

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

**COMPLIANCE AUDIT REPORT FOR UGANDA HEART
INSTITUTE FOR FINANCIAL YEAR 2021/2022**

NOVEMBER 2022

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Acronyms

AO	Accounting Officer
CC	Contracts Committee
FY	Financial Year
HPDU	Head, Procurement and Disposal Unit
LPO	Local Purchase Order
UHI	Uganda Heart Institute
ODB	Open Domestic Bidding
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
RDB	Restricted Domestic Bidding
RFP	Request for Proposals
SBD	Standard Bidding Document
SPLS	Supplies
WRKS	Works

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a compliance audit on the procurement and disposal activities of Uganda Heart Institute. The exercise covered a sample of thirteen (13) procurement transactions carried out during the Financial Year 2021/2022. The compliance inspection exercise involved a review of the procurement system, procurement processes following the Public Procurement and Disposal of Assets Act, 2003 as amended and Regulations, 2014.

From the findings of the compliance inspection exercise, the summary performance of the Entity revealed an aggregate risk rating of **46.95 %** which is a **moderately satisfactory risk rating** as per the ranking in table 13 of the detailed report.

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

1. Failure to fully implement the Entity's procurement plan with an absorption rate of only 89% and a variance of UGX 2,006,555,850 hence this may be an indicator of unrealistic planning which is an impediment on service delivery.
2. Performance of functions without delegation. The Authority observed that the Head Procurement and Disposal Unit signed Notices of Best Evaluated Bidder and bid invitation notices in all the sampled procurements without delegation from the Accounting Officer which contravened Section 26 (1) (d) and Section 26 (1) (e) of the PPDA Act, 2003 as amended.
3. Poor needs assessment resulting into high lifecycle costs in the procurement for the completion of rehabilitation works at Ward 1C Intensive Care Unit (ICU) worth UGX 833,967,714, the Entity did not follow the supervising consultant's guidance (Joadah Consult) to use epoxy flooring as opposed to the vinyl flooring sheets to save on contract management time resulting into nugatory expenditure which could have been hedged against by the Entity.
4. Failure to prepare contract management reports in the procurement for annual preventive, service and maintenance of cath-Lab equipment (Artis Zee Biplane-Serial No.153925) worth UGX 317,997,391.67, the performance maintenance reports on file were drafted by Pacific Diagnostics Limited and not the Contract Manager Dr. Lubega Sulaiman which was irregular and puts the Entity at risk of lack of independence in opinion hence resulting into high maintenance costs since the provider was developing the reports themselves.
5. Restrictive evaluation criteria in the procurement for completion of rehabilitation works at Ward 1C Intensive Care Unit worth UGX 1,964,942,491, bidders were required in the bidding document to have an average annual turnover of 3 billion within the last 3 years and for the Joint Venture, all partners combined were required to meet this requirement which was restrictive and stringent thus a hindrance to competition since the estimated sum of contract was UGX 2,051,241,853 which deters fair competition and undermines the principles of transparency.
6. Irregularities during evaluation in the procurement for supply and delivery of pediatric cath-lab sundries under framework contract for 2 years. Dr. Lubega Sulaiman conducted evaluation and signed the evaluation report without approval by the Contracts Committee contrary to Section 28 (1) (b) of the PPDA Act, 2003 as amended.

7. Unfair elimination of bidders on eligibility requirements in two procurements worth UGX 2,798,910,205. Bidders were unfairly eliminated for not submitting eligibility documents. In addition, there was no evidence that the Evaluation Committee sought clarification from the bidders which affects competition and achievement of value for money.
8. Failure to communicate arithmetic corrections in two procurements worth UGX 2,540,865,091, the Evaluation Committee did not promptly communicate arithmetic corrections to the bidders whose bid prices were corrected contrary to Regulation 14 (3) of the PPDA (Evaluation) Regulations, 2014 thus an indication of lack of transparency in the process.

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

1. 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 as amended to ensure improved performance.
2. The Accounting Officer should ensure that there is independence in the performance of functions and where a substantive officer is unavailable, formal delegation should be done.
3. The Accounting Officer should caution the User Department for developing inadequate specifications for the floor material that are not sustainable and will cost the Entity more money in the long run.
4. The Head Procurement and Disposal Unit should ensure that the appointed Contract Manager performs his roles in accordance with Regulation 51(3) and (4) of the PPDA(Contracts), Regulations, 2014.
5. The Head Procurement and Disposal Unit and User Department should avoid stating restrictive requirements in the Solicitation documents that deter competition.
6. Evaluation Committees should strictly adhere to the evaluation criteria outlined in the solicitation documents and firms that do not comply should be eliminated in accordance with Regulation 7 (1) of the PPDA (Evaluation) Regulations, 2014.
7. The Head Procurement and Disposal Unit should ensure that clarifications are sought from bidders on eligibility requirements in accordance with Regulations 17 (6) of the PPDA (Evaluation) Regulations 2014.
8. The Head Procurement and Disposal Unit should ensure that where arithmetic corrections are made, the Evaluation Committee promptly notifies the respective bidders in accordance with Regulation 14 (3) of the PPDA (Evaluation) Regulations, 2014.

CHAPTER 1: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection exercise on the procurement and disposal activities of Uganda Heart Institute. The exercise covered a sample of thirteen (13) procurement transactions carried out during Financial Year 2021/2022. The exercise involved a review of the procurement system, procurement processes following the Public Procurement and Disposal of Assets Act, 2003 as amended and Regulations, 2014.

1.2 Objective of the compliance inspection

The primary objective of the exercise was to provide assurance on full and correct application of the PPDA Act, Regulations and Guidelines by Uganda Heart Institute.

The specific objectives were:

- a) To establish the level of compliance of the procurement and disposal activities with provisions of the PPDA Act, Regulations and Guidelines.
- b) To establish the level of efficiency in the conduct of the procurement and disposal process up to contracting in the Entity.
- c) To assess the level of achievement of Value for Money (efficiency, cost and effectiveness) in contract execution.

1.3 Structure of the Entity

Uganda Heart Institute (UHI) was established as an autonomous body by an Act of Parliament (The Uganda Heart Institute ACT, 2016). The Institute is now a super specialized leading provider of cardiovascular services and the only National Referral Facility for heart diseases in Uganda.

a. User Departments

The Entity is subdivided into the following departments:

Table 1: User Departments

NO	Title of User Department
1.	Adult Cardiology
2.	Paediatric Cardiology
3.	Laboratory
4.	Pharmacy
5.	Physiotherapy
6.	Perfusion
7.	Anaesthesia
8.	Nursing

NO	Title of User Department
9.	Radiology
10.	Biomedical
11.	Support and administration i.e. (Procurement, accounts and Human Resource)
12.	Cardiovascular Surgery (Paediatrics/Adult)

b. Budget and source of funding

The Entity is funded by Government of Uganda. The Entity's procurement budget for the Financial Year 2021/22 was UGX 17,982,777,833.

1.4 Scope of the Compliance Inspection

PPDA carried out the procurement and disposal Compliance Inspection of Uganda Heart Institute from 23rd August 2022 to 2nd September 2022. The exercise covered a sample of thirteen (13) procurement transactions worth **UGX 5,300,093,962.28** conducted during the Financial year 2021/2022, review of procurement structures and review of the procurement plan performance. The list of sampled transactions is contained in **Annex 2**.

1.5 Methodology

Uganda Heart Institute was notified about the upcoming exercise on 16th August, 2022. A sample of thirteen (13) procurement transactions were selected based on stratified random sampling using Contracts Committee minutes, the contracts register, and monthly procurement and disposal reports.

Two (2) officers conducted the exercise under the supervision of the Manager Performance Monitoring Central Government. During the exercise, the team examined records and documents for each of the thirteen (13) sampled procurement transactions. The team also reviewed the procurement plan for the Financial Year 2021/2022.

On completion of data collection, members of the team met with various stakeholders such as the Accounting Officer, Contracts Committee members, Procurement and Disposal Unit staff and User Department representatives to discuss and get clarifications on some of the preliminary findings.

CHAPTER TWO: FINDINGS OF THE AUTHORITY

2.1. To establish the level of compliance by the PDE with the general provisions of the PPDA Act, 2003 as amended and Regulations, 2014

2.1.1. Procurement planning and procurement plan management

1. Procurement plan implementation

The Authority assessed the Entity's procurement plan. The table below details information about the plan and utilization of funds. The procurement plan absorption rate was 89% with a variance of UGX 2,006,555,850.

Table 2: Procurement plan implementation

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	17,982,777,833
Total procurement spend value inclusive of VAT (UGX)	15,976,221,983
Procurement plan implementation rate (%)	89%
Implementation variance (UGX)	2,006,555,850

Implication

Whereas the implementation rate of 89% is highly satisfactory performance, failure by the Entity to fully implement the procurement plan may be an indicator of unrealistic planning which is an impediment on service delivery.

Management Response

Management will 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 as amended to ensure improved performance.

Recommendation

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 as amended to ensure improved performance.

2.1.2 Implementation of previous recommendations for FY 2019/2020

The Entity was issued with the previous compliance inspection report for Financial Year 2019/20 in February 2021. Out of the two (2) recommendations made, all the two were partially implemented as detailed in Table 3 below:

Table 3: Status of implementation of FY 2019/2020 recommendations

No.	Action Party	Recommended Action	Status
1.	Procurement and Disposal Unit	The Head Procurement and Disposal Unit should monitor bid validity periods and seek an extension where bids are due to expire before contract signing in accordance with Regulation 52(5), of the PPDA (Rules and Methods for procurement of works, supplies, and non-consultancy services) Regulations, 2014.	Partially Implemented
2.	Accounting Officer	The Accounting Officer should task Heads of User Departments to nominate Contracts Managers for appointment in accordance with Regulation 52(1) of the PPDA(Contracts) Regulations, 2014.	Partially Implemented

Implication

This implies that the internal control environment within the Entity is inadequate to implement the Authority's recommendations.

Management Response

The Accounting Officer will engage all stakeholders to develop strategies on implementation of all the Authority's recommendations in accordance with Section 9 (1) of the PPDA Act, 2003 as amended.

Recommendation

The Accounting Officer should engage all stakeholders to develop strategies on implementation of all the Authority's recommendations in accordance with Section 9 (1) of the PPDA Act, 2003 as amended.

2.1.3 Performance of functions without delegation

The Authority observed that the Head Procurement and Disposal Unit signed Notices of Best Evaluated Bidder and bid invitation notices in all the sampled procurements without delegation from the Accounting Officer which contravened Section 26 (1)(d) and Section 26 (1)(e) of the PPDA Act, 2003 as amended.

Implication

This amounts to usurping powers of the Accounting Officer.

Management Response

The Accounting Officer will ensure that there is independence in the performance of functions and where a substantive officer is unavailable, formal delegation should be done.

Recommendation

The Accounting Officer should ensure that there is independence in the performance of functions and where a substantive officer is unavailable, formal delegation should be done.

2.2. To establish the level of compliance with the PPDA Act, 2003 as amended and Regulations, 2014 in the conduct of procurement and disposal activities

Procuring and Disposing Entities are required to apply the public procurement and disposal rules set out in the PPDA Act 2003, as amended, Regulations 2014 and Guidelines. The following areas of non-compliance were noted during the audit.

2.2.1 Poor needs assessment resulting into high lifecycle costs

In the procurement for the completion of rehabilitation works at Ward 1C Intensive Care Unit (ICU) worth UGX 833,967,714, the Entity did not follow the supervising consultant's guidance (Joadah Consult) to use epoxy flooring as opposed to the vinyl flooring sheets to save on contract management time. The Authority observed that using vinyl flooring sheets was not a sustainable option for the ICU on grounds that vinyl flooring can rip and tear easily which can be a detriment if any liquid penetrates through the vinyl hence causing mold, mildew, and bacteria to form as opposed to epoxy floors which protects the concrete substrate from cracks, moisture, grease, and stains. This implies that vinyl was not a sustainable option as compared to the epoxy floor and thus would result into high maintenance costs that would require replacement and repair of the vinyl flooring sheets.

Implication

This results into nugatory expenditure which could have been hedged against by the Entity.

Management Response

- *The original specifications for the Rehabilitation of Intensive Care Unit ward 1C Floor under ROKO Construction Company Limited was for a vinyl floor. This was on-going and had been undertaken by Uganda Heart Institute.*
- *The Challenge was that during the Covid pandemic, it was difficult to source vinyl from France or South Africa due to shipment delays which necessitated the need to consider a plan B hence seeking guidance from the supervising consultants who suggested Epoxy. Fortunately, another source of vinyl was found and the original specifications were reverted to.*
- *Secondly, both Epoxy floors and Vinyl can be used in such settings and Uganda Heart Institute Intensive Care Units and Theatre have vinyl floors which have been in place for 10 years.*

Recommendation

The Accounting Officer should task the User Departments to always involve technical experts while developing specifications and ensure that sustainable and cost effective specifications are used to achieve value for money.

2.2.2 No proof of monitoring the User Department budget

In two (2) procurements worth UGX 699,317,448.61, the funds availability section of the requisition form was left blank which acts as a budget tracker for any procurement transaction contrary to Regulation 3 (1) (c) of the PPDA (Rules and Methods for procurement of Supplies, Works and Non-Consultancy Services), 2014 as detailed in Table 4 below:

Table 4: Procurements with blank funds availability section

No.	Procurement	Contract Value. (UGX)
1.	Supply, delivery, installation and commissioning of mechanical ventilators	250,000,000
2.	Supply, delivery, installation and commissioning of rotapro System (rotational atherectomy system)	449,317,448.61

Implication

This puts the Entity at risk of conducting procurements for which funds are not available.

Management Response

Management has noted the omission on the part of the user department and promised not to repeat this in future.

Recommendation

User Departments should indicate the amount of funds available at initiation from their budget allocation prior to confirmation of funding by the Accounting Officer.

2.2.3 Restrictive evaluation criteria

In the procurement for completion of rehabilitation works at Ward 1C Intensive Care Unit worth UGX 1,964,942,491, bidders were required in the bidding document to have an average annual turnover of 3 billion within the last 3 years and for the Joint Venture, all partners combined were required to meet this requirement which was restrictive and stringent thus a hindrance to competition since the estimated sum of contract was UGX 2,051,241,853.

Implication

This deters fair competition and undermines the principles of transparency.

Recommendation

The Head Procurement and Disposal Unit and User Department should avoid stating restrictive requirements in the Solicitation documents that deter competition.

Management Response

- *Completion of rehabilitation works at Ward 1C Intensive Care Unit was an urgent procurement needed to be completed within a short period as a prerequisite to secure donation of medical equipment from the Hungarian government.*
- *Management was aiming at securing a contractor with financial capability to fulfil the contractual obligations. Management also aimed at ensuring that the successful bidder demonstrated that it has access to the financial means sufficient to meet the construction cash flow requirements for the contract.*

2.2.4 Margin of preference

In two procurements worth UGX 1,652,267,714 listed in table 5 below, the Authority noted that the margin of preference was not a requirement contrary to Section 59A (1) (a) of the

PPDA Act, 2003 as amended that requires that preference schemes are applied in respect of goods, works and non-consultancy services, where the open domestic or open international bidding methods are used, with a specified margin of preference being added during the financial comparison stage of the evaluation process to the evaluated price of the bid which does not qualify for preference.

Table 5: Procurements with no margin of preference

No.	Subject of Procurement	Contract Value (UGX)
1.	Construction of a boundary wall for UHI Project site at Plot 18-22 Naguru Avenue	833,967,714
2.	In the procurement for supply and delivery of Pediatric Cath-lab sundries under framework for 2 years, it was stated in the bidding document that a margin of preference shall not apply contrary to Section 59A (1) (a) of the PPDA Act 2003 as amended.	818,300,000
	Total	1,652,267,714

Implication

Local firms are denied chance of attaining a competitive advantage in the event that foreign firms participate.

Management Response

Management has taken note of this finding and is going to make ensure that the requirement for margin of preference is provided for in all future procurements.

Recommendation

The Head Procurement and Disposal Unit should ensure that the requirement for margin of preference is provided for open domestic or open international bidding methods in accordance with Section 59A (1) (a) of the PPDA Act 2003 as amended.

2.2.5 Inadequate bidding document

In two procurements listed below, the Authority noted that the bidding document was inadequate as detailed in Table 6 below:

Table 6: Procurements with inadequate bidding documents

No.	Subject of Procurement	Irregularity
1.	Provision of indoor and outdoor cleaning services and maintenance of waste disposal services worth UGX 575,922,600	The method of procurement was Open Domestic Bidding and bidders were required to submit a bid securing declaration as security in their bids instead of a bid security which contravened Regulation 53 (9) of the PPDA (Rules and method) Regulations 2014 that provides that a Procuring and Disposing Entity

No.	Subject of Procurement	Irregularity
		shall require a bid securing declaration where the restricted domestic bidding and quotations procurement methods are used.
2.	Supply and delivery of Pediatric Cath-lab sundries under framework for 2years.	ITB 7.1 of the Bidding Document, stated the period to which a bidder can seek clarification in days(5days) contrary to Regulation 49 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2014 that requires the date by which clarification can be sought to be specific.

Implication

- Bidders may not fulfil the conditions stipulated in their bids.
- The omissions in the bidding document may lead to disagreements which create unnecessary delays in the procurement process.

Management Response

- *The Entity acknowledges the findings and promises to make sure these requirements are put as advised in accordance with Regulation 53 (9) of the PPDA (Rules and methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014.*

Recommendations

- The Entity should state the requirement for bid security in accordance with Regulation 53 (9) of the PPDA (Rules and methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2014.
- The Head Procurement and Disposal Unit should ensure that the exact date is indicated in accordance with Regulation 49 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2014.

2.2.6 Irregularities at bid opening

In the procurement for supply, delivery, installation and commissioning of mechanical ventilators worth UGX 250,000,000, bid opening was witnessed and signed by a member of the Procurement department (Ms. Birungi Susan-Senior Procurement Officer) and not witnessed by any member of the Contracts Committee or User department contrary to Regulation 59 (7) of the PPDA (Rules and Methods), Regulations, 2014.

Implication

Irregularities at bid opening could be an indicator of lack of transparency in the procurement process which creates a pathway for manipulation of bids.

Management Response

The Institute acknowledges the audit findings and the Head Procurement and Disposal Unit is going ensure that bid opening is conducted in accordance with Regulation 59(7) of the PPDA (Rules and Methods), Regulations, 2014.

Recommendation

The Head Procurement and Disposal Unit should ensure that bid opening is conducted in accordance with Regulation 59(7) of the PPDA (Rules and Methods), Regulations, 2014.

2.2.7 Non-adherence to the evaluation criteria in the bidding document

In six (06) procurements worth UGX 1,704,780,157.28 detailed in Table 7 below, the Authority noted failure by the Entity to adhere to the following criteria in the bidding document:

- i. Submission of Powers of Attorney
- ii. Fulfillment of obligations to pay taxes and social security contributions in Uganda was a requirement under Section 3 B, Part 3.2 (e) preliminary examination criteria in the bidding document, but was not part of the evaluation criteria in the Evaluation report.

Table 7: Non-adherence to the evaluation criteria in the bidding document

No.	Subject of Procurement	Contract Value (UGX)
1.	Supply and delivery of Anaesthesia machine monitor and accessories for Mindray A7 by Crown Health Care Ltd	150,427,000
2.	Annual preventive, service and maintenance of Cath-Lab Equipment	317,997,391.67
3.	Supply, delivery, installation and commissioning of rotapro System (rotational atherectomy system)	449,317,448.61
4.	Supply and delivery of a station wagon.	224,051,317
5.	Supply, delivery, installation and commissioning of cardiac intensive care beds	312,987,000
6.	Supply, delivery, installation and Commissioning of Mechanical Ventilators	250,000,000
	Total	1,704,780,157.28

Implication

This contravened the principles of public procurement enshrined in Section 43 (a) and (b) of the PPDA Act, 2003 as amended.

Management Response

This was not introduction of a new evaluation criteria, Manufacturer's Authorisation was a requirement stated in ITB 11(h) and under technical specifications and terms of reference and to note is that due to the specialized nature of the requirements, all machinery, and servicing of equipment is done by authorised contractors who always have to submit Manufacturer's Authorisation documents which is a requirement.

Recommendation

The Authority notes the Entity's response however, it does not address the query therefore the Authority recommends that the Evaluation Committee should strictly adhere to the evaluation criteria outlined in the solicitation documents and firms that do not comply should be eliminated in accordance with Regulation 7 (1) of the PPDA (Evaluation) Regulations, 2014.

2.2.8 Failure to communicate arithmetic corrections

In two procurements worth UGX 2,540,865,091, the Evaluation Committee did not promptly communicate arithmetic corrections to the bidders whose bid prices were corrected contrary to Regulation 14 (3) of the PPDA (Evaluation) Regulations 2014 as detailed in Table 8 below:

Table 8: Failure to communicate arithmetic corrections

No.	Subject of Procurement	Price at Bid opening (UGX)	Price at Evaluation (UGX)	Arithmetic correction (UGX)
1.	Completion of rehabilitation works at Ward 1C Intensive Care Unit	1,962,464,491	1,964,942,491	2,478,000
2.	Provision of indoor and outdoor cleaning services and maintenance of waste disposal services	516,450,600	575,922,600	59,472,000

Implication

This is an indication of lack of transparency in the process.

Management Response

The Entity acknowledges these findings and pledges not to repeat this mistake again.

Recommendation

The Head Procurement and Disposal Unit should ensure that where arithmetic corrections are made, the Evaluation Committee promptly notifies the respective bidders in accordance with Regulation 14 (3) of the PPDA (Evaluation) Regulations, 2014

2.2.9 Unfair elimination of bidder on eligibility requirements

In two procurements worth UGX 2,798,910,205, bidders were unfairly eliminated for not submitting eligibility documents. In addition, there was no evidence that the Evaluation Committee sought clarification from the bidders as detailed in Table 9 below:

Table 9: Unfair elimination of bidder on eligibility requirements

No	Subject of Procurement	Contract Value (UGX)	Documents
1.	Construction of a Boundary Wall for UHI Project site at Plot 18-22 Naguru Avenue	833,967,714	Elevate Holding (U) Ltd was eliminated for not submitting a trading license
2.	Completion of rehabilitation works at Ward 1C Intensive Care Unit	1,964,942,491	Techno Three Uganda Ltd was unfairly eliminated at evaluation for not submitting the following; <ul style="list-style-type: none"> • A copy of income tax clearance certificate • A copy of VAT registration

Implication

This affects competition and value for money

Management Response

- *Management acknowledged the findings however, these firms were also found non-responsive on other evaluation criteria i.e., Techno Three (U) Limited did not also submit Certificates of completion of similar works, technical proposal detailing how the bidder intends to undertake the assignment, Environmental and Social Management plan (ESMP) and the bidder did not participate in the mandatory site visit.*
- *Elevate Holding (U) Ltd did not also submit evidence of credit arrangements from reputable financial institutions and the Bidder's Certificates of completion of works or any other evidence for similar works done. Therefore, the elimination of the above bidders was based on a combination of other factors including the ones listed as opposed to only the two listed.*

Recommendation

The Head Procurement and Disposal Unit should ensure that clarifications are sought from bidders on eligibility requirements in accordance with Regulations 17 (6) of the PPDA (Evaluation) Regulations 2014.

2.2.10 Irregular cancellation of procurement

In the procurement of Networking of Ward 1C & Server room estimated at UGX 54,000,000, the Procurement and Disposal Unit irregularly cancelled the procurement without clear justification and approval by the Contracts Committee contrary to Section 75 of the PPDA Act, 2003 as amended.

Implication

Cancellation of procurements without Contracts Committee approval undermines the principles of transparency and accountability enshrined in Section 45 of the PPDA Act, 2003 as amended.

Management Response

PDU realised that the BOQs for rehabilitation works of ward IC Intensive Care Unit had included Networking of ward IC & Server room and yet a separate procurement had already been initiated so PDU decided to cancel this procurement and the item be handled under the rehabilitation works but the oversight made was not communicating back to Contracts Committee through writing which is acknowledged and noted for future purposes.

Recommendation

The Head Procurement and Disposal Unit should seek prior approval of the Contracts Committee for cancellation of any procurement process contrary to Section 75(1) of the PPDA Act 2003, as amended.

2.2.11 Extension of validity of expired bids

In the provision of indoor and outdoor cleaning services and maintenance of waste disposal services, the Head Procurement and Disposal Unit requested On-Track Technical Services Ltd whose bid validity had expired on 3rd December 2021 to extend its bid validity before contract signature which was irregular. It was noted that on 15th December 2021, the bidder extended its bid validity to 15th February 2022.

Implication

The extension was irregular and contravened Regulation 52 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014.

Management Response

Management acknowledges the audit findings and promises to make sure close monitoring of the bid validity is done in the future.

Recommendation

The Head Procurement and Disposal Unit should ensure that where an extension to the bid validity period becomes necessary, a bidder shall be requested in writing, before the expiry of validity of their bid, to extend the validity for a specified period to enable completion of the process in accordance with Section 52(5) of the PPDA Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014.

2.2.12 Failure to seek Solicitor General's approval

In the procurement of provision of indoor and outdoor cleaning services and maintenance of waste disposal services worth UGX 575,922,600 for 3 years, the Entity did not seek approval of the draft contract from the Solicitor General yet it was within the threshold required for approval.

Implication

This contradicts the legal requirements of the law.

Management Response

At submission of the evaluation report to Contracts Committee, it recommended awarding the contract for only 1 year which amounted to UGX 191,974,200 as a result PDU considered this procurement to be below the threshold that seeks Solicitor General approval i.e., UGX 200,000,000/= however, as guided by the team this will be adopted in future and the same error will not be committed.

Recommendation

The Accounting Officer takes full responsibility for failure to seek Solicitor General's clearance for the contract in accordance Regulation 7 (1) (f) of the PPDA (Contracts) Regulations, 2014.

2.2.13 Forged transaction tax clearance certificate

In the procurement for supply and delivery of Pediatric Cath-lab sundries under framework contract, Mednet Healthcare (U) Ltd submitted in its bid a forged transaction tax clearance certificate which was registered under the names of GGOLI Limited on the Uganda Revenue Authority portal addressed to Ministry of Works and Transport. The bidder was found compliant and was awarded as part of the firms under the framework.

Implication

Non-compliant bidders are awarded contracts which promotes unfairness and contravenes the principles of public procurement enshrined in Section 43 (a) and (b) of the PPDA Act, 2003 as amended.

Management Response

Management will ensure that all legal documents are double checked in future and necessary action will be taken against the above firms.

Recommendation

The Contracts Committee should recommend to the Authority the above firms that submitted forged documents for black listing.

2.2.14 Variances between estimated and contract price.

In four procurement transactions worth UGX 871,998,317, the Authority noted the following variances between estimated and contract prices. The contract sums were above the cost estimates and in addition, there was no evidence of confirmation of additional funding by the Accounting Officer as detailed in the Table 10 below:

Table 10: Procurements with variances between estimated and contract price

S/No.	Subject of Procurement	Estimate (UGX)	Actual value (UGX)	Variance (UGX)
1.	Supply and delivery of a Station Wagon	220,000,000	224,051,317	4,051,317

S/No.	Subject of Procurement	Estimate (UGX)	Actual value (UGX)	Variance (UGX)
2.	Supply, delivery, Installation and Commissioning of Cardiac Intensive Care Beds	300,000,000	312,987,000	12,987,000
3.	Supply, delivery, installation and Commissioning of Mechanical Ventilators	228,000,000	250,000,000	22,000,000
4.	Provision of Consultancy services leading to implementation and certification of Quality Management system, (QMS) ISO 9001:2015	68,000,000	84,960,000	16,960,000
Total				871,998,317

Implication

This could result into committing unavailable funds by the Accounting Officer which could in turn lead to suffocation of other budget lines to meet the additional cost for these procurements.

Management Response

Management acknowledges the findings however, it should be noted that this has been a long term challenge for most of the specialized supplies where suppliers keep citing increasing manufacturing costs, shipping costs, other taxes and many factors making the cost of the specialized supplies & equipment higher than estimated and hard to determine at point of planning.

Recommendations

- The Accounting Officer should ensure that contracted amounts do not unjustifiably vary over and above the estimated amounts.
- The Accounting Officer should confirm the availability of additional funds before contracts are signed with the best evaluated bidder.

2.2.15 Irregular display of Notice of Best Evaluated Bidder.

In the procurement for supply and delivery of a station wagon worth UGX 224,051,317, the Best Evaluated Bidder Notice was displayed for eight (8) working days from 28th April to 9th May 2022 which was contrary to the statutory 10 working days.

Implication

Aggrieved bidders are not given ample time to submit their complaints.

Management Response

This was an oversight which is not going to happen again.

Recommendation

The Head Procurement and Disposal Unit should ensure that notices of best evaluated bidder are displayed for ten working days in accordance with Regulation 4 (2) (d) and Regulation 5 (1) of the PPDA (Contracts) Regulations, 2014.

3.0 To assess the level of efficiency and effectiveness in contract implementation Contract Management

3.1. Failure to prepare contract management reports

In the procurement for annual preventive, service and maintenance of cath-Lab equipment (Artis Zee Biplane-Serial No.153925) worth UGX 317,997,391.67, the performance maintenance reports on file were drafted by Pacific Diagnostics Limited and not the Contract Manager Dr. Lubega Sulaiman which was irregular. This puts the Entity at risk of lack of independence in opinion which could result into high maintenance costs since the provider was developing the reports themselves.

Implication

- The Entity will not be able to independently assess the performance of the equipment.
- The contract management reports can easily be manipulated at the cost of the Entity which could result into financial loss.

Management Response

Management pledges to allocate a Biomedical Engineer together with the end user to ensure better assessment of the performance of the equipment and ensuring that the service provider fulfils their contractual obligations as stipulated in the terms of reference.

Recommendation

The Head Procurement and Disposal Unit should ensure that the appointed Contract Manager performs his roles in accordance with Regulation 51(3) and (4) of the PPDA(Contracts), Regulations, 2014.

3.2 Delays at Contract Management

Various delays were noted at contract management in the procurements detailed in Table 11 below:

Table 11: Procurements with delays at Contract Management

No	Subject of Procurement	Delays noted
1.	Construction of a Boundary Wall for UHI Project site at Plot 18-22 Naguru Avenue	Delay to request for a performance guarantee and insurance bond. It was noted according to the site handover minutes dated 26 th July 2022.

No	Subject of Procurement	Delays noted
	worth 833,967,714.	that Dansem Construction Company Ltd had not submitted the performance guarantee at the time of site handover which was irregular and contrary to Regulation 13 of the PPDA (Contracts) Regulations, 2014.
2.	In the procurement for supply and delivery of Pediatric Cath-lab sundries under Framework for 2years	Daraja Healthcare Ltd was issued with a call off order on 3 rd March 2022 however, delivery was done on 10 th May 2022 which was two months later compared to the required delivery period was 4 weeks/1 month as per call off order.

Implication

Delays at delivery are an impendent to service delivery

Management Response

The findings are noted and true however,

- *Performance security was delivered.*
- *Delayed delivery of paediatric cath-lab sundries. these sundries are usually manufactured after issuing of contract and it usually takes longer which has been a big challenge to both the Institute and the Distributors.*

Recommendation

The Accounting Officer should ensure that implementation of awarded contracts is done in accordance with Section 26 (1) (j) of the PPDA Act, 2003 as amended.

3.3. Financial loss worth UGX 90,650,000

In the procurement for supply and delivery of Pediatric Cath-lab sundries under framework contract for 2 years, It was noted that Mednet Healthcare Ltd had the lowest unit price of UGX 2,450,000 for the PDA Occluder however, the Entity issued the call off order to Daraja Health care at UGX 4,900,000 which contravened Guideline 10/2014 subsection 7.2 and 7.3 which provides that where a framework agreement has been entered into with several providers for several items at different prices, the Procuring and Disposing Entity shall issue a call off order to the provider for only the item(s) with the lowest price.

Where the lowest priced bidder cannot supply the full or some of the requirements of a particular call off order at the time required, the Procuring and Disposing Entity shall make a call off order from the next provider with a higher price for the supplies that the first provider had failed to deliver as detailed in Table 12 below:

Table 12: Financial loss

No.	Item	Quantity	Unit rate Daraja Health care (UGX 4,900,000)	Unit Rate Mednet Health care (U) Ltd (UGX 2,450,000)
1.	PDA Occluder standard size 6	5	24,500,000	12,250,000

No.	Item	Quantity	Unit rate Daraja Health care (UGX 4,900,000)	Unit Rate Mednet Health care (U) Ltd (UGX 2,450,000)
2.	PDA Occluder standard size 8	12	58,800,000	29,400,000
3.	PDA Occluder long shank size 8	3	14,700,000	7,350,000
4.	PDA Occluder long shank size 10	10	49,000,000	24,500,000
5.	PDA Occluder long shank size 10	3	14,700,000	7,350,000
6.	PDA Occluder standard size 12	4	19,600,000	9,800,000
TOTAL			181,300,000	90,650,000

Implications

- This is loss of funds to the Entity
- This is an indicator of unethical behaviour among the Entity's officials

Management Response

Daraja Health Care Limited is the authorized distributor of (Occulotech, Germany) and Mednet Health Care Limited is the authorized distributor for (Lepu, China)

We opted to buy Occulotech devices for the following reasons:

- *Occulotech devices are of different length Standard and Long while other devices are only of Standard length making them not suitable to close long PDA's. (Patent ductus arteriosus)*
- *The Occulotech duct occluder is the only one suited for closure of Tubular PDA's since the aortic dick has no protruding hub making it malleable and easy to pull into duct.*
- *The body of the Occulotech device is designed with the pulmonary end being wider than the aortic end reducing the risk of embolization in presence of Pulmonary hypertension while all other devices have the aortic end being wider.*

NB:

- 1. The Occulotech device is the only device that can be used for closure of the different types (shapes/ length) of the Patent ductus arteriosus.*
- 2. Since we buy few devices, we cannot afford to have a variety of all the devices on the market. We therefore chose the Occulotech devices that can sort us out in the various circumstances.*

Recommendations

- The Accounting Officer should take full responsibility and ensure full recovery of UGX 90,650,000.
- The Authority notes your response and recommends that the Entity seeks accreditation for all its specialised equipment.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section presents the scores per area assessed under different inspection questions.

3.1 Overall Compliance Inspection Conclusion

The performance of Uganda Heart Institute for the Financial Year 2021/22 was **moderately satisfactory** with an overall weighted average risk rating of **46.95 %**

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 13: Summary of Performance

Risk category	No.	No.%	Value (UGX)	Value%	Weights	Total weighted Average	
						By No	By Value
High	2	16.7	629,922,600	12.1	0.6	10.02	7.26
Medium	5	41.7	3,566,225,045.28	68.3	0.3	12.51	20.49
Low	5	41.6	1,022,425,317	19.6	0.1	4.16	1.96
Satisfactory	0	0	0		0	0	0
Total	12	100	5,164,572,962	100	1	26.69	29.71

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{26.69 \times 100}{60} = 44.4 \%$$

$$\text{Weighted Average (By Value)} = \frac{29.71 \times 100}{60} = 49.5 \%$$

$$\text{The average weighted risk rating} = \frac{44.4 + 49.5}{2} = 46.95 \%$$

Since **46.95%** falls within the 21% -50% risk range, the performance of the Entity is rated **moderately satisfactory** as detailed in Table 13 above.

NB:

The Authority sampled thirteen procurement cases, however it was noted that the procurement for Cable/IT Networking of Ward 1C and Server room restructuring was cancelled and hence could not be risk rated in table 13.

Table 14: Overall Entity Ranking

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

Figure 1: Graphical representation of the cases by value

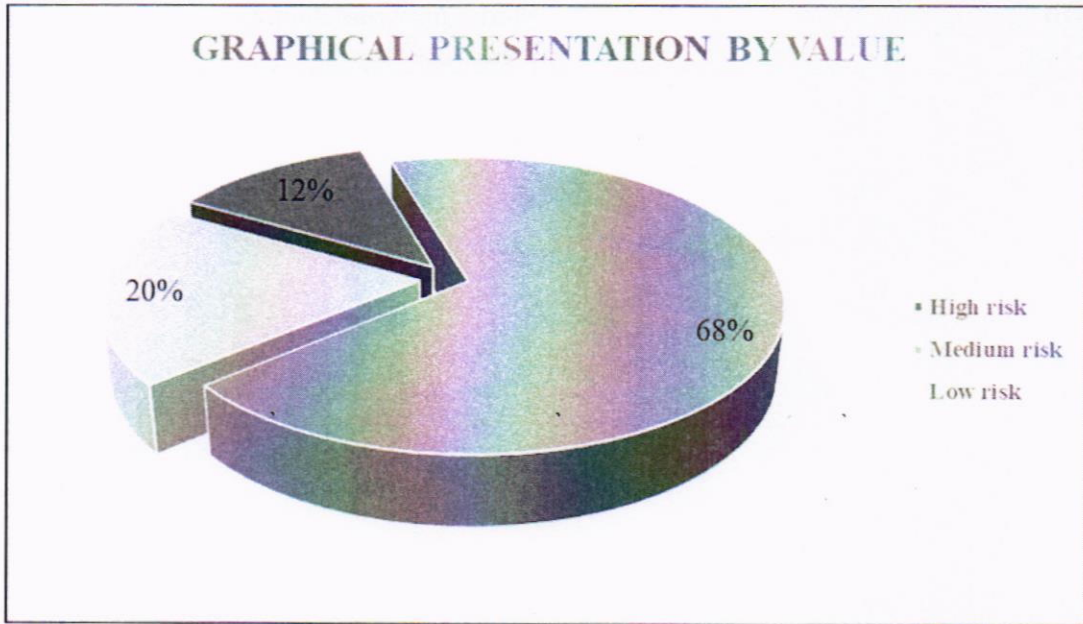
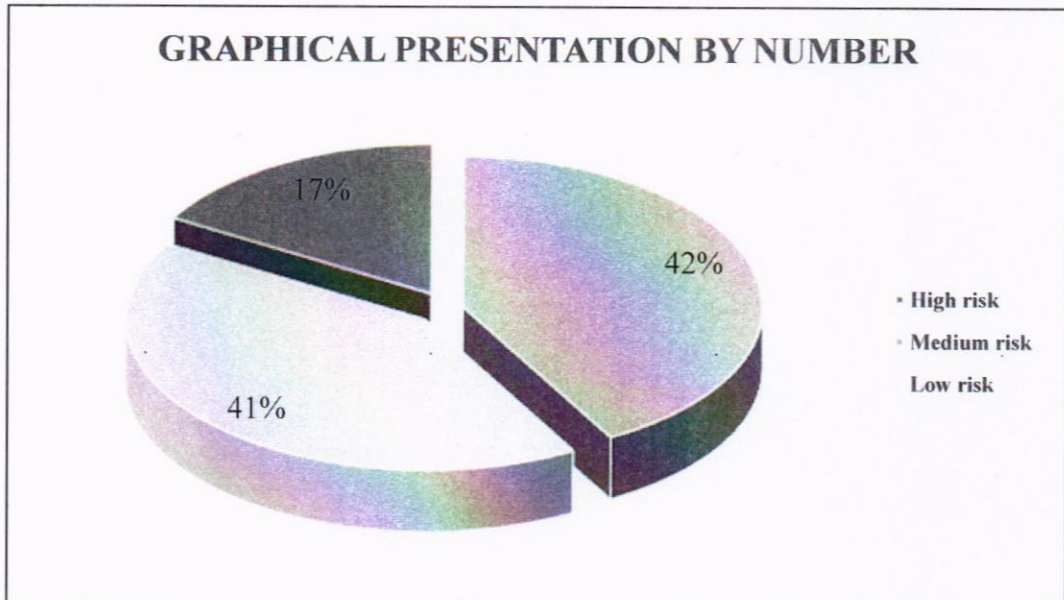


Figure 2: Graphical representation of the cases by number



ANNEXES:

Annex 1: Findings and rating on the individual contracts reviewed

No.	HIGH RISK CONTRACTS	REASON FOR HIGH RISK
1.	Provision of indoor and outdoor cleaning services and maintenance of waste disposal services by On- Track Technical Services Ltd worth UGX 575,922,600	<ul style="list-style-type: none"> • Extension of validity of expired bids • Failure to seek Solicitor General's approval
2.	Supply and Delivery of Pediatric Cath-lab sundries under framework for 2years	<ul style="list-style-type: none"> • Forged transaction tax clearance certificate • Financial loss worth UGX 90,650,000

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	Completion of rehabilitation works at Ward 1C Intensive Care Unit by Lexis Corporation (U) Ltd worth UGX 1,964,942,491	<ul style="list-style-type: none"> • Poor needs assessment resulting into high lifecycle costs • Unfair evaluation criteria • Failure to communicate arithmetic corrections • Unfair elimination of bidder on eligibility requirements
2.	Supply, Delivery, Installation and Commissioning of Rotapro System (Rotational Atherectomy System) by Pacific Diagnostics Uganda Limited worth UGX 449,317,448.61	<ul style="list-style-type: none"> • No proof of monitoring the User Department budget • Introduction of new evaluation criteria
3.	Construction of a Boundary Wall for UHI Project site at Plot 18-22 Naguru Avenue by Dansem Construction Company Limited worth UGX 833,967,714.	<ul style="list-style-type: none"> • Margin of preference was not a requirement contrary to Section 59A (1) (a) of the PPDA Act 2003 as amended that requires that preference schemes are applied in respect of goods, works and non-consultancy services, where the open domestic or open international bidding methods are used, with a specified margin of preference being added during the financial comparison stage of the evaluation process to the evaluated price of the bid which does not qualify for preference. • Unfair elimination of bidder on eligibility requirements • Delays at Contract Management
4.	Supply and Delivery of Pediatric Cath-lab sundries under framework for 2years by <ul style="list-style-type: none"> • Daraja Health Care Limited • Mednet Health care (U) Ltd 	<ul style="list-style-type: none"> • Margin of preference was not a requirement contrary to Section 59A (1) (a) of the PPDA Act 2003 as amended that requires that preference schemes are applied in respect of goods, works and non-consultancy services, where the open domestic or open international bidding methods

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	<ul style="list-style-type: none"> Lerkhall International Ltd 	<p>are used, with a specified margin of preference being added during the financial comparison stage of the evaluation process to the evaluated price of the bid which does not qualify for preference.</p> <ul style="list-style-type: none"> Inadequate bidding document <p>ITB 7.1 of the Bidding Document, stated the period to which a bidder can seek clarification in days (5days) contrary to Regulation 49 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2014 that requires the date by which clarification can be sought.</p> <ul style="list-style-type: none"> Delays at Contract Management
5.	<p>Annual preventive, service and maintenance of Cath-Lab Equipment by Pacific Diagnostics Uganda Limited Worth UGX 317,997,391.67</p>	<ul style="list-style-type: none"> Introduction of new evaluation criteria Failure to prepare contract management reports

No.	Low Risk Contracts	Reason for Low Risk
1.	<p>Supply and delivery of Anaesthesia machine monitor and accessories for Mindray A7 by Crown Health Care Ltd worth UGX 150,427,000</p>	<ul style="list-style-type: none"> Non-adherence to the evaluation criteria in the bidding document
2.	<p>Supply, delivery, installation and commissioning of cardiac intensive care beds by Medequip (U) Limited worth UGX 312,987,000</p>	<ul style="list-style-type: none"> Non-adherence to the evaluation criteria in the bidding document Introduction of new evaluation criteria Variances between estimated and contract price.
3.	<p>Provision of Consultancy services leading to implementation and certification of Quality Management system, (QMS) ISO 9001:2015 by Smart Compliance Limited and Ecos Africa (U) Limited worth UGX 84,960,000</p>	<ul style="list-style-type: none"> Variances between estimated and contract price
4.	<p>Supply and delivery of a station wagon by Cooper Motors Cooperation Limited worth UGX 224,051,317</p>	<ul style="list-style-type: none"> Non-adherence to the evaluation criteria in the bidding document Variances between estimated and contract price. Irregular display of Notice of Best Evaluated

No.	Low Risk Contracts	Reason for Low Risk
		Bidder
5.	Supply, delivery, installation and Commissioning of Mechanical Ventilators by Crown Health (U) Limited worth UGX 250,000,000	<ul style="list-style-type: none"> • No proof of monitoring the User Department budget • Irregularities at bid opening • Non-adherence to the evaluation criteria in the bidding document • Variances between estimated and contract price.

ANNEX 2: List of sampled procurements for Uganda Heart Institute for Financial Year 2021/2022

No.	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk Rating
1.	UHI/SUPLS/21-22/03425	Supply, delivery and Installation of Video Laryngoscope	Restricted Domestic Bidding	Crown Healthcare(U) Limited	135,521,000	Medium
2.	UHI/SRVCS/21-22/03172	Annual preventive, service and maintenance of Cath-Lab Equipment (Artis Zee Biplane-Serial No.153925)	Restricted Domestic Bidding	Pacific Diagnostics Uganda Limited	317,997,391.67	Medium
3.	UHI/SUPLS/2021-22/03221	Supply, Delivery, Installation and Commissioning of Rotapro System (Rotational Atherectomy System)	Restricted Domestic Bidding	Pacific Diagnostics Uganda Limited	449,317,448.61	Medium
4.	UHI/SUPLS/2021-22/03395	Supply and delivery of a station wagon	Open Domestic Bidding	Cooper Motors Cooperation Limited	224,051,317	Low
5.	UHI/SUPLS/21-22/03403	Supply, delivery, Installation and Commissioning of Cardiac Intensive Care Beds	Restricted Domestic Bidding	Medequip (U) Limited	312,987,000	Low
6.	UHI/SUPLS/21-22/03404	Supply, delivery, installation and Commissioning of Mechanical Ventilators	Restricted domestic Bidding	Crown Health (U) Limited	250,000,000	Low
7.	UHI/CONS/21-22/03361	Provision of Consultancy services leading to implementation of Quality Management system, (QMS) ISO 9001:2015	Open domestic bidding.	Smart Compliance Limited (93%) and Ecos Africa (U) Limited	84,960,000	Low

8.	UHI/SUPLS/21-22/03428	Supply and delivery of Anaesthesia machine monitor and accessories for Mindray A7	Direct Procurement method	Crown Health Care Ltd	150,427,000	Low
9.	UHI/WRKS/21-22/03408	Construction of a Boundary Wall for UHI Project site at Plot 18-22 Naguru Avenue	Open Domestic Bidding	Dansem Construction Company Limited	833,967,714	Medium
10.	UHI/SRVCS/21-22/03258	Cable/IT Networking of Ward 1C & Server room restructuring	Request for Quotation method	Sybyl Limited	Cancelled	Cancelled
11.	UHI/WRKS/21-22/03288	Completion of rehabilitation works at Ward 1C Intensive Care Unit	Restricted Domestic Bidding	Lexis Corporation (U) Ltd	1,964,942,491	Medium
12.	UHI/SRVCS/21-22/03169	Provision of indoor and outdoor cleaning services and maintenance of waste disposal services	Open Domestic bidding	On-Track Technical Services Ltd	575,922,600	High
13.	UHI/SUPLS/21-22/03236	Supply and Delivery of Pediatric Cath-lab sundries under FW for 2years	Open Domestic bidding	Daraja Health Care Limited Mednet Health care (U) Ltd Lerkhall International Ltd	Framework	Medium
TOTAL					5,300,093,962.28	

Annex 3: List of the Contracts Committee members FY 2021/2022

No.	Name	Position	1 st Term	2 nd Term	Way forward
1.	Dr. Okello Emmy	Chairman	23/11/15- August 2019	7 th August 2019- 7 th August 2022	Ended
2.	Dr. Oketcho Micheal	Member	23/11/15- August 2019	7 th August 2019- 7 th August 2022	Ended
3.	Ms.; Munduru Jane Frances	Member	7 th August 2019- 7 th August 2022	-	Extended for term 2
4.	Mr. Jaika Patrick	Secretary	20 th January 2018-20 th January 2021	20 th January 2021-	Term 2 still on

Current Contracts Committee Members FY 2021/2022

No.	Name	Position	Designation	1 st Term	2 nd Term
1.	Dr. T walib Olega Aliku	Chairman	Consultant Paediatrics	12 th August 2022	On going
2.	Dr. Nodreen Christine Ayuppo	Member	Consultant Anaesthesia	12 th August 2022	Ongoing
3.	Ms. Munduru Jane Frances	Member	Senior Nursing Officer	7 th August 2019- 7 th August 2022	12 th August 2022
4.	Mr. Jaika Patrick	Secretary	Medical Records Officer	20 th January 2018-20 th January 2021	20 th January 2021

Annex 4: List of Staff in the Procurement and Disposal Unit

No	Name	Position in PDU
1.	Ms Birungi Suzan	Senior Procurement Officer
2.	Ms Asekenye Rachael W	Stores Assistant under PDU

Annex 5: 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".	<p>Planning: Lack of or failure to procure within the approved plan</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>Evaluation: Use of inappropriate evaluation methodologies or failure to conduct evaluation.</p>	<p>This implies emergencies and use of the direct procurement method which affects competition and value for money.</p> <p>This implies use of less competitive methods which affects transparency, accountability and value for money.</p> <p>This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend</p>

RISK	DESCRIPTION	AREA	IMPLICATION
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.	award to a responsive bidder. 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 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.	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 firms and splitting procurement requirements.	This implies lack of efficiency, standardisation and avoiding competition.
		Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.

RISK	DESCRIPTION	AREA	IMPLICATION
		<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>
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>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> <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>		