Subtotal				2,815,000,000	
	Grand total				47,882,038,593	

Appendix 2: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	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. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	Planning: Lack of or failure to procure within the approved plan	This implies emergencies and use of the direct procurement method which affects competition and value for money.
		Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals and usurping the powers of the PDU.	This implies use of less competitive methods which affects transparency, accountability and value for money.
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries
MEDIUM	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	Planning: Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		Bidding Process: Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified	This implies lack of efficiency, standardisation and avoiding competition.

RISK	DESCRIPTION	AREA	IMPLICATION
	<p>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>firms and splitting procurement requirements.</p> <p>Procurement Structures: Lack of procurement structures</p> <p>Record Keeping: Missing Contracts Committee records and incomplete contract management records.</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 implies lack of independence of functions and powers and interference in the procurement process.</p> <p>This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.</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 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</p>	<p>Planning: Lack of procurement reference numbers.</p>	<p>This leads to failure to track the procurements which leads to poor record keeping.</p>
	<p>"low" provided that there is sufficient evidence of management action to put in</p>	<p>Bidding Process: Not signing the Ethical Code of Conduct</p>	<p>This leads to failure to declare conflict of interest and lack of transparency.</p>

RISK	DESCRIPTION	AREA	IMPLICATION
	place and monitor compliance with detailed procedures.		

SATISFACTORY

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.