



PROCUREMENT AND DISPOSAL AUDIT REPORT

FINANCIAL YEAR 2022-2023

APAC MUNICIPAL COUNCIL

APRIL 2024

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ACRONYMS

BEB	Best Evaluated Bidder
BOQ	Bills of Quantities
FY	Financial Year
GCC	General Condition of the Contract
Ltd	Limited
LG	Local Government
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
PPDA Act	Public Procurement and Disposal of Public Assets Act
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a procurement and disposal audit of Apac Municipal Council that covered a sample of 20 procurement transactions conducted in the Financial Year 2022-2023. The overall objective of the procurement and disposal audit of Apac Municipal Council was to assess and establish the degree of compliance of Apac Municipal Council's procurement and disposal system and processes with the provisions of the PPDA Act, 2003 and the Local Governments (PPDA) Regulations, 2006 and assess the level of procurement performance over the audit period.

From the findings of the procurement and disposal audit exercise, the performance of Apac Municipal Council for the Financial Year 2022/2023 was **moderately satisfactory** with an average weighted risk rating of **53.4%** as per the ranking in table 26 in Chapter 3 of this audit report.

The following key exceptions were noted:

1. The Entity failed to adhere to the stipulated lead timelines as per Section 3 of Guideline 2/2008 of the of the Local Governments (Public Procurement and Disposal of Public Assets) Guidelines, 2008; the planned timelines were updated to reflect the actual timelines of implementation of the procurement processes i.e. all planned procurements took either 191 working days (14th April, 2022 to 5th January, 2023) or 292 working days (10th March 2022 to 21st April 2023) from initiation to contracting as opposed to 65 working days for Open Domestic Bidding and 60 working days for Selective National Bidding thus leading to delayed service delivery to intended beneficiaries;
2. The User Departments delayed by an average of 44 working days to raise LG PP Form 1 in four procurements worth UGX 51,946,690 which increased the procurement lead times, thereby exposing the Entity to the risk of failure to fully absorb funds released to the Entity and delaying service delivery to the intended beneficiaries;
3. The Procurement and Disposal Unit delayed by an average of 121 working days to submit Part 2 of Form 1 to the Contracts Committee for approval of the procurement method, bidding document, invitation to bid and Evaluation Committee members which increased the procurement lead times hence delay in service delivery and subsequently exposing the Entity to the risk of failure to fully absorb fund releases;
4. The Authority found irregularities such as inadequate evaluation criteria, incomplete evaluation criteria, missing evaluation criteria, contradictory terms and contradictory defects liability periods in the issued bidding documents of four procurements worth UGX 214,799,481 which exposed bidders to the risk of preparing non-responsive bids and also increasing the risk of contract failure due to inadequate requirements in the bidding document;
5. The Authority found evaluation irregularities which included passing of non-compliant bidders, failure to validate tax clearance certificates, irregular communication of arithmetic corrections in nine procurements worth UGX 321,764,618 thus exposing the Entity to the risk of contract failure through contracting non-responsive providers;
6. The Authority found irregularities at contract signing such as signing contracts with individuals without Powers of Attorney (POA) and delays in contract signature in five procurements worth UGX 102,240,948 which exposed the Entity to the risk of litigation issues caused by signing contracts with a person without Powers of Attorney;

7. The Authority found that the Entity did not dispose obsolete assets despite having a disposal plan. Notably, several items due for disposal were lying obsolete in the Entity's compound which exposed them to the risk of loss or vandalism and continued loss in value through depreciation; and
8. The Authority found that in the construction works for selected infrastructure sub projects in cluster II for Apac Municipal Council (Chegere Road 0.8km and Hospital/Chawente Road 0.8km), there was slow progress of the works as per the consultant's monthly progress report for the month ended 30th November 2023 submitted on 4th December 2023. The Contractor had achieved a physical progress of 88.5%. 104.1% of the project time had elapsed which exposed the Government of Uganda to the risk of increased costs associated with the project and also delayed improvement in urban service delivery.

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

1. The Accounting Officer should:
 - i) Sign contracts with the person (s) who has Powers of Attorney to ensure legitimacy of the contract;
 - ii) Ensure contracts are signed in a timely manner in accordance with Section 48 of the PPDA Act, 2003;
 - iii) Ensure disposal of all obsolete assets, to avoid further depreciation and attain value for money in accordance with Section 87 of the PPDA Act, 2003; and
 - iv) Request the designated Project Manager for the Construction Works for selected Infrastructure Sub Projects in Cluster II, Apac Municipal Council to present a detailed report on the present status of the contract implementation to the Authority within one month from receipt of this report. Furthermore, the Accounting Officer should further ensure that the Project Manager is closely monitoring the progress to ensure timely completion of the works before the project closure in June 2024, and to ensure that the quality and integrity of the works are maintained.
2. The Contracts Committee should scrutinize all sections of the bidding documents for completeness and appropriateness before approving them for issue in accordance with Section 28 (1) (e) of the PPDA Act, 2003.
3. The Procurement and Disposal Unit should:
 - i) Set timelines in the procurement plan in accordance with the stipulated lead times set in accordance with PPDA Regulations, 2023 i.e. Regulation 56 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023 and Regulation 4 of the PPDA (Evaluation) Regulations, 2023;
 - ii) Ensure timely submissions of documents to the Contracts Committee for approval, to promote efficiency in public procurement in accordance with Section 48 of the PPDA Act, 2003;
 - iii) In preparation of bidding documents, conduct quality assurance for appropriateness of all the required documentation in accordance with Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023;

- iv) Prepare a shortlist of at least six bidders, except for micro procurement which shall have three bidders in accordance with Regulation 53 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023;
 - v) Explore the use of other disposal methods for items that cannot attract any value, for example conversion or classification of an asset into any other form may be used where the asset has no residual value in its current form, in accordance with Regulation 16 and 17 of the PPDA (Disposal of Public Assets) Regulations, 2023; and
 - vi) Also consider the use of destruction of an asset where the asset has no residual value and it cannot be transferred to any other procuring and disposing entity or converted or classified into another form with any value in accordance with Regulation 13 (b) of the PPDA (Disposal of Public Assets) Regulations, 2023.
4. User Departments should put in place functional monitoring mechanisms for their work plans and initiate procurements according to the procurement plan time schedules, to promote efficiency in public procurement in accordance with Section 48 of the PPDA Act, 2003.
5. The Evaluation Committees should:
- i) Evaluate the bids following the criteria set in the bidding document and waive any non-material deviations in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2023;
 - ii) Verify the accuracy, validity and authenticity of the documents submitted by a bidder during preliminary examination in accordance with Regulation 17 (1) of the PPDA (Evaluation) Regulations, 2023; and
 - iii) Be vigilant while reviewing the information submitted by the bidders for conformity with the set criteria, before passing bidders in accordance with Section 71 (3) of the PPDA Act, 2003.

Apac Municipal Council should implement the recommendations in the action plan on pages **56 to 61**.

CHAPTER 1: INTRODUCTION

1.1. Structure of the Entity

Section 26 of the PPDA Act, 2003, gives the Accounting Officer the overall responsibility for the successful execution of the procurement and disposal processes in Apac Municipal Council. The Accounting Officer of Apac Municipal Council during the Financial Year under audit was the Town Clerk, Mr. Stanslous Mangasa. The composition of the Contracts Committee and Procurement and Disposal Unit are detailed in Appendix IV.

1.2. Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out a procurement and disposal audit of Apac Municipal Council that covered a sample of 20 procurement transactions conducted in the Financial Year 2022/2023. The audit involved a review of procurement structures, asset procurement and disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act, 2003 and the Local Governments (PPDA) Regulations, 2006.

1.3. Objective of the Audit

The primary objective of the audit exercise was to provide assurance on full and correct application of the PPDA Act, 2003 and the Local Governments (PPDA) Regulations, 2006 and Guidelines by Apac Municipal Council.

The specific objectives were to:

1. To establish the level of compliance by the Entity with the general provisions of the PPDA Act, 2003 and Regulations, 2006 with regard to the performance of the procurement structures and conduct of procurement processes.
2. To assess the degree of compliance of the Entity's disposal processes with the provisions of the PPDA Act, 2003 and Local Governments (PPDA) Regulations, 2006.
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.

1.4. Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation on sample basis. The audit covered a sample of 20 procurement transactions worth UGX 21,256,134,465 conducted during the Financial Year 2022/2023. The list of sampled transactions is contained under **Appendix I**. The distribution of the transaction population and sample was as shown in Table 1 below:

Table 1: Distribution of the transaction's population and sample for audit

Procurement method	Pop Value (UGX)	Sample value (UGX)	% by Value	Popn no	Sampl c no	% no
Open Domestic Bidding	493,465,119	477,077,119	97	9	6	67
Selective Bidding	213,226,710	175,265,310	82	15	7	47
Direct Procurement	0	0	0	0	0	0

Procurement method	Pop Value (UGX)	Sample value (UGX)	% by Value	Popn no	Sampl e no	% no
Micro Procurement	13,333,000	0	0	20	0	0
Force Account	48,524,850	48,524,850	100	2	2	100
USMID	20,555,267,186	20,555,267,186	100	5	5	100
TOTAL	21,323,816,865	21,256,134,465	99.7	51	20	39

1.5. Procurement and Disposal Audit Methodology

The auditors examined records and documents for each sampled procurement and disposal transaction and obtained relevant and sufficient evidence to derive 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 that arose during the audit was held with the Entity management and staff on **22nd December 2023** before the auditors could embark on preparation of the management letter. The management letter was sent to the Entity on **18th January 2024** with a requirement to submit a management response by **24th January 2024**. The management response was submitted by the Entity on **30th January 2024**. The exit meeting was held on **1st February 2024** at the PPDA Northern Regional Offices, Plot 1, Lower Churchill Drive in Gulu City.

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

CHAPTER 2: AUDIT FINDINGS AND RECOMMENDATIONS

2.1. COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, 2003 AND LOCAL GOVERNMENTS (PPDA) REGULATIONS, 2006 IN REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND PROCUREMENT PROCESSES

2.1.1 Procurement plan implementation rate

The Authority found that the Entity procured items worth UGX 720,024,829 for the Financial Year 2022-2023. This amounted to 93.6% of the planned procurement value worth UGX 769,006,000. Procurements worth an estimated UGX 48,981,171 were not implemented. The details are given in the table 2 below:

Table 2: Procurement plan implementation rate

Total procurement plan value inclusive VAT (UGX)	769,006,000
Total procurement spend value inclusive VAT (UGX)	720,024,829
Procurement plan implementation rate (%)	93.6%
Budget Variance (UGX)	48,981,171

Implication

The Entity failed to deliver goods and services worth UGX 48,981,171 to the intended beneficiaries.

Recommendation

The Accounting Officer should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance.

The Authority further found the following anomalies related to procurement planning.

a) Failure to report some planned items.

The Authority found that the Procurement and Disposal Unit did not report in the quarterly reports submitted to the Authority, 11 procurements that were conducted under force account mechanism worth UGX 173,575,000 as detailed in table 3 below:

Table 3: Procurements not reported in the quarterly report

No.	Subject of procurement	Amount (UGX)
1.	Routine Mechanized Maintenance Teibu-Angayiki	27,700,000
2.	Routine Mechanized Maintenance Radio Devine Road	7,373,000
3.	Routine Mechanized Maintenance Off Okello Jimmy Road	5,540,000
4.	Routine Mechanized Maintenance Orwai-Bardek Road	22,160,000
5.	Routine Mechanized Maintenance Ayom Makagwata -Bardek B	27,700,000
6.	Routine Mechanized Maintenance Ollepek -Kzone	13,850,000
7.	Routine Mechanized Maintenance of Alwangi A-Alwangi B	22,159,000

No.	Subject of procurement	Amount (UGX)
8.	Routine Mechanized Maintenance Bama-Acekene	16,621,000
9.	Routine Mechanized Maintenance Temogo Roads	8,310,000
10.	Routine Mechanized Maintenance Barodong-Arocha Road	11,081,000
11.	Routine Mechanized Maintenance Washington Egang Road	11,081,000
	Total	173,575,000

Implications

Failure to report to the Authority all awarded contracts contravenes the principles of transparency and accountability in public procurement.

Management Response

Management appreciates the observation of the Audit team it's true that the above projects were not reported to the Authority since they are implemented under amendment of PPDA Law i.e. force account mechanism were the entity used its personnel and the available equipment hence only the inputs like fuel, repair of equipment is procured using frame work contract and the allowance of the personnel is paid directly to them meaning no bids was awarded. Bali-Alyec Town Council was not worked on. There was no gravelling of Washington Egang Road instead routine mechanized maintenance was done due to a budget cut of Ugx 48,907,000 which is the Budget Variance in table 2 above.

Authority's Response

The Authority noted the Entity's response, reviewed the submitted project files and adjusted table 3 above accordingly. However, the Authority advises that the Entity should plan and report on roads under force account but exclude allowances.

Recommendation

The Procurement and Disposal Unit should ensure that the monthly summary reports of all contracts awarded are published and submitted to the Authority in accordance with Regulation 15 (1) of the PPDA (PDEs) Regulations, 2023.

b) Failure to adhere to stipulated lead times as per guidelines.

The Authority found that the Entity failed to adhere to the stipulated lead timelines as per the guidelines. The planned timelines for all planned procurements took either 191 working days (14th April, 2022 to 5th January, 2023) or 292 working days (10th March 2022 to 21st April 2023) from initiation to contracting. Notably, the planned timelines were updated to reflect the actual timelines of implementation of the procurement processes. According to Section 3 of Guideline 2/2008 of the Local Governments (Public Procurement and Disposal of Public Assets) Guidelines, 2008 the timelines are as detailed below in table 4 below:

Table 4: Timelines according to the guidelines

Procurement Method	Bidding Period	Evaluation Period (max)	Display Period of the BEB Notice	Total
Open Domestic Bidding	15	40	10	65
Selective Domestic Bidding	10	40	10	60

Implication

Failure to adhere to stipulated timelines leads to delayed service delivery to intended beneficiaries.

Management Response

Management acknowledges the above irregularities it's true that the entity did not adhere to lead times as per guidelines but this is affected by the initiation time line of procurement according to the Local Government assessment manual that requires the User Departments to submit their Departmental Procurement work plan and LG PP Form 1 not later than 30th April of the previous financial year hence affecting the entire procurement lead time.

Authority's Comment

The Authority noted the Entity's response regarding the requirement of the Local Government assessment however the delays were not singularly caused by the early requisition but also subsequent delays in other stages.

Recommendation

The Procurement and Disposal Unit should set timelines in the procurement plan in accordance with the stipulated lead times set in accordance with PPDA Regulations, 2023 i.e. Regulation 56 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023 and Regulation 4 of the PPDA (Evaluation) Regulations, 2023.

2.1.2. Irregularities in the conduct of micro procurements.

The Authority found that User Departments undertook micro-procurements and noted the following irregularities:

- i) The User Departments did not submit to the Procurement and Disposal Unit, monthly reports on micro procurements undertaken for onward submission to the Contracts Committee for ratification contrary to Regulation 41 (8) of the Local Governments (PPDA) Regulations, 2006.
- ii) User Departments did not follow the correct procedures when conducting micro procurements contrary Regulation 41 (5) of the Local Governments (PPDA) Regulations, 2006 as the User Departments did not obtain original invoices or receipts for these micro procurements or even state the name of the officials undertaking the procurement.
- iii) The User Departments did not maintain records for the micro procurements undertaken throughout the financial year.

Subsequently, not all micro procurements undertaken in the financial year under review, were reported to the Authority in the quarterly report submissions by the Entity.

Implication

- Failure to report to the Authority all micro procurements undertaken by the Entity contravenes the principles of transparency and accountability in public procurement.
- The Authority was unable to determine whether the Entity achieved value for money in conducting micro procurements contrary to Regulation 41 (6) of the Local Governments (PPDA) Regulations 2006, as there were no records.

Management Response

Management acknowledges the above observation of the Audit team but the Accounting Officer delegates the above function to the User Department every financial year.

Micro Procurements are always reported although not all User Departments comply as required and with the introduction of IFMS quarterly reports are always system generated by finance department and complied by PDU.

Authority's response

The Authority noted the Entity's response and was able to verify the Accounting Officer's delegation to the User Departments; however, the reporting for micro procurements was done in only quarter one. The report on micro procurements in the quarter four was for one User Department and not in the recommended format. The second and third quarter reports did not have micro procurements reported.

Recommendation

The Head Procurement and Disposal Unit should submit to the Authority, monthly procurement and disposal reports and performance data of all procurement transactions, including micro procurements undertaken by the Entity, not later than the fifteenth day of the first month of the following month in accordance with Regulation 15 (1) of the PPDA (PDEs) Regulations, 2023.

2.1.3 Failure to fully implement the PPDA audit recommendations for FY 2018/19.

The Authority found that the Accounting Officer did not fully implement the Authority's recommendations issued in the procurement audit report of April 2023 for the FY 2021/22. Out of the 14 recommendations made, 1 (7.1%) was implemented, 11 (78.6%) were partially implemented and 2 (14.3%) were not implemented as indicated in table 5 below:

Table 5: Audit recommendations implementation status

Action Party	Recommended Action	Status of implementation
Accounting Officer	The Accounting Officer should account for unspent amount worth UGX 209,820,637 that was released by the Uganda Road Fund for routine maintenance of roads using force account in the Financial Year 2021/2022.	Not Implemented
	The Accounting Officer should instruct the Head Procurement and Disposal Unit to regularly (at least quarterly) review the implementation of the procurement plan and have it updated whenever necessary.	Partially Implemented
	The Accounting Officer should implement all the Authority's procurement audit recommendations in accordance with Regulation 14 (k) of the Local Governments (PPDA) Regulations, 2006. Where management finds challenges in implementation of any recommendation, this should be brought to the attention of the Authority.	Partially Implemented

Action Party	Recommended Action	Status of implementation
	The Accounting officer should investigate and address the causes of low bidder participation in the Entity.	Partially Implemented
	The Accounting Officer should prioritise the need for office space including storage facilities for the Procurement and Disposal Unit such as shelves and filing cabinets.	Partially Implemented
	The Accounting Officer should dispose all obsolete assets of the council in accordance with Regulation 122 of the Local Governments (PPDA) Regulations, 2006.	Partially Implemented
	The Accounting Officer should take the overall responsibility of ensuring that the contract for construction of Chegere Road 0.8km and Hospital/Chawente Road 0.8km under USMID is completed and quality standards maintained.	Partially Implemented
Procurement and Disposal Unit	The Procurement and Disposal Unit should regularly review the implementation of the procurement plan and engage management to have it updated whenever necessary.	Implemented
	The Head Procurement and Disposal Unit should archive all documents pertaining to a particular procurement on their respective files in accordance with Section 31 (o) of the PPDA Act, 2003.	Partially Implemented
	The Head Procurement and Disposal Unit should prepare solicitation documents that define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity in accordance with Regulation 48(2) of the Local Governments (PPDA) Regulations, 2006.	Partially Implemented
Contracts Committee	The Contracts Committee should scrutinize the statement of requirements, evaluation criteria and contract terms in the bidding documents to ensure that they are complete, appropriate, fair, minimize risk for the Entity, and maximize achievement of value for money before approval.	Partially Implemented
User Departments	The Contract Supervisors should submit regular progress /contract management reports to the Procurement and Disposal Unit as required under Regulation 119 (10) (f) of the Local Governments (PPDA) Regulations, 2006.	Partially Implemented

Action Party	Recommended Action	Status of implementation
Evaluation Committee	Evaluation Committee members should adhere to the criteria set out in the solicitation document during bid evaluation in accordance with Regulation 73 of the Local Governments (PPDA) Regulations, 2006.	Partially Implemented
	The Evaluation Committees should be vigilant while reviewing the information submitted by the bidders for conformity with the set criteria before passing bidders in accordance with Section 71 (3) of the PPDA Act, 2003.	Not Implemented

Implication

Failure to fully implement the Authority's audit recommendations is a red flag for weak internal controls and affects the performance of the procurement and disposal function in the Entity.

Management Response

Management acknowledges the above observation of the Audit team and shall implement all the recommendation by the Authority in the current financial year 2023/2024.

Recommendations

The Accounting Officer should:

1. Take corrective action and engage all stakeholders to develop strategies on implementation of all the Authority's recommendations in accordance with Section 9 (1) (a) of the PPDA Act, 2003; and
2. Provide feedback to the Authority where the Entity finds it impractical to implement the recommendations by the Authority.

2.1.4 Inadequate record keeping facilities.

The Authority found that the Procurement and Disposal Unit lacks adequate office space, filing cabinets and shelves to safely keep the procurement and disposal documents and records as required by the Section 31 (o) of the PPDA Act, 2003. This is shown in figure 1 below:

Figure 1: Inadequate storage facilities in the Procurement and Disposal Unit



Implication

Failure to safely keep the procurement and disposal documents and records exposes them to the risk of unauthorized access, disappearance and/or damage.

Management Response

Management appreciates the above finding by the Audit team, as a new Municipality office space has been a challenge but the entity is in the process of completing the ground floor of a new administration block in the current financial year hence the above issue shall be addressed as recommended by the Authority.

Recommendation

The Accounting Officer should provide secure storage facilities for the Procurement and Disposal Unit in order to maintain and archive records of the procurement and disposal process in accordance with Section 41 (1) of the PPDA Act, 2003.

2.1.5 Failure by Internal Audit to audit the procurement function

The Authority found that, whereas the Entity's Internal Auditor indicated in the report that they had audited eight procurements as listed in table 6 below, the Internal Auditor did not audit and report on the procurement process for each transaction. The Internal Auditor however, indicated holistically whether a certain "key function in the procurement process" was satisfactory or unsatisfactory and gave general audit remarks on all the procurements audited as a whole.

Table 6: Procurements audited by the Internal Auditor

No.	Procurement.
1.	Construction of a 5-stance drainable latrine at Awiri Primary School
2.	Construction of a 5-stance drainable latrine at Owang Primary School
3.	Supply of fuel, oil and lubricant
4.	Supply of garbage truck to Apac Municipal Council
5.	Repair and maintenance of Motor Vehicle
6.	Construction and installation/ subscription of electricity, windows/ door fittings of an office block at Apac MC headquarter phase 4
7.	Construction of Apac Municipal Administration block phase iv at Apac Municipal HQ
8.	Fencing of slaughter slab

Implication

This denies the Accounting Officer and management assurance on particular procurement transactions, thereby denying them the opportunity for timely correction of anomalies before severe outcomes.

Management response

Management acknowledges the above observation of the Audit team and shall improve in this area but this is also attributed to capacity gaps in the field of procurement audit hence there is need for the Authority to help by providing Local Government Internal Auditors with regular training in procurement audit to enlighten them in the evolving procurement audit practice and environment.

Recommendations

1. The Internal Audit should audit procurement transactions individually and report on each procurement process as opposed to having generalized queries for all audited files in accordance with Regulation 27 of the PPDA (PDEs) Regulations, 2023.
2. The Accounting Officer should seek for capacity building from the Authority in the event that the Internal Auditor(s) needs it.

2.1.6 Delays by User Departments to initiate procurement requirements.

The Authority found that the User Departments delayed by an average of 44 working days to initiate LG PP Form 1 in four procurements worth UGX 51,946,690 as indicated in table 7 below, contrary to Section 48 of the PPDA Act 2023.

Table 7: Procurements with delayed initiation of LG PP Form 1

No.	Subject of procurement	Planned date of Accounting Officer approval	Actual initiation date	Delays in working days
1.	Fencing of abattoir-slaughter slab worth UGX 21,946,690 by Kasase Enterprises	13 th March 2022	10 th April 2022	19
2.	Collection of revenue from Arocha auction market worth UGX 13,200,000 by Don Millions Uganda Limited	29 th July 2021	8 th October 2021	52
3.	Revenue collection from hospital market gate worth UGX 7,200,000 by Don Millions Uganda Limited			
4.	Revenue collection from Apac main market worth UGX 9,600,000 by Don Millions Uganda Limited			

Implication

Delays to raise requisitions, increases the procurement lead times, thereby increasing the risk of failure to fully absorb appropriated funds and delaying service delivery to the intended beneficiaries.

Management Response

Management acknowledges the audit findings and shall ensure that all procurements are initiated as planned in the future.

Recommendation

User Departments should put in place functional monitoring mechanisms for their work plans and initiate procurements according to the procurement plan time schedules, to promote efficiency in public procurement in accordance with Section 48 of the PPDA Act, 2003.

2.1.7 Delay by the Procurement and Disposal Unit to make submissions to the Contracts Committee for approval.

The Authority found that the Procurement and Disposal Unit delayed by an average of 121 working days to submit Part 2 of Form 1 to the Contracts Committee for approval of the procurement method, bidding document, invitation to bid and Evaluation Committee members contrary to Section 48 of the PPDA Act, 2003 in nine procurements worth UGX 409,991,438 as detailed in table 8 below:

Table 8: Procurements with delayed PDU submission to the Contracts Committee

No.	Subject of procurement	Accounting Officer approval date of LG PP Form 1	Date of PDU submission of LG PP Form 2 to the Contracts Committee	Delay in working days
1.	Supply of garbage truck to MC worth UGX 185,000,000 by Tata Uganda Limited	14 th April 2022	22 nd September 2022	116
2.	Supply of oil, fuel and lubricants worth UGX 101,729,280 by Big Horn Petroleum Limited	14 th April 2022	22 nd September 2022	116
3.	Repair of Motor Vehicle spare parts, tubes, tyres and batteries etc and repair and maintenance of motor vehicles and motor cycles worth UGX34,405,258	14 th April 2022	22 nd September 2022	116
4.	Supply of office stationery, tonner and office equipment, printing and receipting media and production of staff identification cards and national legislation books by Explore IT Technologies Limited	14 th April 2022	22 nd September 2022	116
5.	Construction of girls drainable pit Latrine at Awiri Primary School worth 29,767,900	20 th April 2022	9 th March 2023	232
6.	Construction of boys drainable pit Latrine at Owang Primary School worth 29,089,000	20 th April 2022	9 th March 2023,	232
7.	Revenue collection from hospital market gate worth UGX 7,200,000	8 th October 2021	22 nd December 2021	54

No.	Subject of procurement	Accounting Officer approval date of LG PP Form 1	Date of PDU submission of LG PP Form 2 to the Contracts Committee	Delay in working days
8.	Revenue collection from Apac main market worth UGX 9,600,000	8 th October 2021	22 nd December 2021	54
9.	Revenue collection from Arocha auction market worth UGX 13,200,000	8 th October 2021	22 nd December 2021	54

Implication

Delay to seek the Contracts Committee's approval of procurement procedural requirements increases the procurement lead times, which delay service delivery to the intended beneficiaries and also exposes the Entity to the risk of failure to utilize funds by the end of the financial year.

Management Response

Management acknowledges the audit findings it's true that the unit delayed to submit the above procurement to Contract Committee but this is attributed to initiation time line of procurement according to the local government assessment manual that requires the User Departments to submit their Departmental Procurement work plan and LG PP Form 1 not later than 30th April of the previous financial year hence affecting the entire procurement lead time and procurement within the threshold of selective bidding requires short listing of providers before actual invitation of bids for works hence lagging the entire procurement process.

Authority's response

The Authority maintained the query since the Entity's response was not applicable to all procurements listed in table 8, indicating a potential problem in the Entity.

Recommendation

The Procurement and Disposal Unit should ensure timely submissions of documents to the Contracts Committee for approval, to promote efficiency in public procurement in accordance with Section 48 of the PPDA Act, 2003.

2.1.8 Variance between the initiated price and the Engineer's estimate.

The Authority found that there were variances between the initiated price on the LG PP Form 1 and the Engineer's estimate (attached bills of quantity) on the same form in two procurements worth UGX 58,856,900 as detailed in table 9 below:

Table 9: Procurements with initiation variance

No.	Subject of procurement	Initiated price on LG PP Form 1	Engineer's estimate	Variance
1.	Construction of girls drainable pit Latrine at Awiri Primary School worth	29,000,000	29,878,000	878,000

No.	Subject of procurement	Initiated price on LG PP Form 1	Engineer's estimate	Variance
	29,767,900 by Tonica Engineering works Limited			
2.	Construction of boys drainable pit Latrine at Owang Primary School worth 29,089,000 by Kassase Enterprise Limited	29,000,000	29,169,000	169,000

Implication

These variances are indications of lack of cohesion and could increase the risk of domestic arrears, contract failure where initiated price significantly differs from the engineers estimate and gaps in transparency.

Management Response

Management acknowledges the audit findings, it's true that the entity did not consider the engineers estimate as a technical person hence causing the initiation variance from actual contract price and considering the fact that the 5% retention shall be carried forward to the next financial year hence not affecting the quality of works and taking in to account that the excess shall be considered under contingency.

Authority's response

The Authority noted the Entity's response however, maintained the query since the variance was not as a result of leaving out the retention but rather the User Department not consulting with the technical personnel.

Recommendations

The Accounting Officer should:

1. Ensure that the User Departments prior to coming up with market price seek technical guidance from the technical departments to avoid under stating or over stating the market price.
2. Not approve the PP Form 5 with such variances however return to the User Department for harmonisation.

2.1.9 Initiating the procurement above the planned price

The Authority found that the User department initiated the supply of garbage truck to Municipal Council worth UGX 185,000,000 above the planned price. Whereas the planned price was UGX 185,000,000, the User Departed initiated at UGX 195,000,000 causing a variance of UGX 10,000,000. There was no evidence showing that a reassessment was carried out to justify the increase in price.

Implication

Initiating above the planned price could lead to domestic arrears.

Management Response

Management acknowledges the audit findings, it's true that initiated price was above the planned project price this was due to the reconciliation of procurement work plan with the actual contract price to avoid inflating the procurement budget this was done at the end of the financial year while revising and reconciling the procurement work plan 2022/2023 to ascertain the actual procurement budget.

Recommendation

The Accounting Officer should ensure that initiation is done for procurements for which funds are available and adequate within the budget of the Entity in accordance with Regulation 4 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023.

2.1.10 Irregularities in the issued bidding documents

The Authority found that four procurements worth UGX 214,799,481 had irregularities in the issued bidding documents as detailed in table 10 below:

Table 10: Procurements with irregularities in the issued bidding documents

No.	Subject of procurement	Finding
1.	Construction of a single staff house at Agulu Primary School (Agulu Division) worth UGX 81,116,091 by Shalak Uganda Limited	Contradictory terms in the bidding document and the contract terms The Authority found inconsistencies in GCC 58.1 i.e. whereas the bidding document left it open and stated that 'the maximum amount of liquidated damages for the whole of the works is ... (not filled in) ... percent of the final contract price, the special conditions of contract under GCC 58:1 in the contract agreement stated that 'the maximum amount of liquidated damages for the whole of the works is 0.5% per day of the final contract price.
2.	Construction and installation/ subscription of electricity, windows/ door fittings of an office block at Apac MC headquarter phase 4 worth UGX 74,826,490 by Kasase Enterprises Limited	<ul style="list-style-type: none">• Inadequate evaluation criteria The Authority found that the requirement for key equipment was inadequate in that Section 3: Evaluation Methodology and Criteria, B (Equipment), required that "<i>bidder only attach documentary evidence of ownership, lease, hire such as registration books, agreements or memoranda or purchase order) for only two dump trucks/tippers.</i>" The BOQs and scope of works required more equipment than just a tipper truck.• Incomplete evaluation criteria Section 3 Evaluation methodology and Criteria (6.2) Qualification, under 6.2.1 (History of non-performing contracts)-required that the bidder should not have any "<i>Non-performance of a contract that did not occur within the last... (not filled in) ...years prior to the deadline for application submission, based on all information on fully settled disputes</i>

No.	Subject of procurement	Finding
		<p><i>or litigation</i>". This made the information under this section of the bidding document incomplete since the number of years was not stated.</p> <ul style="list-style-type: none"> Contradictory defects liability period The Authority found that there was contradiction between the defect's liability stated under GCC 44.1 in the bidding document and in the contract. Whereas GCC 44.1 in the bidding document stated that the defects liability period was 90 days, GCC 44.1 in the Contract Agreement stated that 'the defects liability period was 180days.
3.	Construction of girls' drainable pit Latrine at Awiri Primary School worth 29,767,900 by Tonica Engineering works ltd	<ul style="list-style-type: none"> Missing evaluation criteria The Authority found that the evaluation criteria in the bidding document did not provide for evaluation of financial status of the participating bidder. There was no requirement for bank statements and audited books of accounts which made it difficult for the Evaluation Committee to determine the bidders' financial health. There was no requirement for past experience in executing similar works; therefore, it was difficult to determine the capability of the bidder.
4.	Construction of boys' drainable pit Latrine at Owang Primary School worth 29,089,000 by Kasase Enterprise Limited	<ul style="list-style-type: none"> Failure to specify the level of experience of key personnel The requirement for experience of key personnel as stated in the bidding document was ambiguous. The requirement simply stated "experience", it did not specify in which particular field the experience should be in; whether it should be general or specific to the role.

Implication

- The bidders were exposed to the risk of preparing non-responsive bids and also increasing the risk of contract failure due to inadequate requirements in the bidding document.
- Inadequate bidding document exposes the Entity to the risk of contracting firms without capacity to execute contracts with the Government of Uganda, procuring items that do not meet the needs of the Users and higher life cycle costs for the procured items.

Management Response

Management acknowledges the audit findings, and shall improve in the preparation of suitable bids in the future.

Recommendations

1. The Head Procurement and Disposal Unit should in preparation of bidding documents, conduct quality assurance for appropriateness of all the required documentation in accordance with

Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2. The Contracts Committee should scrutinize all sections of the bidding documents for completeness and appropriateness before approving them for issue in accordance with Section 28 (1) (e) of the PPDA Act, 2003.

2.1.11 Irregularities in issuance bidding documents

The Authority found that in five procurements worth UGX 140,205,091 there were irregularities in the issuance of bidding documents, thus inhibiting transparency contrary to Section 45 of the PPDA Act, 2003 as detailed in table 11 below:

Table 11: Procurement with Irregularities in issuance of bidding documents

No.	Subject of procurement	Finding	Management Response
1.	Construction of a single staff house at Agulu Primary School (Agulu Division) worth UGX 81,116,091 by Shalak Uganda Limited	Delayed bid opening Whereas ITB 27.1 stated that bid opening shall take place on 10 th October 2022, the audit found that bid opening was done on 14 th October 2022 according to the LG PP Form 10.	<i>Management appreciates the observation of the team an addendum was issued to cater for procurement of garbage truck as per the directive of Ministry of Lands.</i> Authority's response The Authority reviewed the Entity's response however the addendum did not affect the bid opening date.
2.	Construction of boys' drainable pit latrine at Owang Primary School worth 29,089,000	Failure to evidence issuance of bidding documents to shortlisted bidders The Authority found that the Procurement and Disposal Unit failed to provide evidence of the issuance of the bidding document on 13 th March 2023, in accordance with the issued form, to the three shortlisted bidders i.e. Onyac Estate Company Limited, Nakabation Co. Limited, and Robling Enterprise Limited.	<i>Management appreciates the observation however evidence of issuing Invitation letters to shortlisted bidders is availed for verification. Furthermore there was a requirement for payment of non-refundable fee hence issuance is done upon payment.</i> Authority's response The Authority noted the Entity's response however no evidence was submitted for verification.
3.	Revenue collection from hospital market gate worth UGX 7,200,000	Failure to evidence issuance of bidding documents to shortlisted bidders	

No.	Subject of procurement	Finding	Management Response
4.	Revenue collection from Apac main market worth UGX 9,600,000	The Authority found that the Procurement and Disposal Unit did not evidence issuance of the bidding document to two shortlisted bidders ie Nakabation Company. Limited and Kuri Investment Company Limited as per the bids issued form.	
5.	Revenue Collection from Arocha auction market worth UGX 13,200,000		

Implication

This is a red flag for potential collusion and fraudulent practices aimed at creating unfair advantage for some bidders.

Recommendations

The Head Procurement and Disposal Unit should ensure that:

1. They maintain a record of the bidder to whom they issue or sale a bidding document in accordance with Regulation 57 (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023.
2. They open bids immediately after bid closing in accordance with Regulation 72 (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023.

2.1.12 Low bidder response

The Authority found that the Entity had non-competitive bidding evidenced by receipt of less than three bids in eight procurements worth UGX 212,532,870 contrary to Section 46 of the PPDA Act, 2003 as indicated in table 12 below:

Table 12: Procurements with low bidder participation

No.	Subject of procurement	Procurement method	Number of bidders that responded
1.	Fencing of abattoir-slaughter slab worth UGX 21,946,690	Selective Bidding	2
2.	Revenue Collection from Arocha auction market worth UGX 13,200,000	Selective Bidding	1
3.	Construction of girls' drainable pit Latrine at Awiri Primary School worth UGX 29,767,900	Selective Bidding	2
4.	Construction of boys' drainable pit latrine at Owang Primary School worth UGX 29,089,000	Selective Bidding	2
5.	Supply of oil, fuel and lubricants worth UGX 101,729,280	Open National Bidding	2

No.	Subject of procurement	Procurement method	Number of bidders that responded
6.	Supply of office stationery, tonner and office equipment, printing and receipting media and production of staff identification cards and national legislation books by Explore IT Technologies Limited worth UGX 0	Open National Bidding	2
7.	Revenue collection from hospital market gate worth UGX 7,200,000	Selective Bidding	1
8.	Revenue collection from Apac main market worth UGX 9,600,000	Selective Bidding	1

NB: The contractor (Explore IT Technologies Limited) did not attend contract signing as expected for the supply of office stationery, tonner and office equipment, printing and receipting media and production of staff identification cards and national legislation books thus the Entity did not have call offs for this procurement.

Implication

Limited competition denies the Entity the chance to maximize competition in the bidding process which ultimately hinders the achievement of value for money.

Management response

Management acknowledges the above and shall proceed as recommended by the Authority.

Recommendations

1. The Accounting Officer should organize bidder conferences in order to obtain information on causes of limited participation by bidders in the bidding processes of the Entity and also increase bidder awareness.
2. The Procurement and Disposal Unit should prepare a shortlist of at least six bidders, except for micro procurement which shall have three bidders in accordance with Regulation 53 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023.

2.1.13 Irregularities at evaluation

The Authority found evaluation irregularities including passing of non-compliant bidders, failure to validate tax clearance certificates, irregular communication of arithmetic corrections contrary to Regulation 73 (1) and (3) of the Local Governments (PPDA) Regulations, 2006 in nine procurements worth UGX 321,764,618 as detailed in table 13 below:

Table 13: Procurements with evaluation irregularities

No.	Subject of Procurement	Finding	Management Response
1.	Fencing of abattoir-slaughter slab worth UGX 21,946,690 by Kassase Enterprises Limited	Passing of a non-compliant bidder The Evaluation Committee passed Kassase Enterprise Limited as the best evaluated	<i>The bidder submitted a certificate of site visit although it was not attached to all the copies.</i> Authority's comment

No.	Subject of Procurement	Finding	Management Response
		bidder, yet they did not meet the following evaluation criteria. The bidders were required to submit a certificate of site visit for works projects, Kassase Enterprises Limited did not submit the required certificate.	The Authority reviewed the attached document & found unsatisfactory due to lack of the Entity's stamp and/or the Engineer's signature.
2.	Construction and installation/ subscription of electricity, windows/ door fittings of an office block at Apac MC headquarter phase 4 worth UGX 74,826,490 by Kassase Enterprises Limited	<p>Passing of a non-compliant bidder</p> <p>The Evaluation Committee passed Kassase Enterprise Limited as the best evaluated bidder, yet they did not meet the following evaluation criteria as detailed below:</p> <ul style="list-style-type: none"> The Evaluation Committee passed the Kassase Enterprise Limited on element of valid tax clearance certificate; however, the Audit team found that the BEB submitted an invalid tax clearance certificate (MA04220139785). 	<ul style="list-style-type: none"> The Entity notes that it is true that the Evaluation Committee did not verify the tax clearance submitted by Kassase Enterprise Limited with URA hence an oversight during evaluation and should be rectified in the future.
3.	Construction of boys' drainable pit Latrine at Owang P/S worth UGX 29,089,000 by Kassase Enterprise Limited	<ul style="list-style-type: none"> The requirement for a valid certificate of registration issued by the Authority for bidders currently registered with the Authority, however, the BEB submitted expired PPDA certificate that is, from 1st January 2021 to 31st December 2021, yet the invitation run from 13th March 2023 to 31st March 2023. The bidding document required bidders to submit audited books of accounts for the last two years 2019/2020, 2020/2021 and bank statements for last six months, however, the best evaluated bidder Kassase Enterprise Limited submitted audited 	<ul style="list-style-type: none"> Kassase Enterprise Limited submitted PPDA certificate but was not in all the copies of submitted bids however the evidence has been availed for verification. <p>Authority's comment</p> <p>The Authority found that there was no evidence submitted to validate the Entity's response.</p> <p><i>The firm also submitted audited books of accounts but did not attach to all the bids however the evidence has been availed for verification.</i></p> <p>Authority's Response</p> <p>The Authority noted the following on reviewing the evidence above:</p> <p>According to section 2.1 of the audited books, the appointed auditor was Nas Bag & Co Certified Public Accountants, Auditors; however the submitted audited books were from Time Associates who submitted for the</p>

No.	Subject of Procurement	Finding	Management Response
		<p>books of accounts for the period ending 30th June 2018 and a bank statement for the period 01st January 2018 to 31st January 2020, which was inadequate to determine the financial status or capability of the bidder.</p> <ul style="list-style-type: none"> • Contrary to requirement 6.1 (a) (<i>personnel and equipment</i>): <i>Personnel; that the bidder shall provide details of the proposed personnel and their experience records in the relevant forms included in Section IV, bidding Forms; Kassase Enterprise Limited in stating the experience of key personnel; stated the number of years of experience, however, they did not give evidence of the years of experience for key personnel or the period for which they were committed for, or which they would be available for their specific positions. This was noted for all the key personnel i.e. the site Engineer, Environmental Officer and Social Development Officer.</i> <p>Furthermore:</p> <ul style="list-style-type: none"> • The Site Engineer (Mugejjera Abel) only submitted an Academic Transcript and certificate from Ndejje University for a Bachelor of Civil Engineering; there was no CV submitted detailing experience. • The Environmental Officer Peter Murwany Happy also only had a University 	<p>financial years ending 30th June 2022 and not for the financial year 2019/2020 and 2020/2021 as per the requirement</p> <p>The Audited books were missing the signatures of the Managing Director of Kassase as well as the Chairman and Secretary Board of Directors.</p> <p>The same report, under the section of company information stated that the Company's bankers will be Centenary Bank however the statements submitted were from Stanbic Bank.</p> <ul style="list-style-type: none"> • <i>The entity acknowledges that no CVs was attached hence could be an oversight during the evaluation and shall improve in the future.</i>

No.	Subject of Procurement	Finding	Management Response
		Certificate and Transcript attached from Makerere University for a Bachelor of Environmental Science there was no CV submitted detailing experience.	
4.	Collection of revenue from Arocha auction market worth UGX 13,200,000 by Don Millions Uganda Limited	<p>Passing of a non-compliant bidder</p> <p>The Authority found that the Evaluation Committee had irregularly recommended Don Millions Uganda Limited as the best evaluated bidder, even though the bidder failed to meet the requirement of submitting the most recent bank statement, i.e. December 2021. Instead, the bidder submitted bank statements from 1st June 2020 to 22nd June 2021.</p>	<p><i>Management appreciates the observation of the Audit team and emphasized that this could be an oversight and shall be rectified as recommended by the Authority.</i></p>
5.	Revenue collection from hospital market gate worth UGX 7,200,000 by Don Millions Uganda Limited		
6.	Revenue collection from Apac main market worth UGX 9,600,000 by Don Millions Uganda Limited		
7.	Construction of girls drainable pit Latrine at Awiri Primary School worth UGX 29,767,900 by Tonica Engineering Works Limited	<p>Passing of a non-compliant bidder</p> <p>The Authority found that, whereas the Evaluation Committee passed Tonica Engineering Works Limited as the best evaluated bidder, they did not meet the following evaluation criteria as detailed below:</p> <ul style="list-style-type: none"> • The requirement stated that the Social, Health and Safety Officer should have a minimum of a diploma in social works, however, Tonica Engineering Works Limited submitted Apitta Herbert as the Social, Health and Safety Officer but according to the submitted documents, Apitta Herbert had a Bachelor of Engineering in Environmental Engineering and Management from 	<p><i>Management appreciates the observation of the Audit team and emphasized that this could be an oversight and shall be rectified as recommended by the Authority.</i></p>

No.	Subject of Procurement	Finding	Management Response
		<p>Kyambogo, an Ordinary Diploma in Building and Civil Engineering from UNEB-UTC which was contrary to the requirement.</p> <ul style="list-style-type: none"> • Tonica Engineering Works Limited in stating the experience of key personnel; stated the number of years of experience, however, they did not give evidence of the years of experience for key personnel or the period for which they were committed. 	
8.	Supply of oil, fuel and lubricants worth UGX 101,729,280 by Big Horn Petroleum Limited	<p>Passing of a non-compliant bidder</p> <p>The Authority found that the Evaluation Committee irregularly passed Big Horn Petroleum Limited as one the best evaluated bidders, yet the bidder did not meet the following evaluation criteria as stated in the bidding document:</p> <ul style="list-style-type: none"> • The bidder did not have a signed bid submission sheet in the submitted bid. • The trading license was irregularly registered in the names of James Omodi, instead of Big Horn Petroleum Limited. • The bidder did not submit certificate of tax registration or tax clearance certificate therefore, it was difficult to ascertain whether the bidder was tax compliant. • Big Horn Petroleum Limited did not submit powers of attorney; therefore, the Entity could not tell if the signatory was authorized. • The Authority found that the bidder did not submit its 	<p><i>Management appreciates the observation of the Audit team, and emphasized that this could be an oversight and shall be rectified as recommended by the Authority.</i></p>

No.	Subject of Procurement	Finding	Management Response
		financial status i.e evidence of financial capacity (audited books of accounts) for FY, 2019/2020-, 2020/2021 where applicable or equivalent and most recent bank statement i.e. October, 2022.	
9.	Repair of Motor Vehicle spare parts, tubes, tyres and batteries etc and repair and maintenance of motor vehicles and motor cycles worth UGX 34,405,258	<p>Irregular signing of the bid submission sheet</p> <p>The Authority found that, whereas the Powers of Attorney for Washington Engineering Works and General Supplies Company dated of 3rd October 2022 authorized Mr. Bonnie Ebong as the signatory for the procurement, the bid submission sheet and the contract was signed by Mr. Benson Odongo.</p>	<p><i>Management appreciates the observation of the Audit team and emphasized that this constitutes an oversight and shall be rectified as recommended by the Authority.</i></p>

Implications

- Passing non-compliant bidders exposed the Entity to the risk of contracting providers that could fail to execute the works/supplies with competence.
- Irregularities during evaluation raise a red flag on the credibility of the Entity's procurement processes and on whether evaluation was actually conducted.

Recommendations

The Evaluation Committees should:

1. Evaluate the bids following the criteria set in the bidding document and waive any non-material deviations in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2023.
2. Verify the accuracy, validity and authenticity of the documents submitted by a bidder during preliminary examination in accordance with Regulation 17 (1) of the PPDA (Evaluation) Regulations, 2023.
3. Be vigilant while reviewing the information submitted by the bidders for conformity with the set criteria, before passing bidders in accordance with Section 71 (3) of the PPDA Act, 2003.

2.1.14 Irregularities at contract Award.

The Authority found the following irregularities at contract award by the contracts committee in two procurements worth UGX 214,767,900 as detailed in table 14 below:

Table 14: Procurement with irregularities at contract award

No.	Subject of procurement	Details	Management Response
1.	Supply of garbage truck to MC worth UGX 185,000,000 by Tata Uganda Limited	<p>Delayed submission of evaluation report to the Contract Committee.</p> <p>The Authority found that whereas the Evaluation Committee completed the evaluation on 11th November 2022, the Procurement and Disposal Unit submitted the evaluation report to the Contracts Committee for approval of the report on 1st December 2022 hence a delay of 15 working days.</p>	<p><i>Management acknowledges the audit findings but this is attributed to limited funding of the Contracts Committee hence the unit aggregates submission to minimize the cost to fit within the budget Ugx 250,000/= per Quarter.</i></p> <p>Authority's Comment The Entity has a budget availed for Contracts Committee meetings therefore Contracts Committee should handle this issue administratively.</p>
2.	Construction of girls' drainable pit Latrine at Awiri P/S worth 29,767,900 by Tonica Engineering works ltd	<p>Retrospective award of the contract.</p> <p>The Authority found that whereas the bidder responded to a clarification request on 13th April 2023, the Evaluation Committee did not give a deadline for submission for the bidder's response however irregularly recommended for award on 7th April 2023 and subsequently the Contracts Committee approved on 10th April 2023. The NOBEB was displayed at the corrected price prior to receipt of confirmation from the BEB.</p>	<p><i>Management appreciates the observation of the team but the contractor had responded to the communication on mail accepting the committee to proceed and later communicated in writing please find attached.</i></p> <p>Authority's comment There was no evidence submitted for verification.</p>

Implications

- Delayed submissions of evaluation report to the Contracts Committee, increases procurement lead times, hence delaying service delivery to the intended beneficiaries and potentially affecting the Entity's ability to absorb funds.
- Retrospective award of contract raises a red flag on the credibility of the Entity's contracts award processes and on whether the Contracts Committee members are paying attention to detail.

Recommendations

1. The Procurement and Disposal Unit should make timely submissions to the Contracts Committee for contract award such that contracting is completed in time to promote efficiency in public procurement in accordance with Section 48 of the PPDA Act, 2003.
2. The Evaluation Committee members should only assume completion of the evaluation process after acknowledging receipt of all clarifications from the respective individuals within a specified period of time.

2.1.15 Irregularities at contract signing

The Authority found the following irregularities at contract signing in five procurements worth UGX 102,240,948 as detailed in table 15 below:

Table 15: Procurements with irregularities at contract signing

No.	Subject of procurement	Finding	Management Response
	Signing with individuals other than those granted Powers of Attorney (POA)		
1.	Repair of Motor Vehicle spare parts, tubes, tyres and batteries etc and repair and maintenance of motor vehicles and motor cycles worth UGX 34,405,258 by Washington Engineering Works and General Supplies Company	The Authority noted that whereas the authorized Powers of Attorney (POA) for Washington Engineering Works and General Supplies Company was Mr. Bonnie Ebong, the contract was signed by Mr. Benson Odongo.	<i>Management appreciates the observation of the team, this was an oversight the entity shall improve and rectify as recommended by the Authority.</i>
2.	Fencing of abattoir-slaughter slab worth UGX 21,946,690 by Kassase Enterprises Limited	The Authority noted that whereas the contract was signed by Mr. Abel Mugejjera, there was no evidence that he had Powers of Attorney from Kassase Enterprises Limited.	<i>Management appreciates the observation of the team, however Mr. Abel Mugejjera was the authorized representative of Kassase Enterprises Limited only that not all the copies of the bids had the Powers of Attorney attached.</i> Authority's response There was no evidence submitted for verification.
	Delays to sign the contract		
3.	Revenue collection from hospital market gate worth UGX 7,200,000 by Don Millions Uganda Limited	Delay to sign the contract Whereas the notice of best evaluated bidder expired on 8 th February 2022, the contract was signed on 25 th February 2022, 14 working days later.	<i>Management appreciates the observation of the team; this was due to the absence of the Accounting Officer who was the Authorized representative of the entity who had</i>

No.	Subject of procurement	Finding	Management Response
4.	Revenue collection from Apac main market worth UGX 9,600,000 by Don Millions Uganda Limited	Delay to sign the contract Whereas the notice of best evaluated bidder expired on 8 th February 2022, the contract was signed on 1 st March 2022, 16 working days later.	<i>traveled to Israel for studies on urban management short course sponsored by USMID.</i>
5.	Construction of boys drainable pit latrine at Owang Primary School worth 29,089,000 by Kassase Enterprise Limited	Irregular contract signing dates The Authority found that whereas the contract signing date on the agreement was 24 th April 2023 the signatures were dated 8 th May 2023 and this could affect the dates of completion.	

Implications

- Irregularities at contracting put the Entity at risk of litigation issues caused by signing contracts with a person without Powers of Attorney.
- Delays during contract signing leads to delayed service delivery to the targeted beneficiaries and further contribute to haphazard contract execution towards the end of the financial year.

Recommendation

The Accounting Officer should:

1. Sign contracts with the person (s) who has Powers of Attorney to ensure legitimacy of the contract; and
2. Ensure contracts are signed in a timely manner in accordance with Section 48 of the PPDA Act, 2003.

2.1.16 Signing contracts above the initiated price.

The Authority found that the Accounting Officer had signed a contract for the construction of Administration block Agulu division Head Quarter phase 2 worth UGX 64,461,040 above the estimated market price of UGX 34,000,000 thus creating a variance of UGX 30,461,040; without evidence of conducting a market price re-assessment and confirmation of additional funding.

Implications

- The Entity was exposed to the risk of incurring domestic arrears.
- There was potential risk that implementation of other planned activities could be affected due to diversion/ re-allocation of funds.

Management Response

The award was as per the engineers estimate and the project was negotiated and both parties agreed on a more comfortable payment terms in two FYs.

Authority's Comment

The Engineer's estimate should be considered by User Departments when initiating procurements as it is more accurate.

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Recommendations

The Accounting Officer should:

1. Not sign a contract after confirming that the contract price is higher than the established market price established prior to the commencement of the procurement process in accordance with Regulation 6 (1) (b) of the PPDA (Contracts) Regulations, 2023; and
2. Cancel and re-tender the procurement incase the market price established at the commencement of is still valid in accordance with Section 75 (2) (a) of the PPDA Act, 2003.

2.2. COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESSES WITH THE PROVISIONS OF THE PPDA ACT, 2003 AND LOCAL GOVERNMENTS (PPDA) REGULATIONS, 2006.

2.2.1. Non-disposal of unserviceable assets.

The Authority found that according to the disposal plan submitted on 23rd June 2023, the items listed in table 16 were indicated as due for disposal, however, were not disposed in the financial year 2022/2023. The Authority also observed that there were several items due for disposal lying obsolete in the Entity's compound as detailed in figure 2 below:

Table 16: Items in the procurement plan

No.	Item	Quantity	Reserve price (UGX)
1.	Tractor trailer	1	1,500,000
2.	Safe	1	NIL
3.	Safe	1	NIL
4.	Motor cycle	1	400,000
5.	Water buzzer	1	500,000
6.	Bitumen sprayer	1	5,000,000
7.	Office table	3	NIL
8.	Laptop	6	300,000
9.	Desk top computer	1	150,000
10.	Extension cable	10	NIL
11.	Office chairs	4	NIL

Figure 2: Obsolete items in the compound

*↓
Table to next page*



Implication

The Entity's assets were exposed to the risk of loss or vandalism and continued loss in value through depreciation.

Management Response

Management acknowledges the above observation of the Audit team, it's true that the entity did not dispose all the obsolete assets due to difficulties in sourcing for potential buyers but shall implement as recommended above by the Authority in the current FY 2023/24.

Recommendations

1. The Accounting Officer should ensure disposal of all obsolete assets, to avoid further depreciation and attain value for money in accordance with Section 87 of the PPDA Act, 2003.
2. The Procurement and Disposal Unit should explore the use of other disposal methods for items that cannot attract any value, for example conversion or classification of an asset into any other form may be used where the asset has no residual value in its current form, in accordance with Regulation 16 and 17 of the PPDA (Disposal of Public Assets) Regulations, 2023.
3. The Procurement and Disposal Unit could also use destruction of an asset where the asset has no residual value and it cannot be transferred to any other procuring and disposing entity or converted or classified into another form with any value in accordance with Regulation 13 (b) of the PPDA (Disposal of Public Assets) Regulations, 2023.

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

2.3.1. Failure by the Entity to incorporate Environmental, Social, Health and Safety (ESHS) requirements in solicitation documents.

The Authority found that the bidding documents for five works procurements worth UGX 236,746,171 did not provide for environmental, social, health and safety (ESHS) requirements but

just stated health, safety and welfare of work people, as a block contrary to Section 61A of the PPDA Act, 2003 as detailed in table 17 below:

Table 17: Procurements without inclusion of ESHS in the bidding document

No.	Subject of procurement	Findings
1.	Construction of a single staff house at Agulu Primary School (Aglu Division) worth UGX 81,116,091	<p>The documents did not provide for:</p> <ol style="list-style-type: none"> 1. Environmental protection and mitigation measures such as wing walls and culvert excavations, and stone pitching. 2. Cost estimates did not consider the cost for restoration of borrow pits, vegetation along the road sides, sensitization of communities, road signs and bill boards as well as community safety. 3. Safety of employees and workers were overlooked i.e. there was also no provision for a first aid box, clean drinking water and Personal Protective Equipment for personnel.
2.	Construction and installation/ subscription of electricity, windows/ door fittings of an office block at Apac MC headquarter phase 4 worth UGX 74,826,490	
3.	Fencing of abattoir-slaughter slab worth UGX 21,946,690	
4.	Construction of girls' drainable pit Latrine at Awiri Primary School worth 29,767,900	
5.	Construction of boys drainable pit Latrine at Owang Primary School worth 29,089,000	

Implications

- Failure to undertake environmental safeguards exposes the environment to degradation which may affect the surrounding communities and the longevity of the investment.
- Failure to undertake social and safety safeguards may infringe on the human rights and safety of project affected persons, contractors' workers and district staff and generate potential conflict with surrounding communities.
- Failure to provide for environmental, social, health and safety (ESHS) in the issued bidding documents means that at contract implementation there will be challenges in adhering to such requirements for example; the safety of workers, HIV and Gender sensitization, grievance handling, disposal of waste, community engagements, planting of trees, management of pollution, among others which could be detrimental to the beneficiaries.

Management Response

Management acknowledges the audit findings, it's true that the above was not fully incorporated in the bidding documents but issued to bidders as annex/attachments since it's produced by the Environment Officer and Principal Community Development Officer but shall be improved as recommended by Authority please find attached.

Authority's response

The Authority noted the Entity's response however there was no evidence attached as indicated in the response.

Recommendations

1. The Head of Procurement and Disposal Unit should ensure that the bidding documents issued

incorporate issues of sustainable procurement such as ESHS with significant environmental and social considerations in accordance with Section 61A of the PPDA Act, 2003.

2. The Municipal Engineers should ensure that when coming up with the BOQs for works procurements, issues under ESHS should be broken down and catered for in the BOQs.
3. The Contract Managers should work hand in hand with the staff in charge of community and labour, to ensure enforcement of environmental, social and health safeguards during contract implementation.
4. The Accounting Officer should ensure that the contract supervisors comprehensively report on the implementation of ESHS requirements in the progress reports and should not sign on the payment certificates without inclusion of the requirements in the reports.

2.3.2. Payment & remittance irregularities

The Authority found that the Entity made irregular payments in four procurements worth UGX 152,934,538 to contractors as detailed in table 18 below:

Table 18: Procurements with irregular payments

No.	Subject of procurement	Findings	Management response
1.	Revenue collection from hospital market gate worth UGX 7,200,000 by Don Millions Uganda Limited	Partial remittance The contractor only made partial remittance of UGX 1,950,000 on 28 th February 2022 out of UGX 7,200,000 leaving a variance of UGX 5,250,000.	<i>Management acknowledges the findings but this revenue source was affected by road construction under USMID since the market is located along the road reserve and council relocated the market but a few vendors resisted hence affecting the collection but recovery was made find attached payment evidence.</i> Authority's comment The Authority verified the evidence however the payments submitted were made on 15 th July 2021 worth UGX 1,950,000 for the period July to September 2021 and on 15 th June 2023 for the period June to December 2023 instead of the period for revenue collection i.e. 01 st March 2022 to 31 st March 2023.
2.	Revenue collection from Apac main market worth UGX 9,600,000 by Don	Partial remittance The contractor only made partial remittance of UGX 4,600,000	<i>Management acknowledges the finding; however, recovery was made.</i>

No.	Subject of procurement	Findings		Management response
		Date	Amount paid (UGX)	
	Millions Uganda Limited	1 st July 2022)	1,500,000	Authority's comment The Entity did not submit evidence for verification.
		10 th October 2022	1,400,000	
		2 nd November 2022	1,700,000	
		Total	4,600,000	
		out of UGX 9,600,000 leaving a variance of UGX 5,000,000.		
3.	Supply of oil, fuel and lubricants worth UGX 101,729,280 by Big Horn Petroleum Limited	Failure to fully account for fuel paid The Authority found that out of the UGX 101,729,280 that was reported in the quarterly reports submitted to the Authority, only UGX 47,884,900 was accounted for under force account. UGX 53,844,380 was not accounted for.		<i>Management acknowledges the findings, by the time of the Audit most of the payment vouchers were attached to force account project files. The vouchers have been availed for verification.</i> Authority's comment The Authority noted that the amount accounted for was from the fuel purchased for force account activities.
4.	Repair of Motor Vehicle spare parts, tubes, tyres and batteries etc. and repair and maintenance of motor vehicles and motor cycles worth UGX 34,405,258	Failure to fully account for money paid The Authority found that out of the UGX 34,405,258 that was paid as per the IFMS register, only UGX 29,054,710 was accounted. UGX 5,350,548 was not accounted for.		<i>Management acknowledges the findings, this could be an oversight because the entire procurement budget of Repair of Motor Vehicle spare parts, tubes, tyres and batteries etc. and repair and maintenance of motor vehicles and motor cycles was UGX 53,000,000.</i> Authority's response The Authority found a total of UGX 5,350,548 was unaccounted for.

Implications

- There is inability by the Entity to achieve budget objectives as a result of failure to realize local revenue required to fund particular budget lines.

- Making payments for supplies or services not done or failure to account for money paid to the contractor is a red flag for potential fraudulent practices with in the Entity.

Recommendations

1. The Accounting Officer should put in place effective revenue collection mechanisms so as to address the issue of poor revenue collections in the Entity.
2. The Accounting Officer should ensure that UGX 5,350,548 paid for fuel is accounted for by the User Departments.
3. The Contract Managers should not initiate payments without following proper documented procedures and approvals in accordance with Regulation 40 and 48 of the PPDA (Contracts) Regulation, 2023.

2.3.3. Other contract management irregularities

The Authority found that there were other contract management irregularities in two procurements worth UGX 110,883,991 as detailed in table 19 below:

Table 19: Procurements with contract management irregularities

No.	Subject of procurement	Findings	Management response
1.	Construction of a single staff house at Agulu Primary School (Agulu Division) worth UGX 81,116,091 by Shalak Uganda Limited	Delayed site handover Whereas the contract was signed on 5 th January 2023 and site handover was supposed to be immediately after, the actual site handover date was 8 th February 2023 hence a delay of 24 working days.	<i>Management appreciates the observation it's true that there was delay in site hand over and shall be rectified in the future.</i>
2.	Construction of girls' drainable pit Latrine at Awiri Primary School worth 29,767,900 by Tonica Engineering works Limited	Irregularities noted in contract management records The contract management records showed that workers were not provided with PPEs such as gloves, gumboots; no evidence showing trees were planted which is an indication that ESHS requirements were not adhered to.	<i>Management appreciates the findings of the Audit Team, it's true that PPEs was not fully implemented but ESHS was implemented after final payment was made but since the introduction of ESHS there has been a challenge in the implementation but the entity shall uphold the above as recommended by the Authority.</i>

Implications

- Delays in site handover result into commitment of more resources in terms of staff and time by the Entity to projects that ought to have been completed earlier and also affects the Governments performance in the delivery of services to the public.

- Ineffective contract monitoring and supervision potentially increased the risk of contract non-performance by a provider.
- There was a potential risk that some of the terms and conditions of contract were breached and breach not detected thus compromising the quality of deliverables.



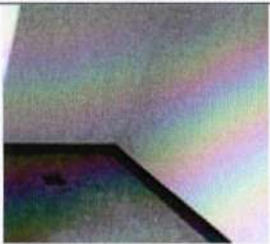
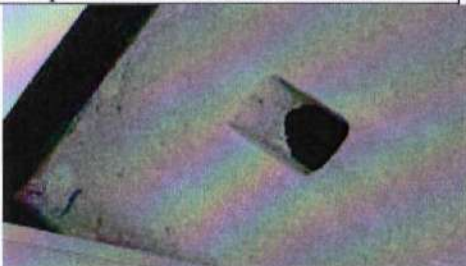
Recommendations



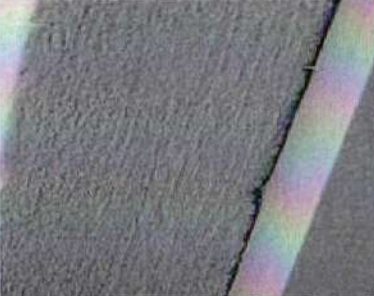

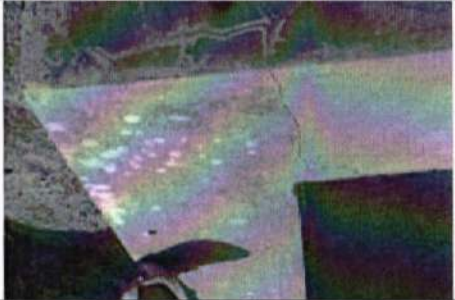



1. User Departments should ensure timely commencement of contract execution and supervise contractors to perform contracts in a way that promotes efficiency in accordance with Section 48 of the PPDA Act, 2003.
2. Contract managers should strictly supervise contracted firms to fulfil all contractual obligations specified within the terms and conditions in accordance with Regulation 52 (1) (b) of the PPDA (Contracts) Regulation, 2023.
3. Contract managers should submit monthly progress /contract management reports to the Accounting Officer and Procurement and Disposal Unit in accordance with Regulation 52 (3) (g) of the PPDA (Contracts) Regulation, 2023.





2.3.4. Poor contracting monitoring and supervision






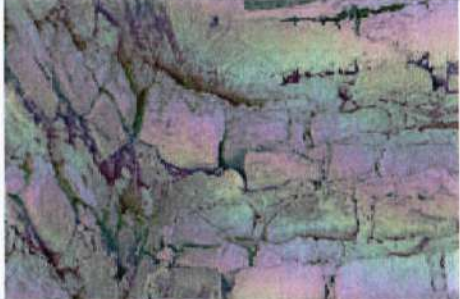
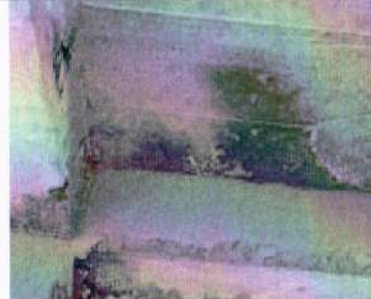

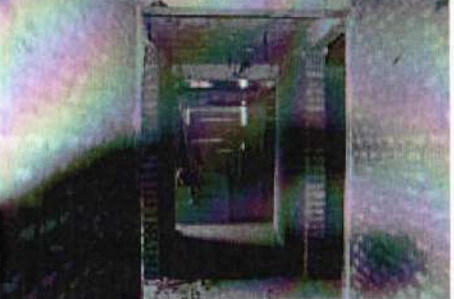



The Authority found that there were contract management anomalies in five procurements worth UGX 279,260,587 contrary to Regulation 105 (6) of the Local Governments (PPDA) Regulations, 2006 as detailed in table 20 below:

Table 20: Procurements with anomalies during contract implementation

No	Subject of procurement	Contract Amount (UGX)	Provider	Findings
1.	Construction of a 5-stance drainable latrine at Owang Primary School	29,089,000	Kassase Enterprises Limited	<ul style="list-style-type: none"> i. There was no labelling or engraving the facility. ii. There was a very big pit that was potentially hazardous. iii. Re-vegetation of the site was not done i.e., trees and grass were not planted. iv. There were no grab rails in the pit latrine for the disabled.
				
2.	Construction of a 5-stance drainable latrine at Awiri Primary School	29,767,966	Tonica Engineering Works Limited	<ul style="list-style-type: none"> i. There was no labelling or engraving the facility. ii. Re-vegetation of the site was not done i.e., trees and grass were not planted. iii. There were no grab rails in the pit latrine for the disabled. iv. There was poorly finished works evidenced by detachment of walls off the door frames and the counter

No	Subject of procurement	Contract Amount (UGX)	Provider	Findings
				flashing (space between the roof and wall). v. The pit holes were small.
				
				
3.	Construction of Administration block Agulu division Head Quarter phase 2	64,461,040	Kuri Investment Company Limited	i. The site was abandoned by the contractor i.e. the contract was absent from the site. ii. Incomplete work according to the contract for example under Element B (Walling and Frame the following were not done: <ul style="list-style-type: none"> • Precast concrete grade 25 as described • A-250 X 100mm,-Cill, splay weathered,

No	Subject of procurement	Contract Amount (UGX)	Provider	Findings
				<ul style="list-style-type: none"> B-230mm thick ordinary well burnt clay bricks in cement sand mortar (1:4), Qty (380), Rate (20,000), Amount (7,600,000)
				
4.	Construction of a single staff house with a kitchen Agulu Primary School	81,116,091	Shalak Uganda Limited	<ul style="list-style-type: none"> i. There was no signpost on site. ii. Re-vegetation of the site was not done i.e., trees and grass were not planted. ii. There were poorly finished works i.e. the door frames walls were detaching off the walls. v. There were deep cracks around the apron and the ramp. v. The Engineer also informed the team that there were shoddy works even on the inside.

No	Subject of procurement	Contract Amount (UGX)	Provider	Findings
				
5.	Construction and installation/ subscription of electricity, windows/ door fittings of an office block at Apac MC headquarter phase 4	74,826,490	Kassase Enterprises Limited	<ul style="list-style-type: none"> i. There was no signpost on site. ii. The walls were uneven.
				
				

Implications

- Poor contract monitoring and supervision could lead to non- performance by the contractors, hence failure to achieve value for money.
- Delayed completion of projects result into delayed service delivery to the intended beneficiaries.

Management Response

No management response.

Recommendation

1. The Contract Managers should strictly supervise contracted firms to fulfil all contractual obligations specified within the terms and conditions in accordance with Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulation, 2023.
2. The Accounting Officer should fast track the correction of defects in the construction of a 5-stance drainable latrine at Owang Primary School, a 5-stance drainable latrine at Awiri Primary School, a single staff house with a kitchen Agulu Primary School and construction and installation/ subscription of electricity, windows/ door fittings of an office block at Apac MC headquarter phase 4 as well as completion of construction of administration block Agulu division Head Quarter phase 2 worth 64,461,040 by Kuri Investment Company Limited to ensure timely service delivery to the intended beneficiaries.
3. The Accounting Officer should task the responsible Contract Supervisors to explain why some activities were not implemented in the construction of administration block Agulu division Head Quarter phase 2 worth 64,461,040 by Kuri Investment Company Limited.

2.4. Follow up on the construction works for selected infrastructure sub projects in cluster II, Apac Municipal Council under Uganda Support to Municipal Infrastructure Development Program (USMID).

The Government of Uganda, through Ministry of Land, Housing and Urban Development (MLHUD) is implementing the USMID-AF Program funded by the World Bank-IDA. The program is designed to enhance institutional performance of several cities/municipalities with an aim of improving urban service delivery. It contributes to the Second National Development Plan in which infrastructure is identified as one of the complementary sectors for growth.

Segamu 14 Consults Limited in sub consultancy with Hersun Consults Limited carried out supervision consultancy services.

Apac Municipal Council, acting on behalf of Government of Uganda (GoU), awarded the contract for the infrastructure works to Al Nuaimi Group and Abubaker Technical Services Joint Venture. The start date was on 10th May 2021. The original contract duration was 15 months. However, it was revised to 28.5 months (17th October, 2023).

Table 21: Contract Summary.

Contract Title	Construction Works for Selected Infrastructure Sub Projects in Cluster II, Apac Municipal Council			
Contract Scope	Chegere Road 0.8km and Hospital/Chawente Road 0.8km			
Name of Contractor	Al-Nuaimi Group and Abubaker Technical Services JV			
Method of procurement	Open Domestic Bidding			
Type of Contract	Admeasurement Contractor			
Contract Price (UGX)	19,958,002,029			
Original Contract commencement date	10 th May 2021			
Original Contract end date	31 st August 2022			
Project Manager	Segamu Consults Ltd			
Progress as at	Infrastructure outputs planned & delivered as of October 2023			
(Indicate time progress, Physical progress & financial progress)	Contract performance	Planned	Status	Remarks
	Physical progress (%)	137.8%	88.5%	49.3%-Variance
	Financial progress (%)		53%	The contractor has been paid 10,570,363,647
	Time elapsed (%)	100%	104.1%	912days had elapsed

2.4.1. Irregularities noted in the implementation of the USMID Road Works:

1. Slow progress of the works.

The Authority found that as per the consultant's monthly progress report for the month ended 30th November 2023 submitted on 4th December 2023. The Contractor had achieved a physical progress of 88.5%. 104.1% of the project time had elapsed. The contractor had planned to complete the physical works by 17th October 2023 as per their work programme, but by the time of the site visit on 14th December 2023, works were still ongoing as detailed in table 24 below (physical verification) with no indication of extension of contract.

Implication

Slow progress of works could lead to increasing the risk of failure to fully absorb appropriated funds and delaying service delivery to the intended beneficiaries.

Management response

The management appreciates the observation by the audit team, however the planned physical progress resulted from the monthly cumulative compressed work program which was not achievable within the time frame due to poor contractor's cash flow which had already crashed before the end of the reporting period. In view of the above the client could not give time extension due to lack of justification and indeed resorted to charging Liquidated damages, enforcing clause 58.1 of the general condition of contract to solicit solution to speedy delivery of the project.

Recommendation

The Accounting Officer should put in place functional monitoring mechanisms for the Contractor as per their work programme to promote efficiency in public procurement in accordance with Section 48 of the PPDA Act, 2003.

2. Inadequate mobilization of Personnel.

The Authority found that the contractor failed to mobilize adequate number of both skilled and unskilled personnel. Furthermore, the Authority noted that the workers did not have personal protective equipment (PPE)s as they carried out different activities as detailed in table 24 below (physical verification).

Implication

Inadequate mobilization of personnel affects the timely execution of works thereby delaying service delivery to the intended beneficiaries.

Management response

The management noted the concern raised but much of the contractor's personnel have been demobilized due to the uncompleted section from 0+ 380 that was prime without Asphalt but currently the Asphalt has been laid. (Laying Asphalt required specialized team and could not be left idle on site)

Authority's comment

The Authority acknowledged the response; however, it maintains that as per the verification pictures, there were several incomplete works that needed attention apart from laying asphalt. Therefore, the contractor should have assigned additional workers to carry out other activities related to the uncompleted works.

Recommendation

The Contract Supervisor should ensure that the Contractor has adequately mobilized personnel to ensure timely completion of works in accordance with Section 48 of the PPDA Act, 2003.

3. Inadequate contract supervision by the Entity and Consultant (Segamu Consults Ltd).

- The Authority found that there was failure to effectively monitor and supervise the contract implementation i.e. ensuring that the contractor is always on project sites executing the works.
- The Authority found that there was failure to evidence that the contractor extended the validity period of the Performance Security worth 8% and ES performance security worth 2% of the contract price.
- There was failure to extend the contract period. At the time of the audit in 15th December 2023, the team observed that the contract had expired on 17th October 2023 without evidence of an extension.

Implication

Ineffective supervision exposes the entity to the risk of incremental contractual costs and may ultimately lead contract failure

Management response

The Management noted the concerns by the Audit team;

- i. However, the only enforcement method was through contract management meetings, which issues raised are available on the project files.*
- ii. Contractors' securities are still valid up the march 2023 and immediately it come to a closure the securities shall be cash without delays.*
- iii. Contract extension is not possible under liquidated damages, so no further contract extension and the contract shall automatically be frustrated by the contractor should the client recovers 10%*

Authority's comment

The Authority noted the response however the Entity did not provide evidence for verification of response i and ii.

Recommendation

The Accounting Officer should pay due heed to the supervision of the contract for the construction works for selected infrastructure sub projects in Cluster II, Apac Municipal Council and ensure adequate documentation of all supervision activities.

4. Pending works.

The Authority found that the following works were pending as seen in the pictures in the table 28 of this report taken on 14th December 2023

- i. Installation of solar street lights quoted at UGX 791,640,000 for 54 single lights and 27 double lights. The Authority found that the contractor had not taken any step-in regard to these works
- ii. Tree planting and shrubs quoted at UGX 9,600,000. The Authority found only one standing tree seedling
- iii. Concrete benches

- iv. Concrete planters
- v. Concrete bollards quoted at UGX 6,642,000 for 81 bollards
- vi. Traffic signage
- vii. 10 waste bin / trash cans quoted at UGX 500,000.
- viii. Road Signs quoted at UGX 50,840,000.
- ix. Road markings quoted at UGX 261,000,000
- x. Asphalt pavements and seals

Implication

The issues observed above exposed the Government of Uganda to the risk of increases in costs associated with the project and also delays improvement in urban service delivery.

Management response

Management has noted the observation, but currently the above works have been completed and all the aggrieved persons were handled.

Authority's response

The Authority has acknowledged the Entity's response that the works have been completed. However, upon reviewing the photographs submitted by the Entity after the audit, it was observed that while efforts have been made to complete the works, there are still some pending tasks that need to be addressed such solar lighting, tree planting etc. as highlighted in finding 4 above.

Recommendation

The Accounting Officer should request the designated Project Manager to present a detailed report on the present status of the contract implementation to the Authority. Furthermore, the Accounting Officer should further ensure that the Project Manager is closely monitoring the progress to ensure timely completion of the works before the project closure in June 2024, and to ensure that the quality and integrity of the works are maintained.

5. Delay by the contractor to pay the subcontractors.

The Authority found that the contractor Al-Nuaimi Group and Abubaker Technical Services JV, delayed to pay the subcontractors Mandela Technical Services Limited for relocation of water pipe line services and Inter-Tech Uganda Limited for relocation of power pipe line services. The contractor failed to pay both contractors until they wrote to the Entity seeking payment (Mandela Technical Services Limited on 16th December 2022 and Inter-Tech Uganda Limited on 24th April 2023). The contractor subsequently authorized the Entity to pay the subcontractors. The details in table 22 below:

Table 22: Payment details for subcontractors

Subcontractor	Date of contract signing	Date of completion	Payment terms	Date of payment	Delay in calendar days
Mandela Technical Services Limited	28 th September 2021	13 th May 2022	50% to released after practical completion and the remaining 50% after expiry of defects liability period (3 months)	24 th February 2023	174
Inter-Tech Uganda Limited	28 th September 2021	4 th May 2022		13 th June 2023	283

Implication

This could lead to frustration of subcontractors and litigation against the main contractor thereby delaying service delivery.

Management Response

The management has noted the concern; however, the sub contract agreement was between the contractor and the sub contractors. The client came in as grievance handling to amicably resolve the dispute.

Recommendation

The Authority acknowledges the Entity's response however the Accounting Officer should ensure that sub contractors are paid as per sub contractor agreements to avoid unnecessary dispute and delays.

6. Missing records.

The following documents were not provided to the Authority for review:

- i. The current contracts of both the Consultant and the Contractor
- ii. Copies of valid performance security worth 8% and ES performance security worth 2% of securities as well as advance payment security
- iii. Payment records
- iv. Engineer's instruction book
- v. Site meeting minutes

Implication

This inhibits transparency during the contract management process and may be an indication of fraudulent practices during contract management.

Management response

The management has noted the concern, but this was an oversight and the records have been availed for verification.

Authority's comment

The Authority noted the response however the Entity did not provide evidence for verification.

Recommendation

The Entity should maintain copies of these records to ensure transparency and accountability in accordance with Section 45 of the PPDA Act, 2003.

Table 23: Physical verification of USMID road works

Physical verification of USMID road works during the audit

Photographs showing incomplete construction works on Chegere Road 0.8km.



Photographs showing incomplete construction works and workers without PPEs on Chegere Road.

Physical verification of USMID road works during the audit



Photographs showing water filled excavated drainage channels on Chegere Road. As seen in the photos it's very risky to cross over the drainage channels, the stagnant water is a breeding ground for mosquitoes.



Photograph showing businesses cut off by the road works on Chegere Road.: the residents turned the walk way into a car washing bay.

Photographs showing a car parked on the walk way and one of

Exceptions noted:

- Project Affected Persons (PAPs) have difficulty accessing their shops. Reliable and safe access points to the shops were not constructed by the contractor. The progress of the works was slow and this has affected the livelihoods of the PAPs.
- The excavated drainage channels were filled with stagnant water which is a risk to the residents of the area i.e. breeding ground for mosquitoes, a danger to the children and other road users.
- The contractor did not install safety signage along the roads.

Physical verification of USMID road works during the audit

- No measures put in place to control the dust from the road works.
- There was no project sign board on Chegere Road.
- The workers were not protected as they did not have PPEs such as helmets, gloves and some did not have reflector jackets.

Pending works on Chegere Road;

- Installation of solar street lighting units.
- Drainage works.
- Earth works.
- Crushed stone base.
- Asphalt concrete wearing surface.
- Grassing.
- Ancillary road works including street tree planting, road marking and road signage.

Management response.

Management has noted the observation, but currently the above works have been completed and all the aggrieved persons were handled.

Photographs showing incomplete construction works on Hospital/Chawente Road 0.8km.



Physical verification of USMID road works during the audit

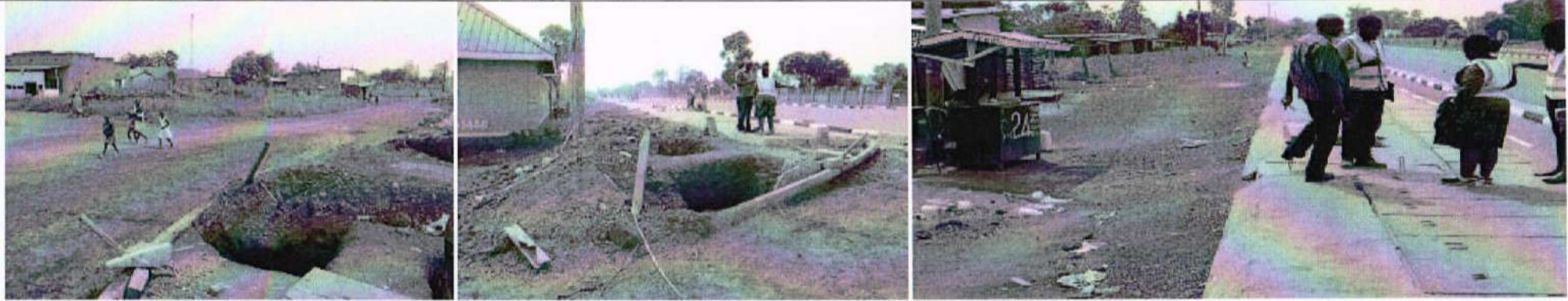


Photographs showing incomplete construction works on Hospital/Chawente Road.



Photographs showing unprotected workers; workers without PPEs such heavy duty gloves, ear plugs and dust masks along Hospital/Chawente Road.

Physical verification of USMID road works during the audit



Photographs showing dangerous obstacles along Hospital/Chawente Road that could pose a risk to the residents especially the children.

Exceptions noted:

- The progress of the works was slow and this has affected the livelihoods of the PAPs as they were exposed to noise and dust from the ongoing works.
- The unprotected manholes were not cordoned off which posed a risk to the residents of the area.
- The contractor did not install safety signage along the roads.
- No measures put in place to control the dust from the road works.
- There was no project sign board on Hospital/Chawente Road.
- The workers were not protected as they did not have PPEs such as heavy duty gloves, ear plugs and dust masks.

Management response.

No response provide by the Entity.

Pending works on Hospital/Chawente Road;

- Installation of solar street lighting units.
- Drainage works.
- Asphalt concrete wearing surface.
- Ancillary road works including tree planting, road marking and road signage.

Management response

No response provide by the Entity.

Table 24: USMID road works after audit

Physical verification of USMID road works after the audit as submitted by the Entity



Ancillary road works including street tree planting, road marking and road signage have begun.

3.0. CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section will present the overall audit conclusion and the recommended action plan.

3.1. Overall Audit Conclusion

The performance of Apac Municipal Council for the Financial Year 2022/2023 was **moderately satisfactory** with overall weighted average risk rating of **53.4%**.

Table 25: The risk rating is as follows:

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

Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in table 26 below:

Table 26: Weighted score of Apac Municipal Council

Risk category	No.	No. %	Value (UGX)	Value %	Weights	Total weighted Average	
						By No	By Value
High	4	20	103,916,104	0.5	0.6	12	0.3
Medium	14	70	21,103,693,511	99.3	0.3	21	29.8
Low	2	10	48,524,850	0.2	0.1	1	0.02
Satisfactory	0	0	0	0	0	0	0
Total	20	100	21,256,134,465	100	1	34	30.1

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{34}{60} \times 100 = 56.7\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{30.1}{60} \times 100 = 50.2\%$$

$$\text{Combined Weighted Average} = \frac{56.7+50.2}{2} = 53.4\%$$

Figure 3: Risk Rating by Number

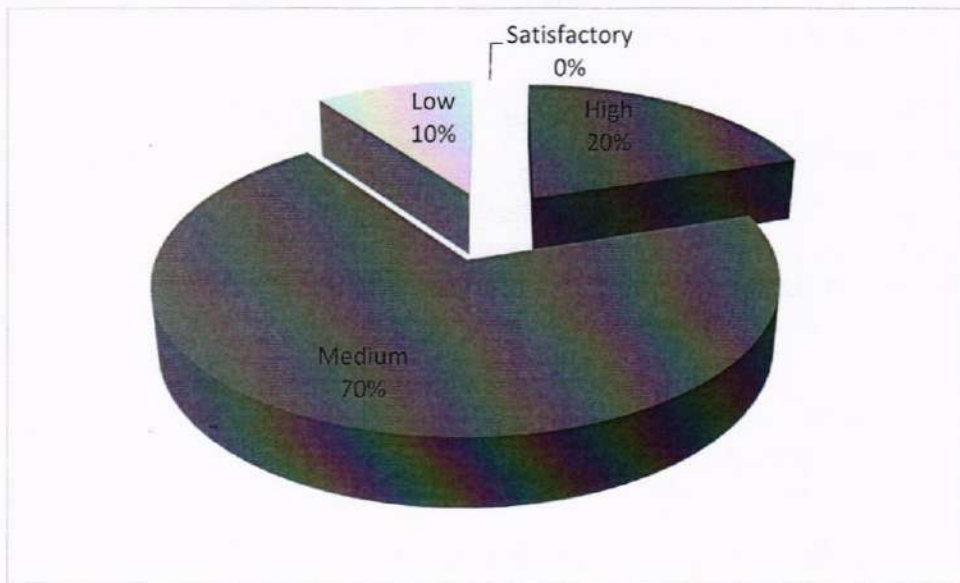
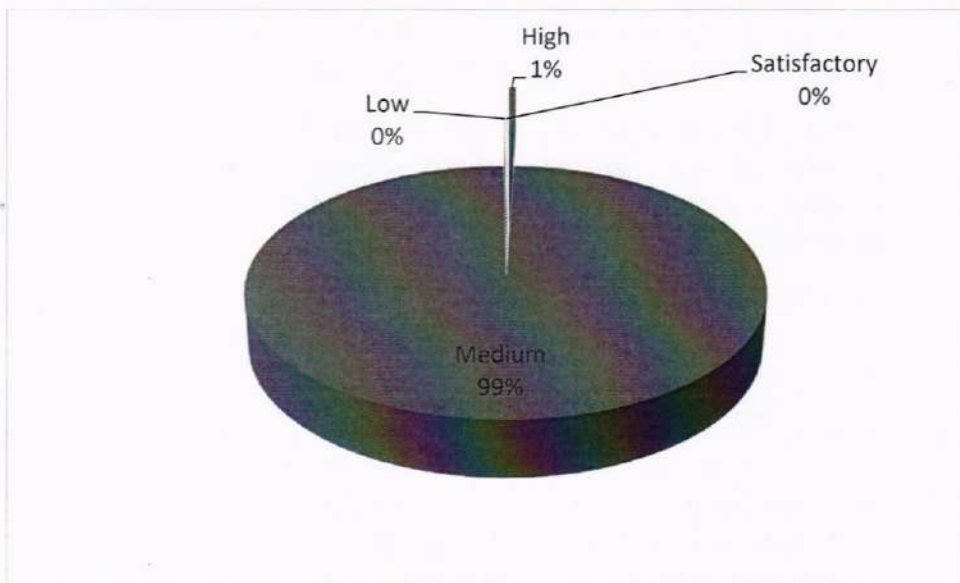


Figure 4: Risk Rating by Value



3.2. Recommended Action Plan

Apac Municipal Council should implement the following recommendations within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 27: Action Plan

Origin	Recommended Action	Target Date
Accounting Officer	The Accounting Officer should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance.	Immediately
	The Accounting Officer should take corrective action and engage all stakeholders to develop strategies on implementation of all the Authority’s recommendations in accordance with Section 9 (1) (a) of the PPDA Act, 2003.	
	The Accounting Officer should provide feedback to the Authority where the Entity finds it impractical to implement the recommendations by the Authority.	
	The Accounting Officer should provide secure storage facilities for the Procurement and Disposal Unit in order to maintain and archive records of the procurement and disposal process in accordance with Section 41 (1) of the PPDA Act, 2003.	
	The Accounting Officer should ensure that the User Departments prior to coming up with market price seek technical guidance from the technical departments to avoid under stating or over stating the market price.	
	The Accounting Officer should not approve the PP Form 5 with such variances however return to the User Department for harmony.	
	The Accounting Officer should ensure that initiation is done for procurements for which funds are available and adequate within the budget of the Entity in accordance with Regulation 4 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023.	
	The Accounting Officer should organize bidder conferences in order to obtain information on causes of limited participation by bidders in the bidding processes of the Entity and also increase bidder awareness.	
	The Accounting Officer should sign contracts with the person (s) who has Powers of Attorney to ensure legitimacy of the contract.	

Origin	Recommended Action	Target Date
	The Accounting Officer should ensure contracts are signed in a timely manner in accordance with Section 48 of the PPDA Act, 2003.	
	The Accounting Officer should not sign a contract after confirming that the contract price is higher than the established market price established prior to the commencement of the procurement process in accordance with Regulation 6 (1) (b) of the PPDA (Contracts) Regulations, 2023.	
	The Accounting Officer should cancel and re-tender the procurement incase the market price established at the commencement of is still valid.	
	The Accounting Officer should ensure disposal of all obsolete assets, to avoid further depreciation and attain value for money in accordance with Section 87 of the PPDA Act, 2003.	
	The Accounting Officer should ensure that the contract supervisors comprehensively report on the implementation of ESHS requirements in the progress reports and should not sign on the payment certificates without inclusion of the requirements in the reports.	
	The Accounting Officer should put in place effective revenue collection mechanisms so as to address the issue of poor revenue collections in the Entity.	
	The Accounting Officer should fast track the correction of defects and completion of stalled projects to ensure timely service delivery to the intended beneficiaries.	
	The Accounting Officer should task the responsible Contract Supervisors to explain why some activities were not implemented.	
	The Accounting Officer should request the designated Project Manager to present a detailed report on the present status of the contract implementation to the Authority. Furthermore, the Accounting Officer should further ensure that the Project Manager is closely monitoring the progress to ensure timely completion of the works before the project closure in June 2024, and to ensure that the quality and integrity of the works are maintained.	

Origin	Recommended Action	Target Date
	The Accounting Officer should put in place functional monitoring mechanisms for the Contractor as per their work programme to promote efficiency in public procurement in accordance with Section 48 of the PPDA Act, 2003.	
	The Accounting Officer should ensure that sub contractors are paid as per sub contractor agreements to avoid unnecessary dispute and delays.	
Contracts Committee	The Contracts Committee should scrutinize all sections of the bidding documents for completeness and appropriateness before approving them for issue in accordance with Section 28 (1) (e) of the PPDA Act, 2003.	Immediately
Evaluation Committee	The Evaluation Committees should evaluate the bids following the criteria set in the bidding document and waive any non-material deviations in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2023.	Immediately
	The Evaluation Committees should verify the accuracy, validity and authenticity of the documents submitted by a bidder during preliminary examination in accordance with Regulation 17 (1) of the PPDA (Evaluation) Regulations, 2023.	
	The Evaluation Committees should be vigilant while reviewing the information submitted by the bidders for conformity with the set criteria, before passing bidders in accordance with Section 71 (3) of the PPDA Act, 2003.	
	The Evaluation Committee members should only assume completion of the evaluation process, after acknowledging receipt of all clarifications from the respective individuals.	
Procurement and Disposal Unit	The Procurement and Disposal Unit should ensure that the monthly summary reports of all bids awarded are published and submitted to the Authority in accordance with Regulation 15 (1) of the PPDA (PDEs) Regulations, 2023.	Immediately
	The Procurement and Disposal Unit should Set timelines in the procurement plan in accordance with the stipulated lead times set in accordance with PPDA Regulations, 2023 such Regulation 56 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023 and Regulation 4 of the PPDA (Evaluation) Regulations, 2023.	

Origin	Recommended Action	Target Date
	<p>The Head Procurement and Disposal Unit should submit to the Authority, monthly procurement and disposal reports and performance data of all procurement transactions, including micro procurements undertaken by the Entity, not later than the fifteenth day of the first month of the following month in accordance with Regulation 15 (1) of the PPDA (PDEs) Regulations, 2023.</p>	
	<p>The Procurement and Disposal Unit should ensure timely submissions of documents to the Contracts Committee for approval, to promote efficiency in public procurement in accordance with Section 48 of the PPDA Act. 2003.</p>	
	<p>The Head Procurement and Disposal Unit should in preparation of bidding documents, conduct quality assurance for appropriateness of all the required documentation in accordance with Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023.</p>	
	<p>The Head Procurement and Disposal Unit should ensure that they maintain a record of the bidder to whom they issue or sale a bidding document in accordance with Regulation 57 (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023.</p>	
	<p>The Procurement and Disposal Unit should open bids immediately after bid closing in accordance with Regulation 72 (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023.</p>	
	<p>The Procurement and Disposal Unit should prepare a shortlist of at least six bidders, except for micro procurement which shall have three bidders in accordance with Regulation 53 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023.</p>	
	<p>The Procurement and Disposal Unit should make submissions to the Contracts Committee to award contracts in a timely manner, to ensure that contracting is completed in time in order to promote efficiency in public procurement in accordance with Section 48 of the PPDA Act, 2003.</p>	

Origin	Recommended Action	Target Date
	<p>The Procurement and Disposal Unit should explore the use of other disposal methods for items that cannot attract any value, for example conversion or classification of an asset into any other form may be used where the asset has no residual value in its current form, in accordance with Regulation 16 and 17 of the PPDA (Disposal of Public Assets) Regulations, 2023.</p> <p>The Procurement and Disposal Unit could also use destruction of an asset where the asset has no residual value and it cannot be transferred to any other procuring and disposing entity or converted or classified into another form with any value in accordance with Regulation 13 (b) of the PPDA (Disposal of Public Assets) Regulations</p>	
User Department	<p>User Departments should put in place functional monitoring mechanisms for their work plans and initiate procurements according to the procurement plan time schedules, to promote efficiency in public procurement in accordance with Section 48 of the PPDA Act, 2003.</p> <p>The Municipal Engineers should ensure that when coming up with the BOQs for works procurements, issues under ESHS should be broken down and catered for in the BOQs.</p> <p>The Contract Managers should work hand in hand with the staff in charge of community and labour, to ensure enforcement of social and health safeguards during contract implementation.</p> <p>The Contract Managers should not initiate payments without following proper documented procedures and approvals in accordance with Regulation 40 and 48 of the PPDA (Contracts) Regulation 2023.</p> <p>User Departments should ensure timely commencement of works and supervise contractors to perform contracts in a way that promotes efficiency in accordance with Section 48 of the PPDA Act, 2003.</p> <p>Contract supervisors should strictly supervise contracted firms to fulfil all contractual obligations specified within the terms and conditions.</p> <p>Contract Managers should submit monthly progress /contract management reports to the Accounting Officer and Procurement and Disposal Unit as required under Regulation 52 (3) (g) of the PPDA (Contracts) Regulation 2023.</p>	Immediately

Origin	Recommended Action	Target Date
	The Contract Supervisor should ensure that the Contractor has adequately mobilized personnel to ensure timely completion of works in accordance with Section 48 of the PPDA Act, 2003.	
Internal Audit	The Internal Audit should audit procurement transactions individually and report on each procurement process as opposed to having generalized queries for all audited files in accordance with Regulation 27 of the PPDA (PDEs) Regulations, 2023.	Immediately

APPENDICIES

Appendix I: APAC MUNICIPAL COUNCIL PROCUREMENT AND DISPOSAL AUDIT SAMPLE LIST 2022-2023

No	Procurement Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk Rating
1.	Apac701/Wrks/22-23/00007	Construction of a 5-stance drainable latrine at Awiri Primary School	Selective Bidding	Tonica Engineering Works Limited	29,767,966	Medium
2.	Apac701/Wrks/22-23/00008	Construction of a 5-stance drainable latrine at Owang Primary School	Selective Bidding	Kassase Enterprises Limited	29,089,614	High
3.	Apac701/Supls/22-23/00004	Supply of office stationery, tonner and office equipment, printing and receipting media and production of staff identification cards and national legislation books	Open Domestic Bidding	Explore IT Technologies Limited	As per attached list	High
4.	Apac701/Supls/22-23/00006	Supply of garbage truck to Apac Municipal Council	Open Domestic Bidding	Tata Uganda Limited	185,000,000	Medium
5.	Apac701/Srvc/22-23/00005	Repair and maintenance of Motor Vehicle	Open Domestic Bidding	Mandela Technical Services	34,405,258	Medium
6.	Apac701/Supls/22-23/00003	Supply of fuel, oil and lubricant	Open Domestic Bidding	Big Horn Petroleum Limited	101,729,280	Medium
7.	Apac701/Wrks/22-23/00001	Construction and installation/subscription of electricity, windows/door fittings of an office block at Apac Municipal Council headquarter phase 4	Open Domestic Bidding	Kassase Enterprises Limited	74,826,490	High
8.	Apac701/Wrks/22-23/00002	Construction of a single staff house with a kitchen Agulu Primary School	Open Domestic Bidding	Shalak Uganda Limited	81,116,091	Medium
9.	Apac701/Wrks/22-23/00015	Construction of Administration block Aguludivision Head Quarter phase 2	Selective Bidding	Kuri Investment Company Limited	64,461,040	Medium
10.	Apac701/Wrks/22-23/00016	Fencing of slaughter slab	Selective Bidding	Kassase Enterprises Limited	21,946,690	Medium
11.		Routine Mechanized Maintained Ayom Makagwata -Bardek B	Force Account	Engineering Deptment	26,364,850	Low

No	Procurement Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk Rating
12.		Routine Mechanized Maintenance Orwai-Bardek Road	Force Account	Engineering Department	22,160,000	Low
13.	Apac701/Wrks/22-23/000	Water relocation	Open Domestic Bidding	Mandela Technical Services	195,237,592	Medium
14.	Apac701/Wrks/22-23/00002	Relocation of power pipe	Open Domestic Bidding	Inter Tech Uganda Limited	86,007,565	Medium
Revenue Sources						
15.	Apac701/Srvc/21-22/00025	Revenue collection from hospital market gate	Selective Bidding	Don Millions Uganda Limited	7,200,000	Medium
16.	Apac701/Srvc/21-22/00022	Revenue collection from Apac main market	Selective Bidding	Don Millions Uganda Limited	9,600,000	Medium
17.	Apac701/Srvc/21-22/00023	Collection of revenue from Arocha auction market	Selective Bidding	Don Millions Uganda Limited	13,200,000	Medium
	TOTAL				982,112,436	
Contracts for follow up and review of current status						
18.	USMID-AF-LIRA, APAC, MOROTO/WRKS/2020-21/00001	Construction Works for Selected Infrastructure Sub Projects in Cluster II, Lira City Council	Open Domestic Bidding	Al-Nuaimi Group and Abubaker Technical Services JV	19,958,002,029	Medium
19.	USMID-AF Lira, Apac, Moroto/SRVC/2020-21/00001	Consultancy services for supervision of USMID-AF road works on Chegere and Hospital Road	Open Domestic Bidding	Segamu 14 Consults Ltd	316,020,000	Medium
20.		Follow up on the functionality of the solar street lights that were installed in the previous USMID Projects				High
	TOTAL				20,274,022,029	

Appendix II: Findings and rating on the individual contracts reviewed

No.	Subject of procurement	Findings
1.	<p>Supply of garbage truck to MC worth UGX 185,000,000 by Tata Uganda Limited</p> <p>PDU submitted to CC part II – ODB, TCS, on 14th/9/2023</p> <p>Bid Notice displayed on 20th September 2022 in the new vision, Bid closing-10th October 2022</p>	<ul style="list-style-type: none"> • Initiation amount (195,000,000) was higher than the planned price (185,000,000) • Delays in approval of procurement: whereas the AO approved the procurement on 14th/4/22 the CC approved the procurement on 22nd September 2022, a delay ofworking days. • Delayed evaluation report submission by PDU to CC whereas the BEB report was completed on 11th/November 2022 the PDU submitted to CC for approval on 1st November 2022, a delay of..... • No NOBEB • No appointment of cm • Irregularity evaluation The BEB was passed yet they did not meet the following requirements <ul style="list-style-type: none"> ❖ Displacement: SBD-maximum 5500cc vs BEB-5883 cc yet MAC submitted 5193cc ❖ Power: SBD Output at rated rpm: Minimum 150 kw at 2400-2800rpm vs BEB Output at rated rpm: Minimum 132 kw at 2400-2800rpm
2.	<p>Construction of girls drainable pit Latrine at Awiri P/S worth 29,767,900 by Tonica Engineering works ltd</p>	<ul style="list-style-type: none"> • Variance between the initiated price and the price on the BOQs attached at initiation. The Initiated price was 29,000,000 while the attached price was 29,878,000. A variance of 878,000 • Delays in approval of procurement: whereas the AO approved the procurement on 20th/4/22 the CC approved the procurement on 9th March 2023, a delay ofworking days. • Inadequate bidding document: The bidding document did not provide for evaluation of financial status of the bidder bank statements and audited books of accounts; past experience. • Failure to evidence issuance of bids to Onyac Estate Company Ltd, Kasase Enterprises Ltd, Robling Enterprise Ltd, Kuri Investment Company Limited-23rd/March/2023 • Low bidder participation only 2 bidders responded • The EC passed the BEB for providing adequate personel however the BEB mentioned Apitta Herbert as the Social, Health and Safety Officer who should have a minimum of a diploma in social works however according to the documents submitted Apitta Herbert had a Bachelor of Engineering in environmental engineering and management from Kyambogo, Ordinary Diploma in Building and Civil Engineering from UNEB-UTC. • The BEB stated number of years of experience however did not give evidence of the years of experience for key personel. • The BEB calculated VAT despite not being VAT registered • The EC found an arithmetic correction worth UGX 1,003,590 however did not indicate where the variance was coming from.

No.	Subject of procurement	Findings
		<p>Furthermore on review of the BOQs the team found a variance of 1,009,785 from summation of preliminaries and general conditions of contract.</p> <ul style="list-style-type: none"> • The EC chair Mr Ekuka Felix on 4th April 2023 wrote a letter to the BEB correcting his price, he did not copy the other bidder Nakabation. There was no deadline for the BEB to respond to the clarification. • Whereas the bidder responded on 13th April 2023, the EC had already irregularly recommended for award on 7th April 2023 and even the NOBEB was already displayed at the corrected price. • Signing a contract above the assessed market price; whereas initiated price was 29m the contract was signed at 29,767,900 without approval of extra funds • CM records showed workers without PPEs which is an indication that ESHS wasn't upheld. • CM records that is supervision report showed conflicting details in as far as the actual procurement and details on the report • Partial payment made of 12,572,116 • VAT worth UGX 2,127,202.02 was paid to the BEB who wasn't VAT registered • No completion Certificate no evidence showing trees were planted • No handover
	<p>Supply of oil, fuel and lubricants</p> <ul style="list-style-type: none"> • TIN Registration Certificate or Equivalent. • Certified copy of Valid Trading License MUST be certified for the year running 2022 or Equivalent • Certificate of Registration/Incorporation or Equivalent • Current Income Tax Clearance Certificate 2022 or Equivalent • Current PPDA Registration Certificate 2022 or Equivalent • General Receipts (original) acknowledging payment for bid document fee. 	<ul style="list-style-type: none"> • Delays in approval of procurement: whereas the AO approved the procurement on 14th/4/22 the CC approved the procurement on 22nd September 2022, a delay ofworking days. • Low bidder participation only 2 bidders responded • Irregular passing of non compliant bidder: Big Horn Petroleum Limited did not meet the following <ul style="list-style-type: none"> -They did have a bid submission on file -the trading license was registered in the names of Omodi James not Big Horn -The bidder did not submit certificate of registration, TCC -Missing of letter of POA, Memorandum and Article of Association -The bidder did not submit financial status that is Evidence of Financial capacity (Audited A/C) for FY, 2019/2020-2020/2020/2021, 2020/2021 where applicable or Equivalent and Most recent bank statement i.e. October, 2022 • Irregular signing of contract for Apac oil & lubricants ltd; whereas the POA was given to Olong Stalon however the contract was signed ny Ayena Andrew • No call offs on file • Failure to fully account for fuel; out of the 101,729,280 that was reported only 47,884,900 was accounted for under force account.

No.	Subject of procurement	Findings
	<ul style="list-style-type: none"> • Evidence of Financial capacity (Audited A/C) for FY, 2019/2020-2020/2020/2021, 2020/2021 where applicable or Equivalent • Most recent bank statement i.e. October, 2022. • Letter of Power of Attorney • Memorandum and Article of Association. • Fully filled, completed and signed bid submission sheet Identification Cards for each Director (reservation and preference scheme)	
4.	Repair of Motor Vehicle spare parts, tubes, tyres and batteries etc and repair and maintenance of motor vehicles and motor cycles worth Ugx	<ul style="list-style-type: none"> • Delays in approval of procurement: whereas the AO approved the procurement on 14th/4/22 the CC approved the procurement on 22nd September 2022, a delay ofworking days. • Irregular signing of the bid submission; whereas the POA dated on 3rd October 2022 authorized Ebong Bonnie the bid submission sheet and the contract was signed by Odongo Benson. • Irregular elimination of Partsland: whereas the evaluation report on 11th/11/2022 recommended award to 3 bidders that is Jasarah, Wasington and Partland CC only awarded to 2 bidders without clear justification • No call offs on file • Failure to account for money spent 34,405,258
5.	Construction of boys drainable pit Latrine at Owang P/S worth 29,089,000 by Kasase Enterprise Limited	<ul style="list-style-type: none"> • Variance between the initiated price and the price on the BOQs attached at initiation. The Initiated price was 29,000,000 while the attached price was 29,169,000. A variance of 169,000 • Delays in approval of procurement: whereas the AO approved the procurement on 20th/4/22 the CC approved the procurement on 9th March 2023, a delay ofworking days. • Inadequate bidding document: <ul style="list-style-type: none"> ❖ The bidding document did not provide for evaluation of financial status of the bidder bank statements and audited books of accounts; past experience. ❖ The experience of key personnel was ambiguous as it did not indicate specifics. Was the experience for the current role or any form of experience • Failure to evidence issuance of bids to Onyac Estate Company Ltd Nakabation Co. Limited, Robling Enterprise Ltd,-13th/March/2023 • Low bidder participation only 2 bidders responded

No.	Subject of procurement	Findings
		<ul style="list-style-type: none"> • The EC passed the BEB <ul style="list-style-type: none"> ❖ Posses an invalid tax clearance certificate no: MA02422139785 ❖ The BEB submitted PPDA certificate which was expired that is from 1st January 2021 to 31st December 2021 yet the invitation run from 13th March 2023 to 31st March 2023. ❖ The bank statement the BEB submitted was for the period 01st January 2018 to 31st January 2020 and the audited books submitted were for the period ending June 2018 which was inadequate to determine the financial status of the bidder. • The BEB stated number of years of experience however did not give evidence of the years of experience for key personnel. • The EC found an arithmetic correction worth UGX 681,450 however did not indicate where the variance was coming from. Furthermore the variance was communicated to the bidder in a letter dated 4th April 2023 seeking clarification for the arithmetic error however there was no deadline for the BEB to respond to the clarification and also there is no evidence that the bidder responded prior to the completion of the evaluation report. • The EC chair Mr Ekuka Felix on 4th April 2023 wrote a letter to the BEB correcting Kasase's price, however he did not copy the other bidder Kuri. • Irregular contract signing dates whereas the contract date on the agreement showed that the agreement was signed on 24th 4 2023 the actual signatures were date 8th May 2023 and this could affect the dates of completion. • CM record only had an interim certificate; there were no payment records or completion certificate or site handover however the interim certificate completed on 13th June 2023.
	Supply of stationery	<ul style="list-style-type: none"> • Delays in approval of procurement: whereas the AO approved the procurement on 14th/4/22 the CC approved the procurement on 22nd September 2022, a delay ofworking days. • Low bidder participation only 2 bidders responded • No evaluation • Failure to obtain bid security and bid securing declaration ITB 21.1 no bid security shall be required •
	Revenue collection from hospital market gate worth UGX 7,200,000 by Don Millions Uganda Limited	<ul style="list-style-type: none"> • Initiation start delay Whereas the Entity planned to initiate on 29th July 2021, the procurement actually started on 8th October 2021 • Unnecessary delays Whereas initiation was made on 8th October 2022, PDU only submitted to CC for approval on 22nd February 2022 • Use of wrong method

No.	Subject of procurement	Findings																				
		<p>The Entity used selective bidding as opposed to open bidding</p> <ul style="list-style-type: none"> • Irregular Invitation of bidders not on CC approved shortlist <p>Whereas the CC in a meeting on 8th October 2021 approved Nakabation company limited and Don Millions Ug Ltd, the Entity also invited Kuri who was not on the approved shortlist.</p> <ul style="list-style-type: none"> • No evidence that Nakabation and Kuri was invited • Low bidder participation only Don Millions • Delay to sign the contract <p>Whereas the Nobeb expired on 8th Feb 22, the contract was signed on 25th February 2022</p> <ul style="list-style-type: none"> • No evidence of remittances <p>• According to a report dated 19th October 2022 by Bob Bongo Ruk...</p> <table border="1" data-bbox="635 757 1469 1099"> <thead> <tr> <th data-bbox="635 757 715 831">No</th> <th data-bbox="715 757 962 831">Date of payment</th> <th data-bbox="962 757 1315 831">Period</th> <th data-bbox="1315 757 1469 831">Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="635 831 715 904">1.</td> <td data-bbox="715 831 962 904">28th Feb 2022</td> <td data-bbox="962 831 1315 904">From 1st March to 31st May 2022</td> <td data-bbox="1315 831 1469 904">1,950,000</td> </tr> <tr> <td data-bbox="635 904 715 978">2.</td> <td data-bbox="715 904 962 978">29th June 2022</td> <td data-bbox="962 904 1315 978">From 1st June to 31st July 2022</td> <td data-bbox="1315 904 1469 978">1,300,000</td> </tr> <tr> <td data-bbox="635 978 715 1052">3.</td> <td data-bbox="715 978 962 1052">5th August 2022</td> <td data-bbox="962 978 1315 1052">From 1st August to 31st September 2022</td> <td data-bbox="1315 978 1469 1052">1,300,000</td> </tr> <tr> <td data-bbox="635 1052 715 1099"></td> <td data-bbox="715 1052 962 1099">Total</td> <td data-bbox="962 1052 1315 1099"></td> <td data-bbox="1315 1052 1469 1099">4,550,000</td> </tr> </tbody> </table>	No	Date of payment	Period	Amount	1.	28 th Feb 2022	From 1 st March to 31 st May 2022	1,950,000	2.	29 th June 2022	From 1 st June to 31 st July 2022	1,300,000	3.	5 th August 2022	From 1 st August to 31 st September 2022	1,300,000		Total		4,550,000
No	Date of payment	Period	Amount																			
1.	28 th Feb 2022	From 1 st March to 31 st May 2022	1,950,000																			
2.	29 th June 2022	From 1 st June to 31 st July 2022	1,300,000																			
3.	5 th August 2022	From 1 st August to 31 st September 2022	1,300,000																			
	Total		4,550,000																			
8.	Revenue collection from Apac main market worth UGX 9,600,000 by Don Millions Uganda Limited	<ul style="list-style-type: none"> • Initiation start delay <p>Whereas the Entity planned to initiate on 29th July 2021, the procurement actually started on 8th October 2021</p> <ul style="list-style-type: none"> • Unnecessary delays <p>Whereas initiation was made on 8th October 2022, PDU only submitted to CC for approval on 22nd February 2022</p> <ul style="list-style-type: none"> • Use of wrong method <p>The Entity used selective bidding as opposed to open bidding</p> <ul style="list-style-type: none"> • Irregular Invitation of bidders not on CC approved shortlist <p>Whereas the CC in a meeting on 8th October 2021 approved Nakabation company limited and Don Millions Ug Ltd, the Entity also invited Kuri who was not on the approved shortlist.</p> <ul style="list-style-type: none"> • No evidence that Nakabation and Kuri was invited • Low bidder participation only Don Millions • Delay to sign the contract <p>Whereas the Nobeb expired on 8th Feb 22, the contract was signed on 1st March 2022</p> <ul style="list-style-type: none"> • No evidence of remittances 																				
9.	Apac701/Wrks/22-23/00002	<p>Planning and Initiation</p> <ul style="list-style-type: none"> • <p>Bidding Document</p>																				

No.	Subject of procurement	Findings
	<p>Construction of a single staff house at Agulu Primary School (Agulu Division)</p> <p>Open Domestic Bidding</p> <p>M/s Shalak Uganda Limited</p> <p>UGX: 81,116,091</p>	<ul style="list-style-type: none"> • Failure to provide for a margin of preference. ITB 38.1 stated that a margin of preference shall not apply which was irregular. • Inconsistencies in the special conditions of contract under GCC 58:1 in the contract agreement which stated that ‘the maximum amount of liquidated damages for the whole of the works is 0.5% per day percent of the final contract price whereas GCC 58.1 in the bidding document left it open and stated that ‘the maximum amount of liquidated damages for the whole of the works is.....percent of the final contract price. <p>Bidding Process</p> <ul style="list-style-type: none"> • Irregularities at bid opening Whereas ITB 27.1 stated that bid opening shall take place on 10th October 2022, the audit noted that bid opening was done on 14th October 2022 according to the LG PP Form 10. • Bid opening was only witnessed and managed by Mr. Oneke Phillip(member(Education)) <p>Evaluation</p> <ul style="list-style-type: none"> • Failure by some members of the Evaluation Committee to sign the ethical code of conduct. Only Acar Joel signed this code. • Ms.Akello Molly Grace did not sign the Evaluation report, only Odongo Francis and Acar Joel signed. <p>Contracting Contract Management</p> <ul style="list-style-type: none"> • Delayed site handover Whereas the contract was signed on 5th January 2023, the site was handed over to the Contractor on 8th February 2023 hence a delay of 24 working days. • GCC 36.3 required that ‘the period between program updates is 2 days’, on the contrary, there was no evidence that the contractor provided this on file. • Unjustified payment of 5% contingency amounting to UGX 3,405,450 according to the interim certificate dated 29th May 2023(Valuation date) <p>Missing documents</p> <ol style="list-style-type: none"> 1.The Bills of Quantities priced estimates prepared by the District Engineer were not given to the Auditors. 2.No ES Performance Security
10.	Apac701/Wrks/22-23/00016	<p>Planning and Initiation</p> <ul style="list-style-type: none"> • Delayed initiation of procurement

No.	Subject of procurement	Findings
	<p>Fencing of abattoir(slaughter slab)</p> <p>Selective Bidding Kasase Enterprises Limited UGX: 21,946,690</p>	<p>According to the procurement plan, the procurement was supposed to be initiated on 13th March 2022, but was initiated on 10th April 2022 hence a delay of 19 days.</p> <p>Bidding Document</p> <ul style="list-style-type: none"> • Inconsistencies in the Special Conditions of Contract in the bidding document <p>Whereas the bidding document was for Fencing of slaughter slab, the Audit noted that GCC 1.1(bb) stated that ‘the site is located at...’ ‘and is defined in Drawings Nos. Construction of Administration Block at AKERE Division Headquarters.’</p> <p>Bidding Process</p> <ul style="list-style-type: none"> • Low bidder participation <p>The audit noted that whereas six firms were invited to participate according to the letter of invitation dated 13th March 2023, only two firms (M/s Kuri Investment Co. Ltd and M/s Kasase Ent Ltd) were issued with bidding documents and the same firms returned their bids as at the closing date of 31st March 2023.</p> <p>Evaluation</p> <ul style="list-style-type: none"> • Inconsistencies in the Evaluation Criteria <p>Under the preliminary Examination Criteria, documentation required to provide evidence of eligibility item(i) Notarised power of attorney was not evaluated in the evaluation report, and yet the requirement was in the bidding document.</p> <ul style="list-style-type: none"> • The best evaluated bidder Kasase Enterprises Limited was passed for presenting a power of Attorney which was not found in their bid. • Passing of a non-compliant bidder <p>Kasase Enterprises Limited was evaluated as compliant for submitting a certificate of site visit for works projects which was not found in its bid.</p> <p>Contracting</p> <ul style="list-style-type: none"> • Signing of Contract by an individual with no evidence of powers of attorney. <p>The Audit noted that Mr.Mugejjera Abel signed the Contract on behalf of Kasase Enterprises Limited with no evidence that he had Powers of Attorney.</p> <p>Contract Management</p>

No.	Subject of procurement	Findings
		<ul style="list-style-type: none"> • Unjustified payment of contingencies amounting to UGX 990,000 <p>In the BOQs prepared by Apac MC, there is a provisional 5% for contingencies amounting to UGX 825,000</p> <p>The BEB's bid as well had contingencies amounting to UGX 990,000(Provisional 5% for contingencies) that are not justified for of where these were spent.</p>
14	<p>Apac701/Wrks/22-23/00001</p> <p>Construction and installation/ subscription of electricity, windows/ door fittings of an office block at Apac MC headquarter phase 4</p> <p>Open Domestic Bidding</p> <p>Kasase Enterprises Limited</p> <p>Contract Value:UGX 74,826,490</p>	<p>Planning and Initiation</p> <p>Bidding Document</p> <ul style="list-style-type: none"> • Inadequate evaluation Criteria <p>The audit noted that under Section 3: Evaluation Methodology and Criteria, B (Equipment),required bidders to only attach documentary evidence of ownership, lease, hire such as registration books, agreements or memoranda or purchase order) for only two dump trucks/tippers which poses the question of whether this is all the equipment the bidder will require to execute the works.</p> <ul style="list-style-type: none"> • Incomplete evaluation criteria <p>Section 3 Evaluation methodology and Criteria (6.2) Qualification, under 6.2.1(History of non-performing contracts-required that the bidder should not have any 'Non performance of a contract that did not occur within the last.....years prior to the deadline for application submission, based on all information on fully settled disputes or litigation.</p> <ul style="list-style-type: none"> • Inconsistencies in the Special Conditions of Contract <p>The audit noted that GCC 44.1 in the Contract Agreement stated that 'the defects liability period is 180days' whereas GCC 44.1 in the bidding document stated that the defects liability period is 90 days.</p> <p>Bidding Process</p> <p>Evaluation</p> <ul style="list-style-type: none"> • Passing of a non-compliant bidder <p>Kasase Enterprises Limited the Best Evaluated Bidder was passed under the preliminary Eligibility criteria for requirement(e)'fulfillment of obligations to pay taxes and social security contributions in Uganda where applicable'</p> <p>as the bidder submitted an invalid tax clearance certificate (Certificate Reference Number MA04220139785)</p> <ul style="list-style-type: none"> • Irregularities at Evaluation <p>Some criteria were not included in the evaluation report</p> <ul style="list-style-type: none"> • The following documentation were required to provide evidence of eligibility;

No.	Subject of procurement	Findings
		<p>(a) A valid certificate of registration issued by the Authority for bidder currently registered with the Authority was not evaluated in the Evaluation report under preliminary eligibility, the audit noted that the BEB only attached PPDA Certificates for the years 1st January to 31st December 2021, 1st January 2017 to 31st December 2017, 1st January 2016 to 31st December 2016 and not a valid certificate issued by the Authority for the current financial year.</p> <ul style="list-style-type: none"> • Passing of a non-compliant bidder The Best Evaluated Bidder Kasase Enterprises Limited was wrongly passed for submitting audited books of accounts for the last two years 2019/2020, 2020/2021 and yet the bidder only submitted audited books of accounts for the periods ended 30th June 2015, 30th June 2016, 30th June 2017 and the period ended 30th June 2018. <p>Passing of a non-compliant bidder</p> <ul style="list-style-type: none"> • The Best Evaluated Bidder did not provide details (As required under Part 1: Section 3 Evaluation Methodology and Criteria for: -6.1: Personnel and Equipment A: Personnel where the Entity required that the bidder shall provide details of the proposed personnel and their experience records in the relevant forms included in Section IV, Bidding Forms. • In addition Kasase Enterprises Limited did not provide information of the proposed personnel in particular the duration of commitment for which they will be available for their specific positions as this was noted for all the key personnel i.e. the site Engineer, Environmental Officer and Social Development Officer. • i) The Site Engineer (Mugejjera Abel) only submitted an Academic Transcript and certificate from Ndejje University for a Bachelor of Civil Engineering. • ii) The Environmental Officer, Peter Murwany Happy also only had a University Certificate and Transcript attached from Makerere University for a Bachelor of Environmental Science. <p>Contracting</p> <ul style="list-style-type: none"> • Failure by the BEB to attach a Performance Security and Environment Social Performance Security • GCC 61.1: Under Part 3, Section 8: Special Conditions of Contract required A performance Security shall be required, A Performance Security shall be for 8% of the Contract Price, An ES Performance Security shall be required, the ES Performance Security shall be for 2% of the Contract Price and the same was stated in the Contract

No.	Subject of procurement	Findings
		<p>Agreement, however there was no evidence that this was presented to the Entity by the Best Evaluated Bidder.</p> <p>Contract Management</p> <ul style="list-style-type: none"> • Full payment of Contractor before completion of works. The Best Evaluated Bidder Kasase Enterprises Limited was paid the complete contract value of UGX 75,626,160 before the completion of the works. In addition, there was no advance payment guarantee on file. • Conducting works on an expired contract. The audit noted that whereas the contract was signed on 5th January 2023 and was supposed to expire on 30th June 2023. To date the works are still ongoing despite lapse of the contractual period. <p>Missing records</p> <ul style="list-style-type: none"> • No Contract Management Report on file (The only report on file was signed on 9th January 2023) • No completion certificate on file
15	<p>Apac701/Wrks/22-23/00009</p> <p>Construction of Administration block Agulu division Head Quarter phase 2</p> <p>Selective National Bidding</p> <p>Kuri Investment Company Limited</p> <p>UGX 64,461,040</p>	<p>Planning and Initiation</p> <p>Bidding Document</p> <ul style="list-style-type: none"> • GCC 52.1: stated that a performance security shall not be required, 10% of the total contract price ie 8% for construction and 2% for ESHMP' however the importance of a performance security is to protect the Entity against non-performance by the contractor <p>Bidding process</p> <p>Evaluation</p> <p>Contracting</p> <ul style="list-style-type: none"> • Signing of a contract above the initiated amount The audit noted that the contract with Kuri Investment Company Limited was signed at UGX 64,461,040 and yet the procurement was initiated at UGX 34,000,000. <p>Missing Documents</p> <p>1. Bills of Quantities prepared by the District Engineer</p> <p>Contract Management</p> <ul style="list-style-type: none"> • The site was abandoned by the Contractor <p>-Attach Picture</p> <p>The Audit team noted that the Contractor did not execute all the works in the Bills of Quantities. For example Under Element B(Walling and Frame</p> <p>-Precast concrete grade 25 as described</p>

No.	Subject of procurement	Findings
		A-250 X 100mm,Cill,splay weathered, B-230mm thick ordinary well burnt clay bricks in cement sand mortar(1:4),Qty(380),Rate(20,000),Amount(7,600,000)
13.	Apac701/Srvc/22-23/00010 Apac793/srvc/21-22/00023-as per Contract Agreement Collection of revenue from Arocha auction market Selective Bidding Don Millions Uganda Limited 1,200,000 per month UGX 13,200,000	<p>Planning and Initiation</p> <ul style="list-style-type: none"> Delayed initiation of procurement <p>Whereas the planned initiation date according to the procurement plan was 29th July 2021, the procurement was initiated on 8th October 2021 hence a delay of 52 days.</p> <p>Bidding Document</p> <ul style="list-style-type: none"> Failure to specify the bid validity period in the bidding document <p>ITB 18.1 required a bid validity period of 120 days.</p> <p>Bidding process</p> <ul style="list-style-type: none"> Delayed submission of procurement to Contracts Committee <p>Whereas the Town Clerk confirmed funding for this procurement on 2nd October 2021, submission to Contracts Committee was done on 27th December 2021 hence a delay of about 54 days.</p> <ul style="list-style-type: none"> Low bidder participation <p>Whereas three firms were invited to participate (M/s Nakabaleto Company Limited, M/s Don Millions Company Ltd, M/s East Investment Ltd), only M/s M/s Don Millions Company Ltd was issued with a bidding document and returned their bid.</p> <p>Evaluation</p> <ul style="list-style-type: none"> Passing of a non-compliant bidder <p>M/s Don Millions Uganda Limited was passed for the requirement of a most recent bank statement ie December 2021 under the preliminary eligibility criteria and yet the bidder submitted bank statements from 1/06/2020 to 22/06/2021</p> <p>Contracting</p> <p>Contract Management</p> <ul style="list-style-type: none"> Missing payments <p>For the months of March, April ,May, June, July, August and October</p>

Appendix III: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry risk for the	Planning: Lack of or failure to procure within the approved plan	This implies emergencies and use of the direct procurement method which affects competition and value for money.

RISK	DESCRIPTION	AREA	IMPLICATION
	<p>regulatory system or the Entity's reputation. Such cases warrant immediate attention by senior management.</p> <p>Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".</p>	<p>Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals and usurping the powers of the PDU.</p>	<p>This implies use of less competitive methods which affects transparency, accountability and value for money.</p>
		<p>Evaluation: Use of inappropriate evaluation methodologies or failure to conduct evaluation.</p>	<p>This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.</p>
		<p>Record Keeping: Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.</p>	<p>This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.</p>
		<p>Fraud/forgery: Falsification of Documents</p>	<p>This implies lack of transparency and value for money.</p>
		<p>Contract Management: Payment for shoddy work or work not delivered.</p>	<p>This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries</p>
<p>MEDIUM</p>	<p>Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the Entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of</p>	<p>Planning: Lack of initiation of procurements and confirmation of funds.</p>	<p>This implies committing the Entity without funds thereby causing domestic arrears.</p>
		<p>Bidding Process: Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-qualified firms and</p>	<p>This implies lack of efficiency, standardization and avoiding competition.</p>

RISK	DESCRIPTION	AREA	IMPLICATION
	<p>management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.</p>	<p>splitting procurement requirements.</p> <p>Procurement Structures: Lack of procurement structures</p> <p>Record Keeping: Missing Contracts Committee records and incomplete contract management records.</p> <p>Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.</p>	<p>This implies lack of independence of functions and powers and interference in the procurement process.</p> <p>This implies that one cannot ascertain the audit trail namely: whether the necessary approvals were obtained in a procurement process.</p> <p>This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.</p>
		<p>Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety.</p> <p>Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.</p>	
LOW	<p>Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from</p>	<p>Planning: Lack of procurement reference numbers.</p>	<p>This leads to failure to track the procurements which leads to poor record keeping.</p>
		<p>Bidding Process: Not signing the Ethical Code of Conduct</p>	<p>This leads to failure to declare conflict of interest and lack of transparency.</p>

RISK	DESCRIPTION	AREA	IMPLICATION
	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 IV: List of staff in the Procurement and Disposal Unit, Contracts Committee and User Departments

List of persons in the Procurement and Disposal Unit

No	Name	Job Title	Academic Qualification	Procurement Certification	Years of Experience
1.	Joel Acar	Procurement Officer	Degree in Procurement and Supply Chain Management	None	8 years
2.	Denis Okello	Assistant Procurement Officer	Deployment in Procurement and Logistics Management	None	2 years

List of the Contracts Committee members

No	Name	Job Title	Position on CC	Appointment Date by PS/ST	Date of Expiry
1.	Patrick Elvis Ongu	Senior Assistant Town Clerk Akere Division.	Chairperson	3 rd July 2023	17 th July 2026
2.	Daniel Odongo	Commercial Officer	Member	3 rd July 2023	17 th July 2026
3.	Molly Grace Akello	Education Guidance and Counseling	Member	3 rd July 2023	17 th July 2026
4.	Joyce Ajuti	Principal Community Development Officer	Member	3 rd July 2023	17 th July 2026
5.	David Okeno	Principal Medical Officer	Member	3 rd July 2023	17 th July 2026

List of User Departments

No	User Department	Job Title	Head of Department
1.	Administration	Deputy Town	David Odiambo
2.	Education	Municipal Education Officer	James Opio
3.	Finance	Principal Finance Officer	Thomas Oming
4.	Principal Production Office	Production Department	Anna Grace Akite
5.	Community Department	Principal Community Development Officer	Joyce Ajuti
6.	Commercial Department	Commercial Officer	Daniel Odongo
7.	Engineering Department	Senior Municipal Engineer	Francis Odongo
8.	Natural Resource Department	Physical Planner	Joan Ayugi
9.	Planning Unit	Municipal Planner	Patrick Obua
10.	Health Department	Principal Health Inspector	David L. Okeng
11.	Atik Division	Senior Assistant Town Clerk	Akulu
12.	Agulu Division	Senior Assistant Town Clerk	Tonny. Edyel
13.	Arocha Division	Senior Assistant Town Clerk	Tonny. Okech
14.	Akere Division	Senior Assistant Town Clerk	Patrick Elvis. Ongu