



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

"Procurement That Delivers"

**REPORT ON THE COMPLIANCE AUDIT OF TRINITY
COLLEGE NABBINGO FOR THE YEAR 2023**

SEPTEMBER 2024

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ACRONYMS

LPO	Local Purchase Order
PPDA	Public Procurement and Disposal of Public Assets Authority
UGX	Uganda Shillings

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EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a compliance audit of Trinity College Nabbingo that covered representative sample of 12 procurement transactions during the year 2023.

The overall objective of the compliance audit was to assess and establish the degree of compliance of the school's procurement system and processes with the provisions of the PPDA Act, Cap. 205, the PPDA Regulations, 2014 and the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014 in order to assess the level of procurement performance over the period under review.

From the findings of the compliance audit, the performance of the school during the year 2023 was **moderately satisfactory** with overall weighted average risk rating of **47.6%**. The risk rating was weighted to determine the overall risk level of the school as detailed in Chapter 3 of this compliance audit report.

The Authority attributed the school's performance to the following key exceptions:

1. The school's Contracts Committee did not duly adjudicate on all submissions or recommendations from the Procurement and Disposal Unit and did not make award decisions, contrary to Section 30 of the PPDA Act, Cap. 205. This results into non-adherence to procurement laws and regulations;
2. The Procurement and Disposal Unit did not assign unique procurement reference numbers to all procurement transactions contrary to Paragraph 1.1 of the PPDA Guideline No.2/2014 on Reference Numbers for Procurement and Disposal Transactions;
3. There was poor planning and plan management. The school's plan was not in the format recommended by the Authority, similar procurement requirements were not consolidated, and seven requirements were procured outside the plan;
4. The Procurement and Disposal Unit did not maintain individual procurement action files containing the records outlined under Paragraph 7.3.1 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014 which inhibits accountability; and
5. The Accounting Officer did not appoint contract managers for all contracts, contrary to Paragraph 12.12.1 of the PPDA Procurement and Disposal Guidelines for Schools in Uganda, 2014, which affects effective contract implementation.

In view of the above, the Authority recommends that:

1. The Accounting Officer should:
 - i. Task the Contracts Committee to perform their oversight role as laid down under Section 30 of the PPDA Act, Cap. 205;
 - ii. Task the Head Procurement and Disposal Unit to allocate a specific reference number to each procurement requirement at the initiation stage using the numbering system specified under Guideline No.2/2024 on Reference Numbers for Procurement and Disposal Transactions.

- iii. Direct the Head Procurement and Disposal Unit to use the standard forms issued by the Authority when drafting procurement plans;
 - iv. Task the Procurement and Disposal Unit to maintain individual procurement action files for each procurement handled with copies of all procurement and contract management related records archived in accordance with Section 33 (o) of the PPDA Act, Cap. 205; and
 - v. Task the Heads of User Departments to always nominate contract managers for all signed contracts.
2. The Head Procurement and Disposal Unit should consolidate similar procurement requirements in the procurement plan in accordance with Section 60 (2) (c) of the PPDA Act, Cap. 205.

CHAPTER 1: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority conducted a compliance audit of Trinity College Nabbingo for the calendar year 2023. The compliance audit covered a sample of 12 procurement transactions carried out during calendar year 2023. The exercise involved a review of the procurement systems and processes in accordance with the PPDA Act, Cap. 205, the PPDA Regulations, 2014 and the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014.

1.2 Objective of the Compliance Audit

The overall objective of the compliance audit was to assess and establish the degree of compliance of the school's procurement system, procurement processes and disposal processes with the provisions of the PPDA Act, Cap. 205, the PPDA Regulations, 2014 and the PPDA Guidelines, 2014 while assessing the level of procurement performance over the period under review.

The specific objectives of the compliance audit of the School were:

1. To establish the level of compliance by the School with the general provisions of the PPDA Act, Cap. 205 and Regulations 2014 with regard to the performance of the procurement structures and conduct of procurement processes.
2. To assess the degree of compliance of the School's disposal process with the provisions of the PPDA Act, Cap. 205 and Regulations 2014.
3. To assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process.

1.3 Scope of the Compliance Audit

The School's procurement plan was financed by internally generated funds such as school fees. The compliance audit covered a sample of 12 procurement transactions conducted during the calendar year 2023, review of procurement structures and systems as well as assessment of the procurement plan performance. The list of sampled transactions is contained in **Annex 1**.

1.4 Compliance Audit Methodology

Trinity College Nabbingo was notified about the compliance audit on 13th March 2024. An entry meeting was held on 18th March 2024 where the objectives of the compliance audit, the timelines, roles and responsibilities of all parties involved were discussed.

Upon request, the school's management provided the required records in time from which a representative sample of 12 procurement transactions were selected using the stratified random sampling method. The audit team reviewed the school's records to assess compliance at all procurement stages. Interviews were held with the staff where necessary to obtain clarification on findings and later presented preliminary findings on 25th April 2024 to the school's management in a debrief meeting.

The audit team issued the management letter to the School on 29th May 2024 requiring a response by 6th June 2024; the management responses were submitted on 15th August 2024.

CHAPTER 2: COMPLIANCE AUDIT FINDINGS AND RECOMMENDATIONS

This section presents the findings arising from the compliance audit of the Trinity College Nabbingo for the calendar year 2023.

2.1 Level of compliance by the School with the general provisions of the PPDA Act, Cap. 205 and Regulations 2014 with regard to the performance of the procurement structures and conduct of procurement processes

2.1.1 Failure by the Contracts Committee to dully perform their functions

Section 30 of the PPDA Act, Cap. 205 requires the Contracts Committee to adjudicate on all submissions and recommendations from the Procurement and Disposal Unit and make award decisions.

During the period under review, the Contracts Committee held only two meetings - on 14th March 2023 and 15th August 2023 - despite the school conducting several procurement activities. As a result, the Committee did not approve the school's procurement plan, procurement methods, bidding documents, or Evaluation Committees, and did not make award decisions.

Risk implication

Without the oversight of the Contracts Committee, there is a likelihood that the school may not follow the procurement rules and regulations in awarding contracts.

Recommendation

The Accounting officer should task the Contracts Committee to perform their oversight role as laid down under Section 30 of the PPDA Act, Cap. 205.

Management response

Management appreciates the concern, however the during the audit year, the Contracts Committee made an award decision for the provision of students' medical tests and examinations. The school committed to improving and complying with the Act in the execution of the Contracts Committee's duties regarding the approval of the procurement plan and procurement methods.

Authority's comment

Whereas the Contracts Committee made an award decision in the procurement for the provision of students' medical tests and examinations, the school conducted over 50 procurements, which had no award decisions.

2.1.2 Irregular constitution of the Procurement and Disposal Unit

Section 28 (1) (c) of the PPDA Act, Cap. 205 requires the Accounting Officer to establish a Procurement and Disposal Unit staffed at an appropriate level.

Paragraph 4.4 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014 states that the Entity shall employ procurement personnel to handle procurement activities.

The Authority found that the Accounting Officer constituted a seven-member Committee to handle the school's procurement activities contrary to Paragraph 4.4 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014. The Committee members are listed in Table 1 below:

Table 1: Procurements Committee members

No	Name	Position on the Committee	Substantive position
1.	Mr. Patrick Kayanja	Chairperson	Teacher
2.	Mr. Moses Kyewalyanga	Procurement Officer	Procurement Officer
3.	Mr. Patrick Tuhaise	Procurement Officer	Procurement Officer
4.	Mr. Lawrence Kayiwa	Member	Teacher
5.	Mr. Stephen Musasizi	Secretary	Teacher
6.	Ms. Josephine Nakku	Member	Teacher
7.	Mr. Richard Luganda	Member	Teacher

Risk Implication

Having the procurement activities managed by members who are not procurement professionals or whose main responsibility is not managing and coordinating procurement activities adversely affects the effectiveness and efficiency in the conduct of the school's procurements.

Recommendation

The Accounting Officer should disband the seven-member Procurement Committee and constitute a Procurement and Disposal Unit with the two procurement personnel (Procurement Officers) in accordance with Paragraph 4.4 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014.

Management response

The school management appreciates this observation. However, in a bid to build procurement and disposal capacity amongst the staff members, management nominated some teachers to be part of the Procurement and Disposal Unit. Following the guidance from PPDA, the school commits to disbanding the seven-member committee and re-constituting it with the two procurement officers.

2.1.3 Irregularities during procurement planning

Section 60 of the PPDA Act, Cap. 205 requires Entities to prepare and submit to the Authority, and the Secretary to the Treasury, procurement plans for each financial year. A review of the plan and the planning process revealed the following exceptions:

- i. **Using the wrong format of the procurement plan:** The school's procurement plan was not in the format recommended by the Authority contrary to Section 60 (3) of the PPDA Act, Cap. 205. The plan did not have provisions for application of reservation and preference schemes, contract type and the proposed procurement lead-times.
- ii. **Failure to consolidate similar procurement requirements:** The school split similar requirements in the procurement plan estimated at UGX 99,000,000 to defeat the use of appropriate procurement methods contrary to Section 60 (2) (c) of the PPDA Act, Cap. 205. The split items are indicated in Table 2 below:

Table 2: Split requirements in the procurement plan for the calendar year 2023

No.	Procurement requirements	Estimated Amount (UGX)
1.	Furnishing of the new boardroom	50,000,000
2.	Furniture purchase	30,000,000
3.	Office furniture	10,000,000
4.	Sports items & equipment	7,000,000

No.	Procurement requirements	Estimated Amount (UGX)
5.	Sports & games items	20,000,000
6.	Graph papers	2,000,000
7.	Copier papers	17,000,000
8.	Answer sheets	8,000,000
9.	Counter books	5,000,000
Total		99,000,000

- iv. **Procuring outside the approved procurement plan:** The school procured seven requirements worth UGX 174,185,500 outside the approved procurement plan for the calendar year 2023 contrary to Section 60 (7) of the PPDA Act, Cap.205. The procurements are listed in Table 3 below:

Table 3: Procurements conducted outside the plan

No.	Procurement Details	Amount (UGX)
1.	T-Shirts	24,225,500
2.	Sports wear skirts	18,840,000
3.	Staff uniforms	780,000
4.	Skirts	12,720,000
5.	Shirts	52,470,000
6.	Sweaters	22,050,000
7.	Track suits	43,100,000
Total		174,185,500

- v. **Procurement plan implementation rate:** The review of all awarded contracts against the procurement plan revealed that the school implemented 54.7% (UGX 3,546,387,682) of the procurement plan for the year 2023 (UGX 6,483,060,000). Table 4 below shows the procurement plan implementation rate of the school during the calendar year 2023:

Table 4: Procurement plan implementation rate

Total procurement plan value (UGX)	6,483,060,000
Total LPOs value issued during 2023 (UGX)	3,546,387,682
Procurement plan implementation rate (%)	54.7%
Procurement plan implementation variance (UGX)	2,936,672,318

Risk implications

- i. Plans which are not in the approved standard formats leave out vital information which negatively affects timely plan implementation.
- ii. Failure to consolidate similar procurement requirements prevents the Entity from enjoying the benefits of economies of scale.
- iii. Conducting procurements outside the plan hinders the implementation of planned procurements, and can lead to the creation of budget arrears.

Recommendations

- i. The Accounting Officer should direct the Head Procurement and Disposal Unit to use the standard forms issued by the Authority when drafting procurement plans.

- ii. The Head Procurement and Disposal Unit should consolidate similar procurement requirements in the procurement plan in accordance with Section 60 (2) (c) of the PPDA Act, Cap. 205.
- iii. The Accounting Officer should ensure that the procurement plan is always updated to include all unplanned activities.

Management response

Management appreciates the above observations and commits to :

- i. *Using the standard form when drafting the school's procurement plan, starting with the plan for the academic year 2025;*
- ii. *Consolidating similar requirements, starting with the plan for the year 2024; and*
- iii. *Always updating the plan whenever any unplanned activity comes up in any given academic year*

2.1.4 Lack of a proper referencing mechanism

The Procurement and Disposal Unit did not assign unique procurement reference numbers to all procurement transactions conducted during the year 2023 contrary to Guideline No.2/2014 on Reference Numbers for Procurement and Disposal Transactions.

Risk Implications

- i. This hinders the effective tracking and monitoring of the progress of procurement transactions
- ii. It also affects records keeping which undermines accountability and transparency in the Entity.

Recommendation

The Accounting Officer should task the Head Procurement and Disposal Unit to allocate a specific reference number to each procurement requirement at the initiation stage using the numbering system specified under Guideline No.2/2024 on Reference Numbers for Procurement and Disposal Transactions.

Management response

Management commits to guiding the Procurement and Disposal Unit to allocate specific reference numbers to every procurement undertaken in a given financial year, in accordance with Guideline No.2/2024.

2.1.5 Poor records management

The Authority found that for each of the procurements implemented during the year 2023, the Procurement and Disposal Unit did not maintain individual procurement action files containing the records outlined under Paragraph 7.3.1 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014.

Risk implication

Poor records management inhibits accountability and also affects the audit trail.

Recommendation

The Accounting Officer should task the Head Procurement and Disposal Unit to prepare a separate procurement action file for each of the implemented procurement in accordance with Section 33 (o) of the PPDA Act, Cap. 205.

Management response

The Accounting Officer commits to guiding Procurement and Disposal Unit to ensure that individual action files are opened and maintained for each procurement and disposal transaction.

2.2 Level of compliance of the School's disposal process with the provisions of the PPDA Act, Cap. 205 and Regulations 2014

The Authority made the following findings in regard to the level of compliance of Trinity College Nabbingo's disposal process with the provisions of the PPDA Act, Cap. 205 and Regulations 2014.

2.2.1 Failure to prepare a disposal plan

The school did not prepare a disposal plan for the year 2023 contrary to Section 58 (1) of the PPDA Act, Cap 205.

Risk Implication

This affects scheduling, monitoring and control of the disposal process.

Recommendation

The Accounting Officer should task the Head Procurement and Disposal Unit to prepare a disposal plan to help in the planning and disposing of obsolete items in accordance with Section 58 (1) of the PPDA Act, Cap 205.

Management response

Management greatly appreciates the observation and Procurement and Disposal Unit commits to preparing an annual disposal plan for each academic year to guide the disposal activities for the given period.

2.3 Level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process

The Authority made the following findings in regard to the level of efficiency and effectiveness in contract implementation at Trinity College Nabbingo including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process.

2.3.1 Poor contract management

The Authority found that for all contracts, the Heads of User Departments did nominate to the Accounting Officer, a member from the User Department with appropriate skills and experience, to be appointed as contract manager contrary to Paragraph 12.12.1 of the PPDA Procurement and Disposal Guidelines for Schools in Uganda, 2014.

Additionally, User Departments did not take steps to prepare and share contract progress and/or performance reports with the Accounting Officer, copied to the Procurement and Disposal Unit, contrary to Paragraph 5.20.21 (h) of the PPDA Procurement and Disposal Guidelines for Schools in Uganda, 2014.

Risk implication

Without contract managers, there a likelihood of not executing contracts in full compliance with the contractual terms and conditions, thus inhibiting achievement of value for money in public procurement.

Recommendations

The Accounting Officer should task the Heads of User Departments to:

- i. Always nominate contract managers for all signed contracts.
- ii. Ensure that contract implementation plans, performance reports and/or progress reports are prepared and shared with the Procurement and Disposal Unit for monitoring purposes and archiving.

Management response

Management appreciates the audit team for this observation and will ensure the proper management of future contracts.

CHAPTER 3: OVERVIEW OF THE RATING OF THE SCHOOL

This section will graphically present the procurement performance of Trinity College Nabbingo for the calendar year 2023.

3.1. Overall Compliance Audit Conclusion

Trinity College Nabbingo had an overall weighted average risk rating of 47.6% which is moderately satisfactory. The risk rating analysis is demonstrated in Table 5 below:

Table 5: Risk Rating Descriptions

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

The School's Performance

The risk rating was weighted to determine the overall risk level of the School. The weighting was derived using the average weighted index as shown in Table 6 below: -

Table 6: Weighted Average Score by Number and Value of Sampled Procurements

Risk Category	No.	%No	Value (UGX)	%Value	Weights	Total Average	
						By No.	By Value
High	1	8.3	423,959,634	38.1	0.6	5	22.8
Medium	5	41.7	308,913,650	27.7	0.3	12.5	8.3
Low	6	50	380,645,900	34.2	0.1	5	3.4
Total	12	100	1,113,519,184	100	1	22.5	34.6

$$\text{Weighted Average (By No.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{22.5}{60} \times 100 = 37.5\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{36.4}{60} \times 100 = 57.7\%$$

$$\text{Combined Weighted Average} = \frac{37.5\% + 57.7\%}{2} = 47.6\%$$

ANNEXES

Annex 1: Transaction list of procurements reviewed during the compliance audit for the calendar year 2023

No.	Reference No.	Subject of Procurement	Provider	Amount	Risk Rating
1.	SVCS/013	Students Medical checkup	Uganda Martyrs Hospital (Lubaga Hospital)	27,950 per student	Medium Risk
2.	NA	Supply of 30M ³ water reservoir	Leeway Uganda Limited	103,325,900	Low Risk
3.	TCN/supplies/ICT/24/001	Procurement of 100 units of desktop computers at TCN	Explore I.T	1,994,200 each	Medium Risk
4.	NA	Renovation of dining hall	Kakitech Builders & Renovators Ltd	423,959,634	High Risk
5.	SVCS/010	Staff medical insurance	Prudential Assurance Uganda Ltd	660,000 per individual	Low Risk
6.	NA	Disposal of assorted items	Nabbingo Collegial School/ Holly Cross Senior Secondary School/ Cardinal Nsubuga SSS Kitakyusa/ Nursery and Primary School Kyambazi	NA	Medium Risk
7.	NA	Assorted staff and student uniform	Christex	72,510,000	Low Risk
8.	NA	Supply of sweet potatoes	Rich world Food and fruit Supplies	27,005,000	Low Risk
9.	NA	Supply of matooke	Turananuka Turyamureeba	31,083,750	Medium Risk
		Banana leaves		630,000	Medium Risk
		Charcoal		960,000	Medium Risk
10.	NA	Raw beef	Mubiru Moses Kamyia	39,155,000	Medium Risk
		Dressed chicken		6,305,000	Medium Risk
11.		Coil bread	Ntake Bakery Company Ltd	11,000,000	Low Risk
12.		Hard wood	Mukono Market View General Stores	50,400,000	Low Risk
		Beans		70,265,000	Low Risk
		Maize flour		10,500,000	Low Risk