



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**
"Procurement That Delivers"

COMPLIANCE AUDIT REPORT FOR FINANCIAL YEAR 2022/23

ARUA SCHOOL OF COMPREHENSIVE NURSING

JUNE 2024

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ACRONYMS

BEB	Best Evaluated Bidder
ESHS	Environmental, Social, Health and Safety
ITB	Instruction to Bidders
GCC	General Conditions do Contract
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
PPDA Act	Public Procurement and Disposal of Public Assets Act
SBD	Standard Bidding Document
UGX	Uganda Shillings
VAT	Value Added Tax

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out the compliance audit of Arua School of Comprehensive Nursing that covered a sample of 10 procurement transactions under Financial Year 2022/23. The overall objective of the compliance audit was to assess and establish the degree of compliance of Arua School of Comprehensive Nursing procurement system and processes with the provisions of the PPDA Act, 2003 and PPDA Regulations, 2014 and assess the level of procurement performance over the compliance audit period.

From the findings of the compliance audit exercise, the performance of Arua School of Comprehensive Nursing for Financial Year 2022/23 was **Moderately Satisfactory**, with an average weighted risk rating of **48%** as per the ranking in Table 12 under Chapter 3 of this compliance audit report.

The performance was attributed to the following key exceptions:

1. Issuing bidding documents to bidders with unclear evaluation criteria;
2. Failure by User departments to provide; detailed statement of requirements, quantity and cost estimates for the procurements under framework contracting, contrary to the requirements under Section 60 of the PPDA Act, 2003;
3. Failure to adhere to the evaluation criteria stated in the bidding document, during bid evaluation;
4. Signing framework contracts, without making clear the unit cost of items for subsequent procurements, left the Entity at risk of being charged varied prices. This defeats the mode of implementation of framework contracts;
5. Failure by the Contract Managers appointed by the Accounting Officer to execute their roles during project implementation, for the various project for which they were assigned tasks, leaving the Entity prone to weak contract supervision;
6. Failure to dispose of assets whose use ceased inhibits achievement of value for money as funds are held up in assets which are not in use and also lost through depreciation of these assets; and
7. The Procurement and Disposal Unit's failure to have in place complete procurement files, as required in Section 31 (o) of the PPDA Act, 2003.

In summary, the Authority observed that irregularities in the bidding process, evaluation irregularities and poor contract management affected the Entity's performance.

In light of the above findings, the Authority recommends that:

1. The Accounting Officer should:
 - i. Task the Head Procurement and Disposal Unit to always ensure that bid evaluation criteria stated in the bidding documents are adhered to during evaluation by the Evaluation Committees, as required in Regulation 5 of the PPDA (Evaluation) Regulations, 2023;
 - ii. Always task Contract Managers to execute their assigned contractual obligations, as required in Regulation 52 and 50(3), of the PPDA (Contracts) Regulations, 2023;
 - iii. Institute a board of survey to evaluate and assess the status of the assets of the Entity for disposal and also ensure that the obsolete assets are disposed of in accordance with Regulation 2(1) of the PPDA (Disposal of Public Assets) regulations, 2023; and

- iv. Put in place measures to enforce compliance of service providers with ESHS in all projects implemented in the Entity, including appointing ESHS project focal point persons, where appropriate.
2. The Head of the Procurement and Disposal Unit should:
 - i. Ensure that framework contract unit rates (prices) for all items procured under framework agreements, are implemented in compliance with guideline 6.4(ii) of the PPDA (Guidance on use of Framework Contracts for procurement of supplies, works and non-consultancy services), guideline No.10/2014;
 - ii. Ensure that bid evaluation is executed following the criteria set in the bidding document and on equal terms without any deviation, in compliance with the requirements of Regulations 5 of the PPDA (Evaluation) Regulations, 2023; and
 - iii. Ensure that each project executed in the Entity has complete procurement files with records from procurement plan to contract closure, as required in Section 31 (o) of the PPDA Act, 2003, and as detailed in the PPDA guideline 10/2024 on procurement and disposal records to be kept by the Entity.
 3. User Departments should always prepare and provide detailed statement of requirements in compliance with Regulation 34 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023, at the initiation of any procurement.

Arua School of Comprehensive Nursing should implement the recommended action plan on page **26** of this report.

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 the procurement, disposal and contract management in Arua School of Comprehensive Nursing. The Accounting Officer of Arua School of Comprehensive Nursing during the Financial Year under audit was Mr. Dranimva Nixon, the School Principal. The composition of the Procurement and Disposal Unit and Contracts Committee are detailed in Appendix 4 and Appendix 5.

1.2 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out the compliance audit of Arua School of Comprehensive Nursing, that covered a sample of 10 procurement transactions under Financial Year 2022/23, vide Appendix 1. The overall objective of the compliance audit was to assess and establish the degree of compliance of Arua School of Comprehensive Nursing procurement system and processes with the provisions of the PPDA Act, 2003 and PPDA Regulations, 2014 and assess the level of procurement performance over the compliance inspection period.

1.3 Objective of the Compliance Audit

The primary objective of the exercise was to provide assurance on full and correct application of the PPDA Act, Regulations and Guidelines by Arua School of Comprehensive Nursing.

The specific objectives of the compliance audit were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act, 2003 and Regulations, 2014 with regard to the performance of the procurement structures and conduct of procurement processes.
2. Assess the degree of compliance of the Entity's disposal process with the provisions of the PPDA Act, 2003 and Regulations, 2014.
3. 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.

1.4 Scope of the Compliance Audit

The Audit involved a review of the procurement and disposal process, general compliance issues and contract implementation on sample basis. The exercise covered a sample of 10 procurement transactions worth UGX 579,669,166 conducted during the FY 2022/2023, review of procurement structures and review of the procurement plan performance. The list of sampled transactions is contained in Appendix 1.

1.5 Methodology

A sample of 10 procurement transactions were selected based on stratified random sampling using Contracts Committee minutes and quarterly procurement and disposal reports.

The auditors examined records and documents for each sampled procurement and disposal transactions from where audit evidence was derived to draw the audit conclusions. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and management.

During the audit, the auditors met with the staff from the Procurement and Disposal Unit (PDU), Contracts Committee, Internal Audit, and User Departments where necessary, to obtain crucial qualitative information about the internal control system and processes in place.

A debrief meeting to discuss preliminary findings was held with the Entity management and staff before the team could embark on preparation of the management letter. The management letter was sent to the Entity on **January 30, 2024** with a request to submit a management response by **February 9, 2024** which was submitted on February 12, 2024.

This report presents key findings and conclusions arising from the compliance audit exercise.

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

2.1 COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, 2003 AND REGULATIONS, 2014 WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT PROCESSES.

The anomalies below were noted, during the audit:

2.1.1 Failure to fully implement the procurement plan

The Authority reviewed the procurement function of the Entity for the financial year 2022/2023, and established that; the Entity's total cost of planned procurement was UGX 2,187,056,848, of which UGX 1,575,529,353 was spent on procurements implemented, representing 72% and UGX 611,527,495 was unspent, as summarised in Table 1 below.

Table 1: Summary of procurement spend for FY 2022/23

Procurement plan value inclusive of VAT (UGX)	2,187,056,848
Procurement spend value inclusive of VAT (UGX)	1,575,529,353
Procurement plan implementation rate (%)	72%
Variance (UGX)	611,527,495

Implication

The variance reported above, shows that the Entity in the financial year 2022/23 did not absorb all the funds allocated to it, thereby affecting the Entity's ability to achieve its planned procurements objectives, and subsequently, failure to achieve planned service delivery to the beneficiaries.

Management response

- *The Entity could not fully implement the procurement plan due to the absence of a functioning Governing Council since their term expired on December 2022. The Ministry of Education and Sports delayed to appoint the members until October 2023. This therefore greatly affected the performance of the entity.*
- *The management also faced challenges of delay in the release of the government grant that affected the implementation of the procurement plan.*

The management therefore pledges to do better in the next financial year.

Recommendation

The Accounting Officer should always ensure that all procurement fund releases are utilised as per plan and budget of the Entity, during the financial year. This is because, failure to utilise all funds remitted negatively affects budget performance, that can subsequently lead to low budget appropriation to the Entity.

2.1.2 Procurements in the procurement plan, not implemented

The audit found that procurements worth UGX.354,000,000 were planned for, but not implemented during the financial year, as shown in Table 2 below.

Table 2: Procurements in the procurement plan, not implemented

No.	Subject of procurement	Amount (UGX)
1.	Postage & courier	2,000,000
2.	Supply of fuel, oil and lubricants	20,000,000
3.	Graduation	100,000,000
4.	Supply of nursing text books	55,000,000
5.	Supply of furniture & maintenance of machinery, equipment.	132,000,000
6.	Advertising and public relations	10,000,000
7.	Supply of small kitchen equipment	35,000,000
	Total	354,000,000

Implication

Failure by the Entity to implement all procurement activities as were planned for as above, showed:

- Inadequacy in planning and budgeting function; and
- Inefficiency in the Procurement and Disposal Unit, in executing its function.

Management response

The listed procurements were implemented by the management under administrative expenses hence files were not opened by the procurement and disposal unit. This is usually done by staff committees of the respective departments.

Authority's comment

The Authority appreciates the response, however, the Entity did not provide evidence of delegation of authority by the Accounting Officer to staff committees of the departments to undertake procurements under administrative expenses, as required by Regulation 16 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

Recommendation

The Accounting Officer, therefore should always ensure that all the procurements in the Entity' are executed by the Procurement and Disposal Unit and not by the User departments, unless the Accounting Officer delegates the procurement function accordingly, during the financial year.

2.1.3 Inadequacies at initiation of procurements

The Authority found that during the financial year, procurements worth UGX 579,669,166 had inadequacies at the initiation stage as summarized in Table 3 below, contrary to requirements of Guideline 5.20.1(c) and 7.6 of the PPDA (Procurement and Disposal guidelines for Schools in Uganda), 2014.

Table 3: Inadequacies in the initiation of procurements

No.	Subject of procurement	Amount (UGX)	Exceptions
1.	Supply of assorted office stationery.	7,579,000	<ul style="list-style-type: none"> - Initiation date not indicated in the plan. - The timelines in the plan started from bid invitation date. - Vote/Head Number and balance remaining part of the Funds

No.	Subject of procurement	Amount (UGX)	Exceptions
			<ul style="list-style-type: none"> availability section of Form 5 was not filled. - Statement of requirements were not attached at initiation. - The Form 5 did not have the estimated cost.
2.	Supply of wood fuel	48,000,000	<ul style="list-style-type: none"> - Initiation date not indicated in the plan. The timelines in the plan started from bid invitation date. - Vote/Head Number and balance remaining part of the Funds availability section of Form 5 was not filled. - Statement of requirements were not attached at initiation - The Form 5 did not have the estimated cost.
3.	Repair and maintenance of motor vehicles and generator	28,040,750	<ul style="list-style-type: none"> - Initiation date not indicated in the plan. The timelines in the plan started from bid invitation date. - Vote/Head Number and balance remaining part of the Funds availability section of Form 5 was not filled. - Statement of requirements were not attached at initiation - The Form 5 did not have the estimated cost.
4.	Construction of kitchen shade and drainage.	11,666,070	<ul style="list-style-type: none"> - Initiation date not indicated in the plan. The timelines in the plan started from bid invitation date. - Vote/Head Number and balance remaining part of the Funds availability section of Form 5 was not filled. - Statement of requirements were not attached at initiation.
5.	Supply of assorted food items – Group A, under framework contract.	22,680,000	<ul style="list-style-type: none"> - Details on fund availability not provided. - Unit cost estimates were not included in Form 5.
6.	Supply of assorted food items – Group B, under framework contract.	7,875,000	<ul style="list-style-type: none"> - Details on fund availability not provided. - Unit cost estimates were not included in Form 5.
7.	Assorted uniforms - A	43,800,000	<ul style="list-style-type: none"> - Details on fund availability not provided.

No.	Subject of procurement	Amount (UGX)	Exceptions
			<ul style="list-style-type: none"> - Unit cost estimates were not attached to Form 5. - Quantity required also not defined.
8.	Assorted uniforms - B	55,700,000	<ul style="list-style-type: none"> - Details on fund availability not provided. - Unit cost estimates were not attached to Form 5. - Quantity required also not defined.
9.	Printed Stationery	2,553,000	<ul style="list-style-type: none"> - Details on fund availability not provided. - Unit cost estimates were not included in Form 5. - Estimated quantity requirement not defined.
	Total	579,669,166	

Implications

1. Initiating procurements without providing quantity and cost estimates, details of fund availability in the procurement requisition form, subjected the Procurement and Disposal Unit to:
 - Difficulty in defining the right procurement method;
 - Use of wrong procurement methods; and
 - Delay in initiating procurements,
2. Failure by the User departments to provide details of funds available in the procurement requisition form (PP Form 5), exposed the Entity to risk of engaging providers on activities for which may not be availed.

Management response

- *The procurement & disposal unit will ensure that the actual initiation dates are indicated in next procurements separate from the bid invitation dates.*
- *The management will Consult with the Accounts department on how to handle confirmation of availability of funds on the form 5 filled by the end users since for now since the entity does not have separate votes for the different procurements and also ensure that user departments fill in quantity and unit costs of the items they need before submitting them for approval.*

Recommendations

1. The User departments must always at initiation of a procurement, provide quantity and cost estimates for their procurements with detailed statement of requirements, in compliance with Regulation 3 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services).
2. The Accounting Officer should subsequently ensure that procurement requisitions from User departments presented for approval, are completely filled and provide details on fund availability, as required in Section 26(f) together with Section 59 of the PPDA Act, 2003.

2.1.4 Procurements with irregularities in the bidding document

The Authority found that the Entity's bidding documents issued to bidders had inadequacies, as presented in table 4 below, with unclear evaluation criteria and insufficient specifications

provided for items of procurement, contrary to the requirements under Section 62 (1-2a) PPDA Act, 2003.

Table 4: Bidding document irregularities

No.	Subject of procurement	Findings
1.	Completion of construction of a three storeyed Girls' Hostel worth UGX 351,775,346	<ul style="list-style-type: none"> - The Entity used an obsolete standard bidding document for works under open domestic bidding issued by PPDA in 2009, instead of the standard bidding document for works under open domestic bidding issued by PPDA in 2019. The new standard bidding document incorporated ESHS requirements. - The bidding document required a copy of bidder's current valid trading license; however, the period of its validity was not stated. - The bidding document required a copy of bidder's valid income tax clearance certificate; however, the period of its validity was not stated. - Key personnel such as Environment Officer and Safety Officer were not provided for in the bidding document. - The bidding document did not provide for ESHS requirements, Section 8 Special Conditions of Contract was not included the bidding document.
2.	Supply of assorted office stationery Contract Amount: UGX 7,579,000	<ul style="list-style-type: none"> - The bidding document required a copy of bidder's valid income tax clearance certificate, however the period of its validity, was not stated. - The bidding document required a copy of bidder's current valid trading license, however the period of its validity, was not stated. - Key evaluation criteria such as audited books of accounts, bank statement, experience in similar supplies were not stated in the bidding document. - Irregular requirement of VAT registration certificate contrary to PPDA Circular dated 17th September 2015, which states that VAT registration should not be part of the requirements for in a bidding process.
3.	Supply of wood fuel Contract Amount: UGX 48,000,000	<ul style="list-style-type: none"> - The bidding document required a copy of bidder's valid income tax clearance certificate, however the period of its validity, was not stated. - The bidding document required a copy of bidder's current valid trading license, however the period of its validity, was not stated. - Key evaluation criteria such as audited books of accounts, bank statement, experience in similar supplies were not stated in the bidding document. - Irregular requirement of VAT registration certificate contrary to PPDA Circular dated 17th September 2015 which states that VAT

No.	Subject of procurement	Findings
		<p>registration should not be part of the requirements for in a bidding process.</p> <p>The units of measure stated in the bidding document was not clear i.e., wood fuel (firewood) estimated quantity 200 unit of measure Ccm and Charcoal estimated quantity 10 unit of measure bags, without specifying the size of the bag.</p>
4.	Repair and maintenance of motor vehicles and generator worth UGX 28,040,750	<p>The bidding document required a copy of bidder's valid income tax clearance certificate, however the period of its validity, was not stated.</p> <p>The bidding document required a copy of bidder's current valid trading license, however the period of its validity, was not stated.</p> <p>Key evaluation criteria such as audited books of accounts were not stated in the bidding document.</p> <p>The bidding document required bank statement for the past three (3) years, instead of at least for the past 3 months.</p>
5.	Supply of assorted food items – Group A, Worth UGX. 22,680,000.	<p>Requesting for evidence of experience (minimum 5 years), without specifying the required/acceptable experience, of at least 3 years.</p> <p>Asking for bank statement for the last 3 years, instead of at least for the past 3 months.</p> <p>Gaps in specifying requirements: Items descriptions were not provided, but product names used as specification e.g., beans, cow peas, rice, etc., without details on level of dryness, foreign matter content, packing, and such other related caution needed to safe guard the supply safe for human consumption.</p>
6.	Supply of assorted food items – Group B, under framework contract.	<p>Requesting for evidence of experience (minimum 3 years), without specifying the required/acceptable experience, in supplying assorted food products safe for human consumption.</p> <p>Requesting for bank statement for the last 3 years, which was extreme from normal practice, instead of at least for the past 3 months.</p> <p>Gaps in specifying requirements. Specific item descriptions were not provided, but product names used as specification e.g., fish, meat, cooking oil, without details on level of freshness, storage conditions, expiry dates, type of packing, and such other related caution needed to safe guard the supply & ensure it is safe for human consumption.</p>
7.	Assorted uniforms – A & B.	<p>Specification (sizes, material quality, design, for male female user, labels required, etc.) were lacking</p>

Implications

- Issuing bidding documents with unclear evaluation criteria, subjected the evaluation process to:
 - a) Difficulty in defining the evaluation criteria, by the Evaluation Committee;
 - b) Bidder non-responsiveness, during the preliminary and technical evaluations;
 - c) Low participation of capable providers, resulting into low bidder response, and hence, less competitive bidding process;
 - d) The evaluation process being prone to manipulation, to benefit particular bidder(s); and
 - e) The potential for existence of conflict of interest, among key stakeholder involved in the procurement process.
- Failure to adequately specify the basic food quality standard levels, opened the Entity to the risk of being supplied:
 - a) Poor quality food stuff;
 - b) Food stuff not safe for human consumption, or contaminated with chemicals; or
 - c) Poorly packaged and handled food hygienically, with short shelf life.
- The User department failed to clearly define the basic quality levels for the uniforms, hence the Entity was prone to being supplied:
 - a) Poor-quality and non-durable uniforms;
 - b) Non-comfortable uniforms to the users; or
 - c) Not-fit-for purpose uniforms, supplied.

Management response

- *On the obsolete SBD for open domestic bidding, Management acknowledges the error and it will make an effort to ensure that the entity uses up to date documents for all its procurement.*
- *On the issue of Validity dates for the trading licenses and transaction tax clearance, management would like to state that whereas the period was not stated, all trading licenses are all issued for every calendar year and tax clearance certificate are issued for every financial year, given that, the issue of ambiguity would not arise.*
- *On the issue of environmental and safety officer, management would like to state that, this was a completion work which involved minor works like internal plumbing, electrical, flooring and repainting works. However, during the main construction the staff was fully employed and the environmental components were fully complied with. Meanwhile safety component was fully enforced by our supervision team.*
- *The procurement and disposal unit will ensure that all relevant information are provided when preparing the bids to enable bidders prepare and submit responsive bids by verifying the bids by different parties, committees that are involved in the preparation and initiate the process early enough to avoid making errors for procurements such uniforms and food as sighted. It will also ensure that the validity period of the tax clearance certificate and trading license specified in the bid documents.*
- *The management therefore greatly regrets & acknowledges the irregularities and will ensure they are all addressed in the subsequent procurements.*

In conclusion, the procurement officer acknowledges the irregularities to failure to print out the corrected bidding document during contracts committee meeting to replace on file since bidders were given soft copies, the bids issued were not affected and pledges not to repeat this hence implement all the recommendations given.

Authority's comment

The Authority appreciates the responses, however, failure to state specific tax period, left the tax requirement open for bidders to submit tax clearance certificates and trading licenses, for any calendar period.

Recommendations

1. The Head Procurement and Disposal Unit should always ensure that bid evaluation is executed following the criteria set in the bidding document and on equal terms without any deviation, in compliance with Regulations 5 of the PPDA (Evaluation) Regulations, 2023.
2. User departments should always provide detailed statement of requirements for all food items required from the suppliers, to ensure supply of food stuff fit for human consumption.
3. Similarly, for supply of quality uniforms, User Departments should always provide detailed specification for all call-off orders issued to the suppliers, providing all necessary details like; sizes, fabric composition, quality, design, colour, name tags, logo, etc., and the category of the beneficiaries' male or female, students or staff.

2.1.5 Omissions noticed in the bidding process

The Authority found omissions in the bidding process for the completion of a three storeyed Girls Hostel worth UGX 351,775,346 as summarized in Table 5 below.

Table 5: Omissions in the bidding process

No.	Subject of procurement	Amount (UGX)	Findings
1.	Completion of construction of a three storeyed Girls' Hostel	351,775,346	- Failure by the chairperson bid opening to sign key pages of the submitted bids, including all pages containing financial information such as bills of quantities.
	Total	351,775,346	

Implications

Failure to sign key pages of the bids increases the risk of exposure to bid alteration which may compromise the bidding process.

Management Response

The management regrets the omissions and will task the procurement to ensure the chairperson bid opening signs key pages of the submitted bids, including all pages containing financial information such as bills of quantities hence forth.

Recommendation

The Head of the Procurement and Disposal Unit going forward, should ensure key pages of bids opened are signed by the chairperson bid opening, as required in Regulation 75 (6) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023.

2.1.6 Procurements in the Entity with low bidder participation

The Authority found that there was low bidder participation in four procurement transactions as listed in Table 6 below worth UGX. 95,285,820, which affects the competitiveness of the bidding process in the Entity.

Table 6: Procurements with low bidder participation

No.	Subject of procurement	Amount (UGX)	Number of bids received
1.	Supply of assorted office stationery	7,579,000	2
2.	Supply of wood fuel.	48,000,000	2
3.	Repair and maintenance of motor vehicles and generator.	28,040,750	2
4.	Construction of kitchen shade and drainage	11,666,070	2
	Total	95,285,820	

Implication

Low bidder participation in public procurement implies;

- lack of trust by bidders in the procurement process and affects service delivery,
- negative image of a procuring entity,
- lack of competition and transparency in the procurement process, and
- selection of bidders with low technical and financial capacity.

Management response

- *The management has noticed that the delay in payments has been attributed to the delay in late release of government grants from the ministry.*
- *The management has therefore tried to improve the payment schedule by collecting fees in time to offset some of the payments of which cannot be enough to clear all the bidders.*
- *The management has also often invited them for discussions when there are delays in payments.*

Recommendation

The Accounting Officer and the Head of the Procurement and Disposal Unit, should encourage competitive bidding, as enshrined in Section 46 of the PPDA Act, 2003 and cherish transparency in the procurement process. In addition, come up with possible measures to improve on bidder participation in the entity's procurements.

2.1.7 Anomalies at bid evaluation

The Authority established the anomalies summarized in Table 7 below in the evaluation process that affects transparency of a procurement.

Table 7: Procurements with anomalies at bid evaluation

No.	Subject of procurement	Findings
1.	Completion of construction of a three storeyed Girls' Hostel worth UGX 351,775,346	<ul style="list-style-type: none"> • The criteria below were not evaluated, yet they were stated in the bidding document; <ul style="list-style-type: none"> - a copy of authority letter granting the school permission to verify information from the bidder's bankers, - a copy of authority letter granting the school to seek information from past clients as proof of successful similar projects executed, - acceptable work/activity schedule, - acceptable completion schedule (a gantt chart), - personnel schedule

No.	Subject of procurement	Findings
2.	Supply of assorted office stationery Contract Amount: UGX 7,579,000	<ul style="list-style-type: none"> • The criteria below were not evaluated, yet they were stated in the bidding document; <ul style="list-style-type: none"> - a copy of Bidder's VAT Registration, - a statement in the bid submission sheet that the bidder meets the eligibility criteria stated in ITB 4.1 • No evidence of evaluation of the specifications in the bids. The evaluation report did not show whether the bidders were compliant to the specifications.
3	Supply of wood fuel Contract Amount: UGX 48,000,000	<ul style="list-style-type: none"> • The criteria below were not evaluated, yet they were provided for in the bidding document; <ul style="list-style-type: none"> - a copy of Bidder's VAT Registration, - a statement in the bid submission sheet that the bidder meets the eligibility criteria stated in ITB 4.1. • No evidence of evaluation of the specifications in the bids. The evaluation report did not show whether the bidders were compliant with the specifications.
4.	Repair and maintenance of motor vehicles and generator Contract Amount: UGX 28,040,750	<ul style="list-style-type: none"> • In ITB 20.1, the bid validity period was 30th August 2022, however, the BEB Oscar Rendezvous Ltd provided a bid validity of 90 working days from the date fixed for bid submission. • The following criteria were not evaluated yet they were stated in the bidding document; <ul style="list-style-type: none"> - bank statement for the last three (3) years, - Articles and Memorandum of Association, - evidence of experience (minimum of 5 years), - bid securing declaration, - bid validity period of 30th August 2022 and - a statement in the bid submission sheet that the bidder meets the eligibility criteria stated in ITB 4.1. • Submission of a suspected unauthentic tax clearance certificate. The best evaluated bidder Oscar Rendezvous Ltd submitted unauthentic tax clearance certificate Ref. No. AR0122013836891. Upon verification on the URA portal, it showed invalid tax clearance certificate number. • No evidence of evaluation of the specifications in the bids. The evaluation report did not show whether the bidders were compliant to the specifications.
5.	Supply of assorted food items – Group A, under framework contract worth UGX. 22,680,000	<ul style="list-style-type: none"> • Evaluation Committee (EC) minutes not on file; - Form 5 Part II PDU submission to Contracts Committee (CC) was not on file. - Letiru Scovia; participated in the evaluation process, but was not among the staff approved to be on the EC by CC.

No.	Subject of procurement	Findings										
		<table border="1" data-bbox="683 237 1289 495"> <thead> <tr> <th data-bbox="683 237 1002 338">Evaluation Committee Members</th> <th data-bbox="1010 237 1289 338">Approved by Contracts Committee</th> </tr> </thead> <tbody> <tr> <td data-bbox="683 349 1002 383">Arach Florence</td> <td data-bbox="1010 349 1289 383">Arach Florence</td> </tr> <tr> <td data-bbox="683 394 1002 427">Asianzu Alfred</td> <td data-bbox="1010 394 1289 427">Asianzu Alfred</td> </tr> <tr> <td data-bbox="683 439 1002 472">Ujeo Agatha</td> <td data-bbox="1010 439 1289 472">Ujeo Agatha</td> </tr> <tr> <td data-bbox="683 483 1002 495">Letiru Scovia</td> <td data-bbox="1010 483 1289 495"></td> </tr> </tbody> </table>	Evaluation Committee Members	Approved by Contracts Committee	Arach Florence	Arach Florence	Asianzu Alfred	Asianzu Alfred	Ujeo Agatha	Ujeo Agatha	Letiru Scovia	
Evaluation Committee Members	Approved by Contracts Committee											
Arach Florence	Arach Florence											
Asianzu Alfred	Asianzu Alfred											
Ujeo Agatha	Ujeo Agatha											
Letiru Scovia												
6.	Supply of assorted food items – Group B, under framework contract worth UGX. 7,875,000	<ul style="list-style-type: none"> • Evaluation Committee minutes were not on file. • Form 5-part II submission to Contracts Committee was not on file. • Letiru Scovia; participated in the evaluation process, but was not among the staff approved to be in Evaluation Committee by Contracts Committee. <table border="1" data-bbox="683 763 1289 1021"> <thead> <tr> <th data-bbox="683 763 1002 864">Evaluation Committee Members</th> <th data-bbox="1010 763 1289 864">Approved by Contracts Committee</th> </tr> </thead> <tbody> <tr> <td data-bbox="683 875 1002 909">Arach Florence</td> <td data-bbox="1010 875 1289 909">Arach Florence</td> </tr> <tr> <td data-bbox="683 920 1002 954">Asianzu Alfred</td> <td data-bbox="1010 920 1289 954">Asianzu Alfred</td> </tr> <tr> <td data-bbox="683 965 1002 999">Ujeo Agatha</td> <td data-bbox="1010 965 1289 999">Ujeo Agatha</td> </tr> <tr> <td data-bbox="683 1010 1002 1021">Letiru Scovia</td> <td data-bbox="1010 1010 1289 1021"></td> </tr> </tbody> </table>	Evaluation Committee Members	Approved by Contracts Committee	Arach Florence	Arach Florence	Asianzu Alfred	Asianzu Alfred	Ujeo Agatha	Ujeo Agatha	Letiru Scovia	
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Ujeo Agatha	Ujeo Agatha											
Letiru Scovia												
7.	Assorted uniforms – A worth UGX.43,800,000	<ul style="list-style-type: none"> • Evaluation Committee (CC) minutes were not on file. • Form 5 Part II submission by Procurement and Disposal Unit to Contracts Committee (CC), not on file. • Letiru Scovia; participated in the evaluation process, but was not among the staff approved to be in EC by CC. <table border="1" data-bbox="683 1335 1289 1525"> <thead> <tr> <th data-bbox="683 1335 1002 1368">EC Members</th> <th data-bbox="1010 1335 1289 1368">Approved by CC</th> </tr> </thead> <tbody> <tr> <td data-bbox="683 1379 1002 1413">Arach Florence</td> <td data-bbox="1010 1379 1289 1413">Arach Florence</td> </tr> <tr> <td data-bbox="683 1424 1002 1458">Asianzu Alfred</td> <td data-bbox="1010 1424 1289 1458">Asianzu Alfred</td> </tr> <tr> <td data-bbox="683 1469 1002 1503">Ujeo Agatha</td> <td data-bbox="1010 1469 1289 1503">Ujeo Agatha</td> </tr> <tr> <td data-bbox="683 1514 1002 1525">Letiru Scovia</td> <td data-bbox="1010 1514 1289 1525"></td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Bidder (Pretoria) was declared non-compliant at preliminary stage for not; <ul style="list-style-type: none"> - putting price in bid submission sheet, yet the bidder's submission sheet was attached, with a letter indicating unit rates for supply of the uniforms, which could have been used for evaluating the bidder. - attaching certificate of registration, which was attached in the bidder's bid. • Bid validity period was 31st August 2022 as per SBD (ITB 20.1), but bidder - ICT Experts Uganda Ltd, provided varied bid validity period of 90 days. 	EC Members	Approved by CC	Arach Florence	Arach Florence	Asianzu Alfred	Asianzu Alfred	Ujeo Agatha	Ujeo Agatha	Letiru Scovia	
EC Members	Approved by CC											
Arach Florence	Arach Florence											
Asianzu Alfred	Asianzu Alfred											
Ujeo Agatha	Ujeo Agatha											
Letiru Scovia												

No.	Subject of procurement	Findings										
8.	Assorted uniforms – B worth UGX. 55,700,000	<ul style="list-style-type: none"> Evaluation Committee (EC) minutes were not on file. Form 5 -Part II submission to Contract Committee (CC) was not on file. <table border="1"> <thead> <tr> <th>EC Members</th> <th>Approved by CC</th> </tr> </thead> <tbody> <tr> <td>Arach Florence</td> <td>Arach Florence</td> </tr> <tr> <td>Asianzu Alfred</td> <td>Asianzu Alfred</td> </tr> <tr> <td>Ujeo Agatha</td> <td>Ujeo Agatha</td> </tr> <tr> <td>Letiru Scovia</td> <td></td> </tr> </tbody> </table> <ul style="list-style-type: none"> Letiru Scovia; participated in the evaluation process, but was not among the staff approved to be in EC by CC. 	EC Members	Approved by CC	Arach Florence	Arach Florence	Asianzu Alfred	Asianzu Alfred	Ujeo Agatha	Ujeo Agatha	Letiru Scovia	
EC Members	Approved by CC											
Arach Florence	Arach Florence											
Asianzu Alfred	Asianzu Alfred											
Ujeo Agatha	Ujeo Agatha											
Letiru Scovia												
9.	Printed Stationery	<ul style="list-style-type: none"> Evaluation Committee (EC) minutes were not on file. Form 5 Part II, PDU submission to Contracts committee (CC) was not on file. <table border="1"> <thead> <tr> <th>Bidders whose bid were evaluated.</th> <th>Recommended for award.</th> </tr> </thead> <tbody> <tr> <td>ICT Experts (U) Ltd</td> <td>Santox Merchants SMC Ltd at UGX. 2,553,000</td> </tr> <tr> <td>Arua Art Zone</td> <td></td> </tr> <tr> <td>Data Line (U) Ltd</td> <td></td> </tr> </tbody> </table> <ul style="list-style-type: none"> The procurement reference number in Form 16 (ASCN/SUPLS/22/23-24/00007) was different from that in the SBD (ASCN/SUPLS/22/23-24/00001). 	Bidders whose bid were evaluated.	Recommended for award.	ICT Experts (U) Ltd	Santox Merchants SMC Ltd at UGX. 2,553,000	Arua Art Zone		Data Line (U) Ltd			
Bidders whose bid were evaluated.	Recommended for award.											
ICT Experts (U) Ltd	Santox Merchants SMC Ltd at UGX. 2,553,000											
Arua Art Zone												
Data Line (U) Ltd												

Implications

- As identified above, failure to adhere to the evaluation criteria stated in the bidding document, subjected the evaluation process to:
 - High chances of bidder non-compliance being realized;
 - Lack of transparency and competitiveness;
 - A subjective evaluation process and selection of incompetent providers; and
 - Suspicion of conflict of interest among key stakeholders involved in the procurement process.
- Evaluating bids with shorter and varied bid validity periods exposed the Entity to:
 - Contracting bidders whose bids could have expired before signing contracts;
 - The successful bidders being at liberty of rejecting the offer; or
 - Subject the Entity to price adjustments, before providing the services to the Entity.

Management response

On the case of M/s Letiru Scovia; she participated in the evaluation process, but her name was omitted as a member of Evaluation Committee in the contracts committee approval. This is an omission we acknowledge but pledge to correct accordingly.

Recommendations

1. The Accounting Officer, should task the Head PDU to always ensure that bid evaluation criteria stated in the bidding documents are adhered to during evaluation by the Evaluation Committee, as required in Regulation 5 of the PPDA (Evaluation) Regulations, 2023.
2. Equally, the Head PDU should always provide guidance to the Evaluation Committees during the evaluation process and ensure that bidders' compliance and responsiveness is determined based on the contents of a bid, measured against the set evaluation criteria in the bidding documents. This will minimize on requests for administrative reviews and litigations on the Entity from unsatisfied bidders, upon communication of contract award decision by the Accounting Officer.
3. The Head PDU should also guide the Evaluation Committees to always ensure that bidder's bid validity periods comply with the Entity's bid validity period as stated in bidding document, during the evaluation process.

2.1.8 Irregularities at contracting

The Authority found irregularities in contracting of nine procurement transactions worth UGX 227,893,820 as detailed in table 8 below.

Table 8: Gaps in the contracting process

No.	Subject of procurement	Amount (UGX)	Findings
1.	Supply of assorted office stationery Contract.	7,579,000	<ul style="list-style-type: none"> - Irregular award of contract under framework. The Contracts Committee awarded contract to only Santox Merchants in disfavor of Dataline Graphics, despite the latter passing all the stages of the evaluation process. For example, Santox quoted Cello tapes big at UGX 15,000, however, Dataline quoted Cello tapes big at UGX 10,290; Santox quoted Compo pens at UGX 40,000, however, Dataline quoted Compo pens at UGX 30,869. - The Notice of BEB was not sent to all bidders that participated. - The contract end date stated in the contract was 30th June 2022, however, the contract was signed on 10th August 2022. - Contradiction between GCC 28.3 of the signed contract and GCC 28.3 of the bidding document. GCC 28.3 of the signed contract stated that the period of validity of the warranty shall be 12 months, however, GCC 23.8 of the bidding document stated that the period of validity of the warranty shall be 9 months.
2.	Supply of wood fuel.	48,000,000	<ul style="list-style-type: none"> - The Notice of BEB was not sent to all bidders that participated. - The contract was signed on 10th August 2022 for a period up to 30th June 2024. This was contrary to ITB 1.1 which stated that

No.	Subject of procurement	Amount (UGX)	Findings
			framework contract would be for a period of 18 months.
3.	Repair and maintenance of motor vehicles and generator	28,040,750	<ul style="list-style-type: none"> - The Notice of BEB was not sent to all bidders that participated. - The contract was signed on 10th August 2022 for a period up to 30th June 2024. This was contrary to ITB 1.1 which stated that framework contract would be for a period of 18 months.
4.	Supply of assorted food items – A, under framework contract.	22,680,000	<ul style="list-style-type: none"> - The Entity did not include Contract preparation date in the contract. - Framework agreement did not indicate the unit cost of the food items (e.g., how much is a Kg of beans, Posho, etc.).
5.	Supply of assorted food items – B, under framework contract.	7,875,000	<ul style="list-style-type: none"> - The Entity did not include Contract preparation date in the contract. - Framework agreement did not indicate the unit cost of the food items (e.g., how much is a Kg of meat, Simsim, etc.).
6.	Assorted uniforms - A	43,800,000	<ul style="list-style-type: none"> - The Entity did not include Contract preparation date in the contract.
7.	Assorted uniforms - B	55,700,000	<ul style="list-style-type: none"> - The Entity did not include Contract preparation date in the contract
8.	Printed Stationery	2,553,000.	<ul style="list-style-type: none"> - The Entity did not include Contract preparation date in the contract - The Entity only signed framework contract with ICT Experts Uganda Ltd, and not Dataline (U) Ltd, who was ranked 2nd with price UGX.3,463,300. This was an omission that denied the entity an opportunity to have multiple firms with framework contracts.
9.	Construction of kitchen shade and drainage	11,666,070	<ul style="list-style-type: none"> • The Notice of BEB was not sent to all bidders that participated. • Unclear contract start date i.e., GCC 1.1 (ee) of the signed contract stated that the contract start date shall be after contract signing. The specific date of contract start was not stated. • Unclear site possession date i.e., GCC 21.1 of the signed contract stated that the site possession date shall be after contract signing. The specific date of site possession was not stated. • The contract agreement date was not indicated. The part of the contract document for indicating the contract agreement date was left blank.
	Total	227,893,820	

Implications

- Failure to send notice of Best Evaluated Bidder to all bidders who participated in the bidding process, contravened the requirements of Section 4(a) of the PPDA Act, 2003.
- Failure by the Entity to award framework contracts to more than one compliant bidder, overrides the benefits associated with framework contracting, of economy and efficiency.
- Signing framework contracts, without making clear the unit cost of items for subsequent procurements, left the Entity at risk of being charged varied prices.
- Issuing contracts by the Entity without including the date when the contract was prepared, affects the completeness of the agreements and does not bring out clearly the contract duration, in the projects above.

Management response

- *The management acknowledges the gap and pledges to bridge all the identified gaps by closely working with the procurement and disposal unit to minimize.*
- *On the case of contract unit rates the PDU has been attaching the procurement requirement list submitted by the bidder to the contract document but henceforth the management will ensure the rates are inserted directly in the contract document.*
- *The management will ensure that all contracts bear contract preparation dates and duration starting from the now onwards.*
- *On the case of Dateline Graphics the, management noted that, they always quote low prices and after contracting they write to adjust prices when orders are issued to them and also alter the orders saying they are out of stock. With this history committee recommended for only one bidder for contract signing. The management there acknowledges the irregularities since formal communications were not made and promised to document any such occurrences in future for proper references.*

Recommendations

1. To achieve economy and efficiency in the procurement function, The Accounting Officer should:
 - i. Sign framework contracts with multiple providers whose bids are determined by the Evaluation Committee to be compliant and responsive, for the different procurements, as guided by guideline 5.5 of the PPDA (Guidance on use of Framework Contracts for procurement of supplies, works and non-consultancy services), guideline No.10/2014; and
 - ii. Ensure that, for contracts signed by the Entity, dates evidencing when contracts were prepared should be specified in the agreements, including the duration of the contracts.
2. The Head, Procurement and Disposal Unit should:
 - i. In compliance with Section 4(a) of the PPDA Act, 2003, after the decision of the Contracts Committee, send communication of the award decision to all bidders who participated in the bidding; and
 - ii. Ensure that framework contract unit rates (prices) for all items are included in framework agreement, including using annexes, in line with guideline 6.4(ii) of the PPDA (Guidance on use of Framework Contracts for procurement of supplies, works and non-consultancy services), guideline No.10/2014.

2.1.9 Records Management

The audit established that the procurement files in the Entity were incomplete, as they had missing records as indicated in Table 9 below, contrary to the requirements in Section 31 (o) of the PPDA Act, 2003.

Table 9: Missing records

No.	Subject of procurement	Amount (UGX)	Findings
1.	Completion of construction of a three storeyed Girls' Hostel	351,775,346	- No completion certificate.
2.	Supply of assorted office stationery.	7,579,000	- No contract implementation plan prepared - No payment records.
3.	Supply of wood fuel.	48,000,000	- No contract implementation plan prepared - No payment records. - No contract completion certificate.
4.	Repair and maintenance of motor vehicles and generator	28,040,750	- No contract implementation plan. - No payment records. - No contract completion certificate.
5.	Supply of assorted food items – Group A, under framework contract.	22,680,000	- Contract management records and reports.
6.	Supply of assorted food items – Group B, under framework contract.	7,875,000	- Contract management records and reports.
7.	Assorted uniforms – A	43,800,000.	- Contract management records and reports.
8.	Assorted uniforms – B	55,700,000	- Contract management records and reports.
9.	Printed Stationery	2,553,000	- No evidence of payment records. - Contract management records and reports were not on file. - No evidence of payment records on file.
Total		568,003,096	

Implication

Incompleteness of the procurement files showed poor record keeping in the Procurement and Disposal Unit function, that affects accountability in the Entity.

Management response

On the issue of missing; contract supervisor appointment letter, contract implementation plan, progress reports, and completion certificate. Management would like to state that all the documents are available; however, at the time of audit they were not filed.

Authority's comment

The Authority noted the response, however, the evidence that was provided for missing records covered only works projects and did not include supplies.

Recommendation

Proper records management is an integral part of good procurement practice. Therefore, the Head Procurement and Disposal Unit should always ensure the completeness of procurement files in place, for each procurement executed in the Entity.

2.2 COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, 2003 AND REGULATIONS, 2014.

2.2.1 Failure by the Entity to cause for disposal of assets.

The Authority established during the audit that:

- i. There was no disposal plan prepared by the Procurement and Disposal Unit, for the financial year 2022/23;
- ii. No board of survey report was constituted to undertake assessment of Entity's assets due for disposal; and.
- iii. The entity did not dispose of assets during the same period.

Therefore, from the foregoing, it was not possible for the audit team to express an opinion on the status of the disposal of assets in the Entity.

Implications

- Failure by the Accounting Officer to plan and cause for disposal of obsolete assets in the Entity, was against the requirements of Regulation 2 of the Public Procurement and Disposal of Public Assets (Disposal of Public Assets) Regulations, 2023.
- Failure to dispose of unusable assets inhibits achievement of value for money as funds are held up in assets which are not in use and value lost through depreciation of the same assets.

Management Response

- *The Accounting Officer has already instituted the board of Survey and the board shall be reminded to evaluate and assess the status of the assets of the entity with a report to guide the disposal process.*
- *Management will ensure the procurement and disposal unit prepares the disposal plan after the survey report is made by the board and submit to the authority as soon as possible.*

Recommendations

The Accounting Officer should:

- i. Institute a board of survey to evaluate and assess the status of the assets of the Entity with a report prepared to guide the disposal process;
- ii. Based on the board of survey report, ensure that obsolete assets are disposed in accordance with Regulation 2(1) of the PPDA (Disposal of Public Assets) regulations, 2023; and
- iii. Task the Head of Procurement and Disposal Unit to prepare the disposal plan and submit the same to the Authority, basing on the board of survey report.

2.3 EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION INCLUDING THE APPLICATION OF ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY (ESHS) REQUIREMENTS IN THE PROCUREMENT PROCESS.

The Authority established the anomalies below during the audit.

2.3.1 Failures at contract management

The Authority established from the files reviewed, that contract management in the Entity was not given due attention by the Contract Managers appointed, to ensure enforcement of the contractual terms and conditions, in the procurements listed in Table 10 below worth UGX.579,669,166.

Table 10: Failures at contract management

No.	Subject of procurement	Amount (UGX)	Findings
1.	Completion of construction of a three storeyed Girls' Hostel	351,775,346	<ul style="list-style-type: none"> - No contract supervisor appointed. - No contract implementation plan prepared - The progress reports were not prepared by the Contract Supervisor. The progress reports were not shared with the Accounting Officer and PDU during contract implementation. - No contract completion report prepared by the Entity, - The Entity did not prepare a completion certificate - No reports in the file to show that the contractor put in place social safeguarding measures (ESHS).
2.	Supply of assorted office stationery	7,579,000	<ul style="list-style-type: none"> - No contract supervisor appointed. - No contract implementation plan prepared - No payment records in the file.
3.	Supply of wood fuel	48,000,000	<ul style="list-style-type: none"> - No contract supervisor appointed. - No contract implementation plan prepared - No payment records in the file - No contract completion certificate prepared.
4.	Repair and maintenance of motor vehicles and generator	28,040,750	<ul style="list-style-type: none"> - No contract supervisor appointed. - No contract implementation plan prepared - No payment records in the file - No contract completion certificate prepared.
5.	Supply of assorted food items – Group A, under framework contract.	22,680,000	<ul style="list-style-type: none"> - No evidence of appointment of Contract Manager on file. - Contract management records and reports were not on file. - Delay in payment. Call-off No. 072 issued to Stevo Express Supply Ltd invoiced on 01st November 2022 with request for Payment: 01st November 2022 of

No.	Subject of procurement	Amount (UGX)	Findings
			UGX.30,050,000 had no evidence of payment on file by the audit date on 21 st September 2023.
6.	Supply of assorted food items – Group B, under framework	7,875,000	<ul style="list-style-type: none"> - No evidence of appointment of Contract Manager on file. - Contract management records and reports were not on file. <p>Delays in payment</p> <ul style="list-style-type: none"> - Delay in payment. Call-off No. 073 issued to Aloysiyo General Supplies invoiced on 01st October 2022 with request for Payment dated 07th November 2022 of UGX.18,610,000 had no evidence of payment on file by the audit date on 21st September 2023.
7.	Assorted uniforms – A	43,800,000.	<ul style="list-style-type: none"> - No evidence of appointment of Contract Manager on file. - Contract management records and reports were not on file. <p>Delay in Payment</p> <p>Payment: e.g., Call-off No. 058: ICT Experts date: 01st November 2022</p> <ul style="list-style-type: none"> - Request for Payment: 05th December 2022 of Amount: 37,100,000, and No evidence of payment records on file.
8.	Assorted uniforms – B	55,700,000	<ul style="list-style-type: none"> - No evidence of appointment of Contract Manager on file. - Contract management records and reports were not on file. <p>Delay in payment.</p> <ul style="list-style-type: none"> - Payment: e.g., Call-off No. 101: ICT Experts Inv. date: 31st March 2023, Request for Payment: 06th April 2023, Amount: 8,015,000
9.	Printed Stationery	2,553,000.	<ul style="list-style-type: none"> - No evidence of appointment of Contract Manager on file. - Contract management records and reports were not on file. <p>Delay in payment</p> <p>Payment: e.g., Call-off No. 099: ICT Experts Inv. date: 21st April 2023. Request for Payment: 24th April 2023, Amount: 9,500,000</p> <ul style="list-style-type: none"> - No evidence of payment records on file.

No.	Subject of procurement	Amount (UGX)	Findings
10.	Construction of kitchen shade and drainage.	11,666,070	<ul style="list-style-type: none"> - No contract supervisor appointed. - No contract implementation plan prepared. - Irregular payments made to the contractor. The final payment certificate approved by the Accounting Officer on 29th November 2022 showed that the contractor was paid UGX 14,775,960 yet the contract was signed at UGX 11,666,070. There was no justified reason to show why the contract price was increased by UGX 3,109,890. - There payment voucher and payment receipt were missing in the file - No contract management reports prepared - No contract completion certificate prepared
Total		579,669,166	

Implication.

Successful implementation of projects is anchored on good contract management. Hence, with the inefficiency in contract management identified in the table above, the Entity was exposed to risks of:

- Low performance of contractors;
- Poor-quality service delivery;
- Delays in provider payments, thereby causing contractors cash flow problems leading to slow implementation of projects; and
- The unjustified cost increment of UGX.3,109,890 in the construction of the kitchen shade and drainage was a possible avenue for cause of financial loss to the Entity.

Management response

The management acknowledges the gaps in contract management and will ensure the contract managers appointed prepare project implementation plans and progress reports to the Accounting Officer, copied to the PDU as per all sites work schedules.

Recommendations

The Accounting Officer should always task Contract Managers to:

1. Execute the roles assigned to them in the projects, and also provide the contract management report to the Accounting Officer with a copy to the PDU, as required in Regulation 52 of the PPDA (Contracts) Regulations, 2023; and
2. Always prepare project implementation plans and progress reports to the Accounting Officer copied to the PDU for monitoring purposes, in accordance to Regulation 50(3), of the PPDA (Contracts) Regulations 2023.

2.3.2 Failure to implement ESHS requirements

The Authority established non-compliance in ESHS requirements in the procurement transaction presented in Table 11 below, worth UGX.351,775,346, contrary to the requirements of Section 61A of the PPDA Act, 2003.

Table 11: Non-compliance identified in ESHS requirements

No.	Subject of procurement	Amount (UGX)	Findings
1.	Completion of construction of a three storeyed Girls' Hostel.	351,775,346	- No reports prepared to show that the contractor put in place social safeguarding measures (ESHS).
Total		351,775,346	

Implication

Lack of ESHS implementation plan and report in the above project, showed that the Entity was not committed to the enforcement of ESHS requirements in its project.

Management response

The management acknowledges the gap and pledges to ensure that the ESHS requirements are fully implemented in the subsequent contracts. However, management ensured that the contract manager and the supervision team were appointed to work together with construction committee to enforce the compliance of the contractor about ESHS requirements.

Management draws attention to the fact that works for the above project were already complete and as such the following interventions were made:

On Environmental issues, the contractor offered to plant trees to replenish the nature that was destroyed during the landscaping and the trees are growing well.

On social issues, the project had no much social effect on the community since the biggest part of the project was already executed except finishes.

On Safety Issues, the contract manger together with the construction committee ensured that PPE were always on site for the workers and also safety notes were placed at various points to protect the workers however, despite the workers being given PPE, enforcement is required to ensure they use it.

On health Issues, The Contractor Organized routine guiding, Counseling and Voluntary testing on health-related issues for the workers.

Recommendation

The Accounting Officer should put in place measures to enforce compliance of the contractors on ESHS in all projects implemented in the Entity as required in Section 61A of the PPDA Act, 2003, including appointing ESHS project focal point persons, were appropriate

CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall Compliance Inspection Conclusion

The performance of Arua School of Comprehensive Nursing for the financial year 2022/23 was **moderately satisfactory** with an overall weighted average risk rating of **48%**.

Table 12: The risk rating is as follows

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

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 of Arua School of Comprehensive Nursing.

Risk Rating	No.	% By No.	Weight	Weighted score by No.	Value (UGX)	% Value	Weight	Weighted score by value
High	1	10%	0.6	6%	11,666,070	2%	0.6	1%
Medium	7	70%	0.3	21%	512,424,096	88%	0.3	26%
Low	2	20%	0.1	2%	55,579,000	10%	0.1	1%
Satisfactory	0	0	0	0	0	0	0	0
Total	10	100	1	29%	579,669,166	100	1	28%

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{29 \times 100}{60} = 48\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{28 \times 100}{60} = 47\%$$

$$\text{The average weighted risk rating} = \frac{48+47}{2} = 48\%$$

Figure 1: Risk Rating by Number

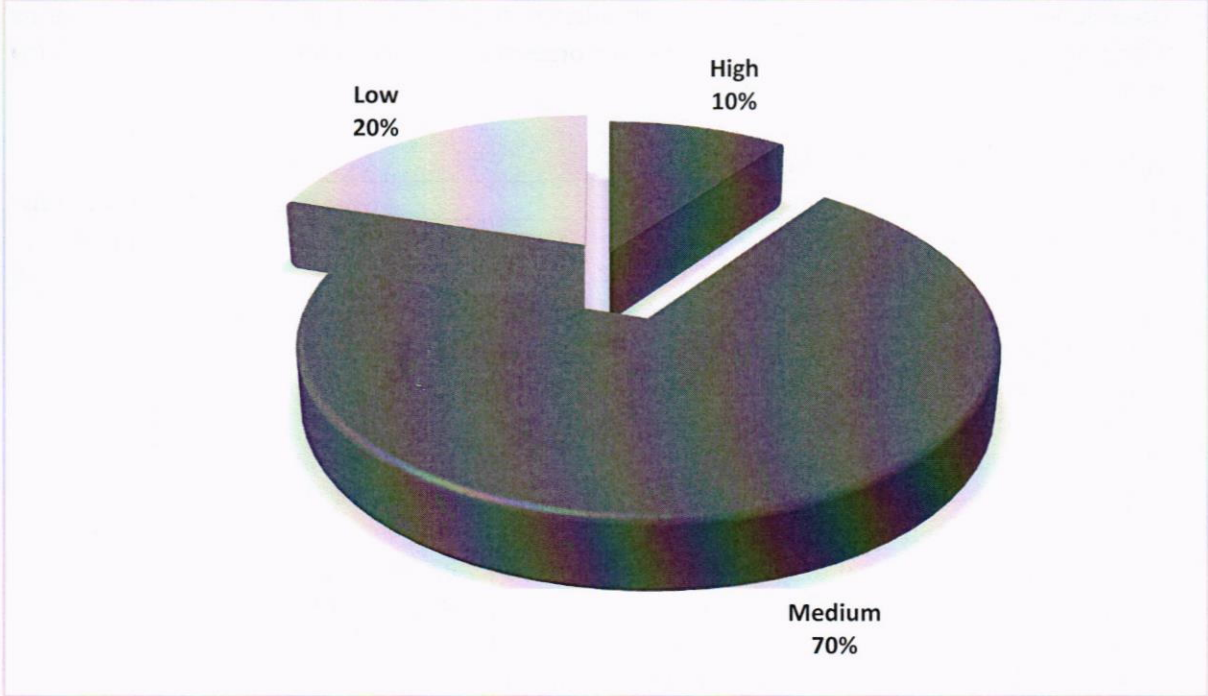
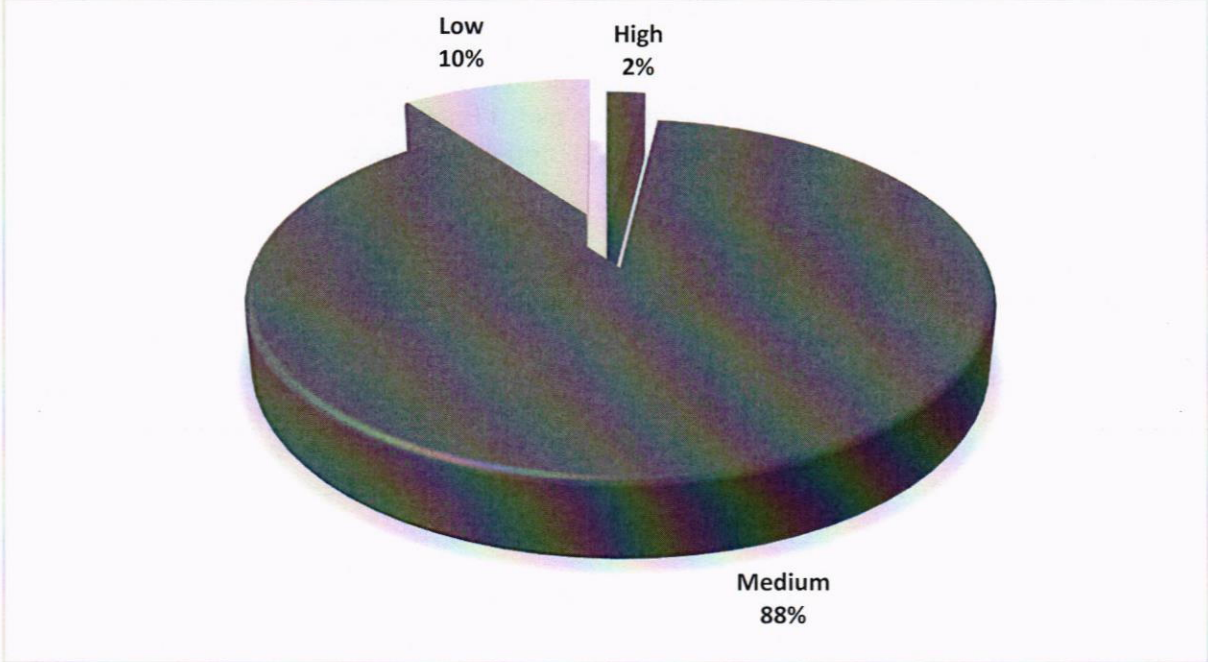


Figure 2: Risk Rating by Value



3.2 Recommended Action Plan

Arua School of Comprehensive Nursing should implement the following recommendations within the timeframe given to improve its performance in accordance with Section 9 (1) (a) of the PPDA Act, 2003.

Table 14: Recommended Action Plan

Recommendation	Action Date
<p>The Accounting Officer:</p> <p>1. The Accounting Officer should:</p> <ul style="list-style-type: none"> i. Task the Head Procurement and Disposal Unit to always ensure that bid evaluation criteria stated in the bidding documents are adhered to during evaluation by the Evaluation Committees, as required in Regulation 5 of the PPDA (Evaluation) Regulations, 2023; ii. Always task Contract Managers to execute their assigned contractual obligations, as required in Regulation 52 and 50(3), of the PPDA (Contracts) Regulations, 2023; iii. Institute a board of survey to evaluate and assess the status of the assets of the Entity for disposal and also ensure that the obsolete assets are disposed of in accordance with Regulation 2(1) of the PPDA (Disposal of Public Assets) regulations, 2023; and iv. Put in place measures to enforce compliance of service providers with ESHS in all projects implemented in the Entity, including appointing ESHS project focal point persons, where appropriate. 	6 months
<p>2. The Head of the Procurement and Disposal Unit:</p> <ul style="list-style-type: none"> v. Ensure that framework contract unit rates (prices) for all items procured under framework agreements, are implemented in compliance with guideline 6.4(ii) of the PPDA (Guidance on use of Framework Contracts for procurement of supplies, works and non-consultancy services), guideline No.10/2014; vi. Always ensure that bid evaluation is executed following the criteria set in the bidding document and on equal terms without any deviation, in compliance with the requirements of Regulations 5 of the PPDA (Evaluation) Regulations, 2023; and vii. Ensure that each project executed in the Entity has complete procurement files with records from procurement plan to contract closure, as required in Section 31 (o) of the PPDA Act, 2003, and as detailed in the PPDA guideline 10/2024 on procurement and disposal records to be kept by the Entity. 	6 months
<p>User Departments should:</p> <ul style="list-style-type: none"> ix. Always prepare and provide detailed statement of requirements in compliance with Regulation 34 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023, at the initiation of any procurement. 	6 months

Appendix 1: Sampled Audited Procurement Files with their Risk Rating.

No	Procurement Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk Rating
1.	ASCN/WRKS/22-23/00001	Completion of construction of a three storeyed Girls' Hostel.	Open Domestic Bidding	Development Infrastructure	351,775,346	Medium
2.	ASCN/WRKS/22-23/00002	Construction of Kitchen Shade	Restricted Bidding	SBOG Engineering Co. Ltd	11,666,070	High
3.	ASCN/SPLS/2022/23-24/00001	Supply of assorted office stationery.	Open Domestic Framework	Santox Merchants-SMC Ltd	7,579,000	Low
4.	ASCN/SPLS/2022/23-24/00002	Supply of wood fuel	Open Domestic Framework	Dido General Merchants Ltd	48,000,000	Low
5.	ASCN/SRVCS/2022/23-24/00001	Repair and maintenance of motor vehicles and generator.	Open Domestic Framework	Oscar Rendezvous Ltd	28,040,750	Medium
6.	ASCN/SUPLS/22/23-24/00003A	Supply of assorted food items – Group A.	Open Domestic framework	Stevo Express Supply	22,680,000	Medium
7.	ASCN/SUPLS/22/23-24/00003B	Supply of assorted food items – Group B.	Open Domestic framework	Alosiyo General Supplies	7,875,000	Medium
8.	ASCN/SUPLS/22/23-24/00004A	Assorted uniforms - A	Open Domestic framework	ICT Experts Uganda Ltd	43,800,000	Medium
9.	ASCN/SUPLS/22/23-24/00004B	Assorted uniforms - B	Open Domestic framework	ICT Experts Uganda Ltd	55,700,000	Medium
10.	ASCN/SUPLS/22/23-24/00001	Printed Stationery	Open Domestic framework	ICT Experts Uganda Ltd	2,553,000	Medium
Total					579,669,166	

Appendix 2: Summary of case-by-case findings and risk rating

No	Contract Description	Reason for High Risk
1.	Construction of kitchen shade and drainage	<ul style="list-style-type: none"> - No contract supervisor appointed. - Agreement missing contract date. - Irregular payments of UGX 14,775,960 to the contractor, SBOG Engineering Co. Ltd, yet the contract was signed at UGX 11,666,070. Increasing the contract price by UGX 3,109,890.
	Contract Description	Reason for Medium Risk
2.	Repair and maintenance of motor vehicles and generator.	<ul style="list-style-type: none"> - Unclear evaluation criteria like, on trading license and tax clearance without specifying the validity period. - Failure by the evaluation committee to detect submission of fogged tax clearance certificate by the BEB Oscar Rendezvous Ltd. - Failure to appoint Contract Manager. - Lack contract management records.
3.	Supply of assorted food items – Group A.	<ul style="list-style-type: none"> - Insufficiency in the specification issued for food supply. Items were described by product names e.g. beans, cow peas, rice, e.t.c, without details on level of dryness, foreign matter content, packing, and such other related caution needed to safe guard the supply safe for human consumption. - Failure to indicate unit cost for food items under framework contract (e.g. how much is a Kg of beans, Posho, e.t.c).
4.	Supply of assorted food items – Group B.	<ul style="list-style-type: none"> - Insufficiency in the specification issued for food supply. Items were described by product names e.g fish, meat, cooking oil, without details on level of freshness, expiry dates, packing, and such other related caution needed to safe guard the supply, safe for human consumption. - Failure to indicate unit cost for food items under framework contract (e.g. how much is a Kg of meat, or fish, e.t.c).
5.	Assorted uniforms - A	<ul style="list-style-type: none"> - Specification lacked details on; sizes, material quality, design, for male female user, labels required, e.t.c. Instead it was in general, uniform. - Failure by the Evaluation Committee to compile minutes for the evaluation process. - Date of contract agreement preparation date missing.

6.	Assorted uniforms - B	<ul style="list-style-type: none"> - Specification lacked details on; sizes, material quality, design, for male female user, labels required, e.t.c. instead it was in general uniform. - Failure by the Evaluation Committee to compile minutes for the evaluation process. - Date of contract agreement preparation date missing.
7.	Printed Stationery	<ul style="list-style-type: none"> - Specification provided did not define the type of printed stationery, paper size and quality, printed with logo, duplicated, e.t.c - Failure by the Evaluation Committee to compile minutes for the evaluation process. - Date of contract agreement preparation date missing.
8.	Completion of construction of a three storeyed Girls' Hostel.	<ul style="list-style-type: none"> - Issuing bidding document with unclear evaluation criteria. - Failure to prepare ESHS reports for the project.
	Contract Description	Reason for Low Risk
9.	Supply of wood fuel	<ul style="list-style-type: none"> - Not specifying period of validity of trading license, and tax clearance. - Not considering requirements for audited accounts during evaluation. - Irregular requirement VAT registration certificate.
10.	Supply of assorted office stationery.	<ul style="list-style-type: none"> - Not specifying period of validity of trading license, tax and tac clearance. - Not considering requirements for audited accounts during evaluation.

Appendix 3: Risk Rating Criteria

Risk	Description
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".
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.
Low	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.
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.

Appendix 4: Staff in the Procurement and Disposal Unit

No	Name	Designation	Academic Qualification
1	M/S. Ujeo Agatha	Procurement Officer	Bachelor in Procurement and Logistics Management

Appendix 5: Members of the Contracts Committee.

No	Name	Position on Contracts Committee	Designation
1.	Mr. Anguyo Moris	Chairperson	Health Tutor
2.	Mr. Egatio Martin	Member	IT Instructor
3.	Mr. Atanze Albert	Member	Clinical Instructor
4.	M/S. Khisa Catherine	Member	Health Tutor
5.	Mr. Ilaat Oscar	Legal advisor	State Attorney