



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

**PROCUREMENT AND DISPOSAL AUDIT REPORT FOR FINANCIAL YEAR
2021/2022**

LAMWO DISTRICT LOCAL GOVERNMENT

AUGUST 2023

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ACRONYMS

BOQ	Bills of Quantities		
DLG	District Local Government		
FY	Financial Year		
Ltd	Limited		
PPDA	Public Procurement and Disposal of Public Assets Authority		
PPDA Act	Public Procurement and Disposal of Public Assets Act		
PS	Primary School		
UGX	Uganda Shillings		
VAT	Value	Added	Tax

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a procurement and disposal audit of Lamwo District Local Government that covered a sample of 18 procurement transactions for the Financial Year 2021-2022. The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Lamwo District Local Government procurement and disposal system and process with the provisions of the PPDA Act, 2003 and Local Governments (PPDA) Regulations, 2006 and assess the level of procurement performance over the audit period.

From the findings of the procurement audit exercise, the performance of Lamwo District Local Government for the Financial Year 2020/2021 was **moderately satisfactory** with an overall weighted average risk rating of **66.7%** as per the ranking below:

Table 1: Risk rating scale

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

The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the audit report.

The following key exceptions were noted:

1. Procurements worth UGX 11,371,918,571 funded by The International Fund for Agricultural Development (IFAD) were not implemented due to delays in the procurement processes. This deprived the community of Lamwo of the chance to access quality Community Access Roads to transport their agricultural produce.
2. The Entity had not disposed of any items since FY 2018-2019 even though the annual boards of surveys conducted recommended assets for disposal.
3. There was no evidence that the Contracts Committee approved the bidding documents, bid security amount and the cost of the bidding document in eight procurement transactions worth UGX 1,855,851,664.
4. Irregularities in evaluation of bids in eight procurements worth UGX 776,927,459. These included elimination of bidders that met the minimum requirements, passing bidders that did not meet requirements, waiving of material requirements, not communicating correction of arithmetic errors, and eliminating bidders over questionable documents without conducting verification.
5. The Evaluation Committees did not verify key information submitted by the best evaluated bidders at post qualification contrary to the post qualification requirements in the bidding documents in six procurements worth UGX 2,883,303,552 exposing the Entity to risk of awarding contracts to fraudulent providers.
6. The Accounting Officer signed six contracts worth UGX 1,543,137,049 where bids had expired and not been renewed making the contracts voidable.
7. The Contract Supervisors did not prepare contract progress and completion reports after the Entity had made advance payments to providers in four procurements worth UGX 1,301,300,037 increasing the risk of breach of contract requirements without timely notice.
8. There was lack of accountability and justification for items in the bills of quantities in six procurement transactions worth UGX 2,006,079,375. This included mainly contingency and supervision funds.

9. The Authority found project defects in two contracts during audit field visits to the projects conducted on 22nd December 2022. Evidence of rectification of the same had not been provided by the time of the report.

The underlying causes for the above anomalies include; inefficiencies in the procurement system, contracts committee not adequately performing its function, weak evaluation committees, and inadequate contract supervision.

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

1. The Accounting Officer should prevail over all responsible stakeholders to address bottlenecks that cause inefficiency in the procurement system to enable implementation of procurements before the close of the Financial Year and the projects.
2. The Accounting Officer should cause for the preparation of a disposal plan for the assets earmarked for disposal, submit it to the Authority, and expedite the process to achieve value for money.
3. The Head Procurement and Disposal Unit should not issue any bidding documents and charge bidding document costs that have not been approved by the Contracts Committee.
4. The Accounting Officer should arrange for a procurement training in the area of bid evaluation to build the capacities of members of the Entity.
5. The Evaluation Committees should verify information submitted by the Best Evaluated Bidders in accordance with the criteria set in the bidding documents. This should involve third party confirmations and physical verification.
6. The Procurement and Disposal Unit should monitor bid validity periods and where necessary request for an extension in writing prior to the expiry of the bids in accordance with Regulation 49(5) of the Local Governments (PPDA) Regulations, 2006.
7. The Contract Supervisors should not make progress reports only for purposes of making payments but for the purpose of contract monitoring and reporting to the responsible stakeholders on the progress of the contracts. Contract Supervisors should also prepare contract completion reports upon completion of the contracts in accordance with Regulation 119 (10) (f) of the Local Governments (PPDA) Regulations, 2006.
8. The Contract Supervisors should not initiate the payment of contingency and provisional sums without following proper documented procedures and approvals for the additional works.
9. The Accounting Officer should strengthen the contract management function through appointment of technically competent contract supervisors, providing adequate supervision facilitation, setting up project construction committees with the final users, and tasking internal audit to undertake effective oversight.

Lamwo District Local Governments should implement the recommended action plan on Pages **48 and 49** of this report.

CHAPTER 1: INTRODUCTION

1.1 Structure of the Entity

According to Section 26 of the PPDA Act, 2003 as amended, the Accounting Officer has overall responsibility for the successful execution of procurement, disposal and contract management in Lamwo District Local Government. The Accounting Officer of the Entity during the Financial Year under audit was Mr. James Bedijo Okumu, the Chief Administrative Officer. The composition of the Contracts Committee and Procurement and Disposal Unit are detailed in **Appendices 7 and 8**.

1.2 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out the procurement and disposal audit of Lamwo District Local Government that covered a sample of 18 procurement transactions under Financial Year 2021/2022. The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Lamwo District Local Government's procurement system and processes with the provisions of the PPDA Act, 2003 and PPDA Regulations, 2006 and assess the level of procurement performance over the audit period.

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, Regulations and Guidelines by Lamwo District Local Government.

The specific objectives were to:

1. Establish the level of compliance of the Entity's procurement and disposal activities with the general provisions of the PPDA Act, Regulations and Guidelines;
2. Establish the level of compliance of the procurement and disposal processes with the PPDA Act, 2003 and Regulations, 2006; and
3. Assess the level of achievement of efficiency and effectiveness during contract implementation.

1.4 Scope of the audit exercise

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation on sample basis. The audit covered a representative sample of 18 procurement transactions conducted in the Financial Year 2021/2022. The list of sampled transactions is contained in **Appendix 6**. The distribution of the transaction population and sample is in Table 2 below:

:

Table 2: Population Analysis

PROCUREMENT METHOD	VALUE			NUMBER		
	Population (UGX)	Sample (UGX)	% Value	Population	Sample	% Number
Open National Bidding	8,217,726,747	7,259,087,923	88%	25	17	68%
Selective National Bidding	1,249,289,067	65,426,615	5%	163	1	1%
Micro Procurements	91,660,667	-	0%	169	-	0%
Total	9,558,676,481	7,324,514,538	77%	357	18	5%

1.5 Procurement and Disposal Audit Methodology

The auditors examined records and documents for each sampled procurement 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. At the end of the document review, a physical verification was undertaken to ascertain the level of contractual delivery and fitness for purpose.

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 **23rd December 2022** before the auditors could embark on preparation of the management letter. The management letter was issued to the Entity on **14th April 2023** with a requirement to submit a management response by **10th May 2023**, which was submitted on **10th May 2023**. An exit meeting was held on **11th May 2023** at the PPDA Northern Region office in Gulu City.

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

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

2.1 COMPLIANCE WITH THE GENERAL PROVISIONS OF THE PPDA ACT AND REGULATIONS

2.1.1. Failure to fully implement planned procurements

The Entity procured planned items worth UGX 9,558,676,481 for the Financial Year 2021-2022. This amounted to 34.6% of the planned procurement value. The procurement implementation variance was UGX 18,031,400,807. The details are in Table 3 below:

Table 3: Procurement plan implementation rate

Total procurement plan value inclusive VAT (UGX)	27,590,077,288
Total procurement spend value inclusive VAT (UGX)	9,558,676,481
Procurement plan implementation rate (%)	34.6%
Plan Implementation Variance (UGX)	18,031,400,807

The variance of UGX 18,031,400,807 related to the following:

- i. Procurements worth UGX 1,803,683,344 were reported to the Authority at unit price instead of the actual spend. The details are given in Table 4 below:

Table 4: Procurements without contract amounts

No	Subject of procurement	Plan Amount (UGX)
1.	Office Supplies (Printing, Photocopying, Stationeries and Binding)	224,970,402
2.	Motor Vehicle Repairs & Servicing (Spare Parts)	287,967,601
3.	Meals, Drinks, Welfare & Entertainment	331,738,355
4.	Bituminous Products	100,000,000
5.	Road Construction Materials	110,000,000
6.	Fuel, Lubricants and Oils	749,006,986
	Total	1,803,683,344

- ii. Micro procurements were not conducted through the correct procurement processes and neither were they reported in the quarterly reports.
- iii. The following planned procurements worth UGX 14,894,855,162 were not reported as implemented in the quarterly reports.

Table 5: Procurements not conducted as per the quarterly reports submitted to the Authority

No.	Subject of procurement	Plan Amount (UGX)	Management Response
1.	Construction of Padibe Seed School-UGIFT	2,100,000,000	<i>This projects was not signed within the financial year due to lack of funds</i>
2.	Upgrade of Ngomoromo HC II-UGIFT	650,000,000	<i>This project is not yet signed up to date due to non-receipt of the fund</i>
3.	Drilling & Installation of 2 Boreholes	50,000,000	<i>This is noted for subsequent financial years.</i>
4.	Hire of Specialized Road Equipment	90,000,000	<i>This is noted for subsequent</i>

No.	Subject of procurement	Plan Amount (UGX)	Management Response
	(Palabek Kal Town Council 1.0Km)		<i>financial years.</i>
5.	Computer Supplies and Information Technology (ICT-General)	48,616,000	<i>This is noted for subsequent financial years.</i>
6.	Agricultural Supplies (Planting Materials, Demonstration Materials-Extension)	16,393,100	<i>This is noted for subsequent financial years.</i>
7.	Construction of Five (5) Stance Drainable Latrine at the Sub County H/Q	25,000,000	<i>This is noted for subsequent financial years.</i>
8.	Furnishing of the New Sub County Headquarters	9,935,197	<i>This is noted for subsequent financial years.</i>
9.	Installation of Solar Panel with Peak Power of 130W, Max. Current of 8.5A Max. Voltage of 19DC Short Circuit Current of 21.4V DC as SUNTECH 5P 130, BP Solar BP 130	10,500,000	<i>This procurement was handled by community under DRDIP Project</i>
10.	Supply of Three (3) Laptop Computers	11,947,500	<i>This is noted for subsequent financial years.</i>
11.	Tree Seedlings/Woodlot and greenery of Public Places around the Resource Centre Office Block and Playground (Teak)	10,000,000	<i>This procurement was handled by community under PRELNOR Project</i>
12.	Procurement of a Laptop Computer and a Printer	4,500,000	<i>This is noted for subsequent financial years.</i>
13.	Laptop Computer	4,000,000	<i>This is noted for subsequent financial years.</i>
14.	Agricultural Supplies (PRELNOR)	16,398,100	<i>This procurement was handled by community under PRELNOR Project</i>
15.	Supply of Teak Tree Seedlings	5,000,000	<i>This procurement was handled by community under PRELNOR Project</i>
16.	Physical Plan for Opoki Trading Centre	12,000,000	<i>This is under implementation this financial year</i>
17.	Physical Plan for Lagwel Trading Centre	10,000,000	<i>This is project was implemented in the year under review due because the district never had a servicers provider for such services .However, the two projects are under implementation this financial year and evidence of invitation is available</i>
	Renovation in schools		
18.	Renovation of 13 Schools in Palabek Gem and Ogili Sub Counties	47,890,915	<i>The funds were transferred to the respective schools and they implemented the renovation work themselves</i>
19.	Renovation of 10 Schools in Palabek Kal Sub County	44,404,325	
20.	Renovation of 15 schools in Lokung Sub County, Lamwo and Padibe Town	44,335,283	

No.	Subject of procurement	Plan Amount (UGX)	Management Response
	Councils		
21.	Renovations in 12 schools in Padibe West and Padibe East Sub Counties	40,947,010	
22.	Renovation in 6 schools in Paloga Sub County	45,695,735	
23.	Renovations in 7 schools in Agoro Sub County	41,325,091	
24.	Renovation of 7 schools in Madi Opei Sub County	31,806,323	
	Rehabilitation/Construction of roads		
25.	Rehabilitation/Construction of Climate Resilient Community Access Road: Ngol Cine – Adodi	2,208,544,384	<i>This contract delayed to be cleared by IFAD and was signed this current financial year</i>
26.	Rehabilitation/Construction of Climate Resilient Community AccesRoad: Akelikongo central – Lakwala west	547,682,371	<i>This contract was cleared by IFAD and there is no funding</i>
27.	Rehabilitation/Construction of Climate Resilient Community AccesRoad: Oboko – Ywaya	2,589,190,730	<i>This is noted for subsequent financial years.</i>
28.	Rehabilitation/Construction of Climate Resilient Community Acces Road: Oteng Ki bwor - Ywaya	1,258,275,725	<i>This contract was cleared by IFAD and there is no funding</i>
29.	Rehabilitation/Construction of Climate Resilient Community AccesRoad: Lakwar - Agwata	1,564,845,122	<i>This is noted for improvement in the subsequently financial years</i>
30.	Rehabilitation/Construction of Climate Resilient Community AccesRoad: Kamama central – Gem mede - Pawic	2,203,380,239	<i>This is noted for subsequent financial years.</i>
31.	Road Rehabilitation Works (Lugwar-Paracelle-Waligo 27.5Km)	1,000,000,000	<i>Whereas there was plan for that road, there were issues with the design of the and it could not be implemented during that time.</i>
	Planned framework items not reported		<i>We have taken note for improvement and report on all micro procurements under taken</i>
32.	Small Office Equipment	43,394,250	<i>We have taken note for improvement and report on all micro procurements under taken</i>
33.	Books, Periodicals & Newspapers	8,687,000	<i>We have taken note for improvement and report on all micro procurements under taken</i>
34.	Cleaning & Sanitation	9,853,700	<i>We have taken note for improvement and report on all micro procurements under taken</i>

No.	Subject of procurement	Plan Amount (UGX)	Management Response
35.	Telecommunication	14,018,597	<i>We have taken note for improvement and report on all micro procurements under taken</i>
36.	Advertising & Public Relations	26,888,465	<i>We have taken note for improvement and report on all micro procurements under taken</i>
37.	Supply of Office Equipment & Consumables	40,000,000	<i>We have taken note for improvement and report on all micro procurements under taken</i>
38.	Maintenance-Others	9,400,000	<i>We have taken note for improvement and report on all micro procurements under taken</i>
	Total	14,894,855,162	

iv. **Failure to absorb funds**

In two procurement transactions worth UGX 496,223,436 the Entity did not absorb 498,980,362 but rather had to revert these funds back to the consolidated fund as a result of inefficient procurement processes. The details are given in Table 6 below:

Table 6: Planned procurements that failed to absorb funds

No.	Subject of procurement	Finding	Management Response
1.	Construction of Administration Block (Phase II) at the District Headquarters worth UGX 216,356,304 Provider: Northcross Professional Engineers Limited.	The Entity failed to complete the procurement process within the financial year despite funds being available. Funds worth UGX 216,356,304 had to revert to the consolidated fund. This was caused by delays and suspected forgery of Contracts Committee minutes by the Head, PDU George Ochaya. Subsequently the contract could not be approved by the Solicitor General. The Head PDU was interdicted by the Accounting Officer.	<i>This is noted and true</i>
2.	Design and Build of Pipe Water System in Agoro Sub County worth UGX 279,867,132 Provider: W&S Consults Inter Limited	The procurement process was not completed in time and funds worth UGX 282,624,058 reverted to the treasury.	<i>The contract was cleared by solicitor general in May but the contractor rejected the offer and did not sign the contract.</i>

Additionally in the procurement for rehabilitation (siting & supervision, drilling, installation, casting & pump testing) of 08 (New) Boreholes and Major Rehabilitation of 04 (Old) Boreholes worth UGX 233,720,000, the procurement process stalled. On 7th December 2021, the Architect and Engineering (A&E) Firm (the firm responsible for the procurement process quality assurance on behalf of the funder, USAID) recommended to USAID to authorize the Entity to proceed with contract signing with Icon Projects Limited. There's no evidence of any further progress beyond the recommendation by the Architect & Engineering firm. Notably, the contract had not been executed as at 22nd December 2022. The bids had expired on 31st December 2021.

Implications

- There is a red flag that planned items/activities worth UGX 18,031,400,807 could have been procured without following the right procedures.
- Failure to implement planned activities causes delays in service delivery to the intended beneficiaries and may lead to implementation of the projects at higher prices in subsequent periods due to inflation.

Recommendations

1. The Chairman Contracts Committee should ensure that quarterly summary reports of all bids awarded are published and submitted to the Authority, the ministry responsible of local governments and copies distributed to all relevant local councils in the district in accordance with Regulation 19(4)(e) of the Local Governments (PPDA) Regulations, 2006. This should include all procurements conducted at lower local governments, through Donor Funded Projects and Schools.
2. The Accounting Officer should guide schools on conducting procurements following Procurement and Disposal Guidelines for Schools in Uganda 2014. The Schools should submit Quarterly Reports to the Chief Administrative Officer of the District and these should be ultimately incorporated in the Quarterly Procurement and Disposal reports submitted to the Authority,
3. The Accounting Officer should prevail over all responsible stakeholders to address bottlenecks that cause inefficiency in the procurement system to enable implementation of procurements before the close of the Financial Year and the projects.

2.1.2. Unreported micro procurements

User Departments undertook micro-procurements worth UGX 131,660,667 as observed from the Integrated Financial Management System (IFMS) payment register but did not submit a report to the Procurement and Disposal Unit for onward submission to the Contracts Committee for ratification. There was no evidence of delegation by the Accounting Officer to User Departments to undertake micro procurements contrary to Regulation 41 (7) of the Local Governments (PPDA) Regulations, 2006.

Implication

Failure to report all procurements undertaken by the Entity is a red flag for a weak accountability system.

Recommendations

1. The Accounting Officer should delegate authority to User Departments to undertake micro procurements up to the maximum value specified in the guidelines in accordance with Regulation 41 (7) of the Local Governments (PPDA) Regulations, 2006.

2. User Departments should report micro procurements undertaken to the Contracts Committee on a monthly basis in accordance with Regulation 41 (8) of the Local Governments (PPDA) Regulations, 2006.

Management Response

The recommendations are taken for action

2.1.3. Failure to dispose obsolete assets

The Authority found that the Entity had not disposed of any items since FY 2018-2019 even though the annual boards of surveys conducted recommended assets for disposal. The list of such assets is under **Appendix 3**.

Figure 1: Obsolete motor vehicles and tyres



Figure 1: Pictures taken on 22nd December 2022 showing old tyres and grounded vehicles at the town council offices and Padibe Health Centre IV.

Implication

This inhibits achievement of value for money as funds are held up in assets and also lost through depreciation of such assets.

Recommendation

The Accounting Officer should cause for the preparation and submission of an approved disposal plan for the assets earmarked for disposal to the Authority and expedite the process to achieve value for money.

Management Response

This is noted and in the latest District Executive Council meeting held on 27th April 2023 recommended that the User departments should immediately initiate the Disposal process of identified assets in the boards of surveys reports.

2.1.4. Failure to fully implement the Authority's recommendations

Out of the 17 recommendations issued in the audit report for Financial Year 2019-2020, eight (47%) were not fully implemented as shown in Table 7 below:

Table 7: Implementation of previous recommendations

No.	Recommendation	Implementation Status
1.	The Accounting Officer should always conduct due diligence on all the information submitted by bidders before signing contracts.	Partially Implemented
2.	The Accounting Officer should liaise with the Authority to provide capacity building for the Entity staff in procurement and disposal procedures and best practices.	Not Implemented
3.	The Accounting Officer should commence disposal procedures for the District's obsolete assets in accordance with Regulation 122 (1) of the Local Governments (PPDA) Regulations, 2006.	Not Implemented
4.	The Procurement and Disposal Unit should always review and update its procurement plan on a quarterly basis or wherever necessary in accordance with Section 58 (4) of the PPDA, Act 2003.	Partially Implemented
5.	The Procurement and Disposal Unit should prepare quality solicitation documents.	Partially Implemented
6.	The Procurement and Disposal Unit should always issue and send a copy of the Notice of Best Evaluated Bidder to all bidders that participate in the procurement process in accordance with Regulation 85 of the Local Governments (PPDA) Regulations, 2006. During this time, no action should be taken on the contract by the Entity.	Not Implemented
7.	The Contracts Committee should always scrutinize bidding documents for completeness, correctness, clarity and accuracy before approval.	Partially Implemented
8.	The Evaluation Committee members should strictly adhere to the criteria set out in the solicitation document.	Partially Implemented

Implication

Failure to implement the Authority's recommendations exposes the Entity to the risk of a weak procurement system which may limit achievement of value for money.

Recommendation

Management should prioritize on capacity building of the different stakeholders to effectively handle the Entity's procurement function.

Management Response

There have been capacity challenges at the Entity, but currently we have included in the work plan to have capacity building done to all the key stakeholders in the coming financial year.

2.2 COMPLIANCE OF THE PROCUREMENT AND DISPOSAL PROCESSES WITH THE PPDA ACT AND REGULATIONS

The following anomalies were noted:

2.2.1 Inefficiencies in the procurement process

The Authority found several delays in nine procurement processes worth UGX 1,894,921,987 contrary to Section 48 of the PPDA Act, 2003, as detailed Table 8 below.

Table 8: Delayed procurement processes

No	Subject of procurement	Findings	Management Response
1.	Construction of Maternity Ward at Pangira HC II worth UGX 383,238,029 Provider: Mason Consult Limited	Delay of 101 working days to issue bid invitation (10 th September 2021) after initiation on 1 st June 2021. Delayed evaluation; bid opening was on 1 st October 2021 and evaluation was closed on 7 th February 2022 (149 days) contrary to a maximum of 40 working days. Should be noted that the Evaluation Committee was approved after bid closing on 28 th October 2021. It took 94 working days to sign the contract on 12 th May 2022 after evaluation. Notably, the bid had expired on 31 st December 2021 with no evidence of extension.	<p><i>We admit that there delays in the procurement processes in all the stated procurement and commit to strengthen our internal systems.</i></p> <p><i>Secondly, there are also delays in the clearance of contracts by solicitor general's office that that is not within the Entity's control.</i></p> <p>Authority Comment The submission to Solicitor General was made on 22nd March 2022 and was approved on 10th March 2022.</p>
2.	Construction of Low Cost Sealing at Agoro Sub County worth UGX 351,810,023 Provider: Mogen Enterprises Limited	Delay of 101 working days to issue bid invitation (10 th September 2021) after initiation on 1 st June 2021. Delayed evaluation; bid opening was on 1 st October 2021 and evaluation was closed on 7 th February 2022 (149 days) contrary to a maximum of 40 working days. It took 96 working days to sign the contract on 17 th May 2022 after evaluation. Notably, the bid had expired on 31 st December 2021.	<p><i>We admit that there delays in the procurement processes in all the stated procurement and commit to strengthen our internal systems.</i></p> <p><i>Secondly, there are also delays in the clearance of contracts by solicitor general's office that that is not within the Entity's control.</i></p>
3.	Construction of OPD Block at Pangira HC II worth UGX 305,849,033 Provider: Demma Inland Limited	Delay of 101 working days to issue bid invitation (10 th September 2021) after initiation on 1 st June 2021. Delayed evaluation; bid opening was on 1 st October 2021 and evaluation was closed on 7 th February 2022 (149 days) contrary to a maximum of 40 working days. It took 96 working days to sign the contract on 16 th May 2022 after evaluation. Notably, the bid had expired on 31 st December 2021.	<p><i>We admit that there delays in the procurement processes in all the stated procurement and commit to strengthen our internal systems.</i></p> <p><i>Secondly, there are also delays in the clearance of contracts by solicitor general's office that that is not within the Entity's control.</i></p> <p>Authority Comment The submission to Solicitor General was made on 22nd March 2022 and was approved on 10th</p>

No	Subject of procurement	Findings	Management Response
			March 2022.
4.	Construction of Staff house at Pangira HC II worth UGX 119,535,263 Provider: Giant Plum Enterprises	Delay of 101 working days to issue bid invitation (10 th September 2021) after initiation on 1 st June 2021. Delayed evaluation; bid opening was on 1 st October 2021 and evaluation was closed on 6 th December 2021 (66 days) contrary to a maximum of 40 working days. It took 100 working days to sign the contract on 16 th March 2022 after evaluation.	<i>We admit that there delays in the procurement processes in all the stated procurement and commit to strengthen our internal systems. Secondly, there are also delays in the clearance of contracts by solicitor general's office that that is not within the Entity's control.</i>
5.	Design and Build of Pipe Water System in Agoro Sub County worth UGX 279,867,132 Provider: W&S Consults Inter Limited	Delay of 87 working days to issue bid invitation (10 th September 2021) after initiation on 15 th June 2021. The contract had not been signed as at 20 th December 2022, 15 months after bid closing. The bid had expired on 31 st December 2021 even though the Entity had intentions of continuing with the process. Contracts Committee approved award of Contract on 22 nd March 2022.	<i>We admit that there delays in the procurement processes in all the stated procurement and commit to strengthen our internal systems.</i>
6.	Construction of Perimeter Fence with Chain Link with 02 Gates and Construction of 04 Stance Drainable Latrine at Aguu Primary School worth UGX 65,426,615 Provider: Aloc Twon General Company Limited	Delayed Initiation; procurement commenced on 15 th November 2021 instead of 1 st July 2021, the bidders were invited on 22 nd March 2022 4 months after initiation, Evaluation of bids was completed on 26 th April 2022, 26 days after bid closing on 1 st April 2022, the contract was also signed on 16 th May 2022, a week after expiry of the notice of Best Evaluated Bidder on 9 th May 2022.	<i>We admit that there delays in the procurement processes in all the stated procurement and commit to strengthen our internal systems.</i>
7.	Construction of One Block of 02 Classrooms at Potwach P/S and Renovation of 02 Classrooms Block at Kolokolo P/S worth UGX 91,871,500 Provider: Forad Consultants Limited	The procurement process delayed for 155 working days. Delay of 60 working days between issuance of bid invitation on 10 th September 2021 and initiation on 18 th June 2021. There was a delay between bid closing on 1 st October 2021 and completion of evaluation on 6 th December 2021 (45 working days) five extra working days on the maximum bidding period. The contract was signed on 25 th April 2022 (95 working days after evaluation). The bid had expired on 31 st December 2021.	<i>We admit that there delays in the procurement processes in all the stated procurement and commit to strengthen our internal systems.</i>

No	Subject of procurement	Findings	Management Response
8.	Construction of One Block of 02 Units Staff House at Pauma P/S worth UGX 107,324,380 Provider: Kaka Rom Investments Limited	<p>The procurement process delayed for 132 working days.</p> <p>Delay of 60 working days between issuance of bid invitation on 10th September 2021 and initiation on 18th June 2021.</p> <p>There was a delay between bid closing on 1st October 2021 and completion of evaluation on 6th December 2021 (45 working days) five extra working days on the maximum bidding period.</p> <p>The contract was signed on 29th March 2022 (70 working days after evaluation). The bid had expired on 31st December 2021.</p>	<p><i>We admit that there delays in the procurement processes in all the stated procurement and commit to strengthen our internal systems.</i></p>
9.	Supply of Assorted Medical Equipment worth UGX 190,000,012 Provider: Relief Line (U) Limited	<p>The procurement process delayed for 113 working days.</p> <p>Delay of 68 working days. Issuance of bid invitation on 10th September 2021 and initiation on 1st June 2021.</p> <p>There was a delay between bid closing on 1st October 2021 and completion of evaluation on 7th February 2022 (95 working days) fifty-five extra working days on the maximum bidding period.</p> <p>The Contracts Committee awarded the contract on 22nd March 2022. The contract was signed on 15th April 2022. The bid had expired on 31st December 2021.</p>	<p><i>We admit that there delays in the procurement processes in all the stated procurement and commit to strengthen our internal systems.</i></p>

Implication

Delays in the procurement process exposed the Entity to a risk of failing to complete procurements in time before funds are reverted to the central treasury at the end of the financial year.

Recommendation

The Accounting Officer should through the Entity Management establish a procurement charter that should dictate the maximum time that should be spent at every internal stage of the procurement to promote efficiency in the Entity's procurement processes.

2.2.2 Failure by User Departments to recommend statements of requirements to the Procurement and Disposal Unit at initiation

The Authority found that in 12 of the sampled procurements worth UGX 3,048,863,144, there was no evidence to confirm that at the time of initiation, User Departments submitted initiation forms together with a clear description of the requirements i.e. statement of requirements to the Procurement and Disposal Unit contrary to Regulation 26 (1) (c) of the Local Governments (PPDA) Regulations, 2006. The details are in Table 9 below:

Table 9: Procurements initiated with no statements of requirements

No.	Subject of procurement	Contract Amount (UGX)
1.	Construction of Maternity Ward at Pangira HC II	383,238,029
2.	Construction of OPD Block at Pangira HC II	305,849,033
3.	Construction of One Block of 02 Classrooms at Potwach P/S and Renovation of 02 Classrooms Block at Kolokolo P/S	91,871,500
4.	Construction of Low Cost Sealing at Agoro Sub County	351,810,023
5.	Construction of Staff house at Pangira HC II	119,535,263
6.	Design and Build of Pipe Water System in Agoro Sub County	279,867,132
7.	Construction of Perimeter Fence with Chain Link with 02 Gates and Construction of 04 Stance Drainable Latrine at Aguu Primary School	65,426,615
8.	Construction of a 1 block of staff house with lightening arrestor at Pauma PS	107,324,380
9.	Supply of assorted medical equipment	190,000,012
10.	Supply of school furniture (216 pieces of 3 seater classroom/ Pupils Desks to Ogako Lacan and Madi Opei Primary Schools)	51,840,000
11.	Rehabilitation / construction of 3 blocks of 2 classrooms, 2 units semi-detached teachers' house, one block of 5 stance drainable latrine at Madi Opei Primary School	557,104,726
12.	Rehabilitation/construction of three blocks of 2 classrooms, 2 units semi-detached teachers' house, one block of five (5) stance drainable latrine at Ogako Lacan Primary School in Padibe East Sub County Lamwo District Uganda	544,996,431
	Total	3,048,863,144

Implication

This increases the risk of delays in the procurement process occasioned by waiting for preparation of statement of requirements and may further increase the risk of failure to meet procurement objectives occasioned by copy and paste practices and haphazard preparation of requirements or worse still inviting bidders without agreed and approved statement of requirements.

Recommendations

1. User Departments should recommend a statement of requirements to the procurement and disposal unit in accordance with Regulation 26 (1) (c) of the Local Governments (PPDA) Regulations, 2006.
2. The Accounting Officer should lodge a formal request for procurement training for members of the Entity by the Authority.

Management Response

We need to have capacity building done by PPDA to all the key stakeholders on their roles and responsibilities in the procurement.

2.2.3 Failure to witness bid opening by the Contracts Committee

The Authority did not find evidence of the Contracts Committee witnessing bid closing and opening in ten procurements worth UGX 3,040,628,453 contrary to Regulation 71 (2) of the Local Governments (PPDA) Regulations, 2006. The procurements are listed in Table 10 below:

Table 10: Failure to witness bid opening

No.	Subject of procurement	Contract Amount (UGX)
1.	Rehabilitation/Construction of Three Blocks of Two Classrooms, Two Units Semi-Detached Teachers' Houses, One Block of 5 Stance Drainable Latrine at Ogako Lacan Primary School	544,996,431
2.	Rehabilitation/Construction of Three Blocks of Two Classrooms, Two Units Semi-Detached Teachers' Houses, One Block of 5 Stance Drainable Latrine at Madi Opei Primary School.	557,104,726
3.	Construction of Administration Block (Phase II) at the District Headquarters.	216,356,304
4.	Construction of Maternity Ward at Pangira HC II.	383,238,029
5.	Construction of Staff house at Pangira HC II.	119,535,263
6.	Design and Build of Pipe Water System in Agoro Sub County.	279,867,132
7.	Construction of Low Cost Sealing at Agoro Sub County.	351,810,023
8.	Construction of OPD Block at Pangira HC II.	305,849,033
9.	Construction of One Block of 02 Classrooms at Potwach P/S and Renovation of 02 Classrooms Block at Kolokolo P/S.	91,871,500
10.	Supply of Assorted Medical Equipment.	190,000,012
	Total	3,040,628,453

Implication

Bid opening and closing can easily be manipulated without backstopping.

Recommendations

1. The Head Procurement and Disposal Unit should send invitations to the Contracts Committee within reasonable time to witness bid opening in accordance with Regulation 71(2) of the Local Governments (PPDA) Regulations, 2006.
2. The Chairperson Contracts Committee or their designated representative or member should witness bid opening in accordance with Regulation 71 (2) of the Local Governments (PPDA) Regulations, 2006.

Management response

We have noted the audit concerns; the Accounting Officer will ensure it is addressed in the subsequent year.

2.2. 4 Failure to approve bidding documents, bid security and the bid cost

There was no evidence that the Contracts Committee approved the bidding documents, bid security amount and the cost of the bidding document in eight procurement transactions worth UGX 1,855,851,664 contrary to Regulation 17 (1) (a) of the Local Governments (PPDA) Regulations, 2006. The procurements are mentioned in Table 11 below:

Table 11: Procurements without the Contracts Committee's approval of the bidding document

No.	Subject of procurement	Contract Amount (UGX)
1.	Construction of Administration Block (Phase II) at the District Headquarters.	216,356,304
2.	Construction of Maternity Ward at Pangira HC II.	383,238,029
3.	Construction of One Block of 02 Classrooms at Potwach P/S and Renovation of 02 Classrooms Block at Kolokolo P/S.	91,871,500

No.	Subject of procurement	Contract Amount (UGX)
4.	Construction of Low Cost Sealing at Agoro Sub County.	351,810,023
5.	Construction of OPD Block at Pangira HC II.	305,849,033
6.	Construction of One Block of 02 Units Staff House at Pauma P/S.	107,324,380
7.	Construction of Staff house at Pangira HC II	119,535,263
8.	Design and Build of Pipe Water System in Agoro Sub County	279,867,132
	Total	1,855,851,664

Implication

This could lead to issuance of bidding documents with irregularities, unfair bid costs and securities.

Recommendations

1. The Contracts Committee should approve the bidding document before issuance to potential bidders in accordance with Regulation 17 (2) (a) of the Local Governments (PPDA) Regulations, 2006.
2. The Head Procurement and Disposal Unit not issue any bidding documents and charge bidding document costs that have not been approved by the Contracts Committee.

Management response

We have noted the audit concerns; the accounting officer will ensure it is addressed in the subsequent year.

2.2.5 Change of requirements

In the procurement of a contractor for the construction of a perimeter fence with a chain link and two gates, and a four stance Drainable Latrine at Aguu Primary School worth UGX 65,426,615 undertaken by m/s Aloc Twon General Company Limited, there was a change of requirements from a four stance VIP latrine which had been planned and initiated by the User Department to a four stance drainable latrine. This was noted in the BOQs issued to the bidders. Consequently, the four stance drainable latrine could not be constructed since the total contract value of UGX 65,426,615 was above the plan value of UGX 44,000,000.

Implications

- This raised the contract value by UGX 21,426,615 above the plan value of UGX 44,000,000.
- Change of specifications without consulting the User may lead to a mis-procurement as the deviation may not meet the end user's need.

Recommendation

The Procurement and Disposal Unit should ensure any changes in requirements are in consultation with the User Department, approved by the Contracts Committee, and updated on the procurement plan.

Management Response

We admit that the audit finding, subsequently proper scrutiny of the bidding documents will be done by Engineering team before approval by the contracts committee for issuance to the bidders.

2.2. 6 Failure to sign evaluation reports by members of the Evaluation Committee

In seven procurements worth UGX 2,478,889,809, approved members of the Evaluation Committee did not sign the evaluation reports contrary to Regulation 72 (12) of the Local Governments (PPDA) Regulations, 2006 as detailed Table 12 below:

Table 12: Failure to sign evaluation reports

No.	Subject of procurement	Members that did not sign the report	Management Response
1.	Rehabilitation/Construction of Three Blocks of Two Classrooms, Two Units Semi-Detached Teachers' Houses, One Block of 5 Stance Drainable Latrine at Ogako Lacan Primary School worth UGX 544,996,431. Provider: Relief line Uganda Limited	Ocaya George the Senior Procurement Officer	<i>We have taken not and promise to make sure all members in the future.</i>
2.	Rehabilitation/Construction of Three Blocks of Two Classrooms, Two Units Semi-Detached Teachers' Houses, One Block of 5 Stance Drainable Latrine at Madi Opei Primary School worth UGX 557,104,726 Provider: Civo Construction Services Limited		<i>We have taken not and promise to make sure all members in the future</i>
3.	Construction of Maternity Ward at Pangira HC II worth UGX 383,238,029 Provider: Mason Consult Limited		<i>We have taken not and promise to make sure all members in the future</i>
4.	Construction of OPD Block at Pangira HC II worth UGX 305,849,033 Provider: Demma Inland Limited		<i>We have taken not and promise to make sure all members in the future</i>
5.	Construction of Administration Block (Phase II) at the District Headquarters worth UGX 216,356,304 Provider Northcross Professional Engineers Limited.	Kinyera Isaac	<i>Kinyera Isaac he was absent during the evaluation</i>
6.	Construction of Staff house at Pangira HC II worth UGX 119,535,263 Provider: Giant Plum Enterprises	Bongomin Francis Joel-the Assistant Engineering Officer	<i>We have taken not and promise to make sure all members in the future</i>
7.	Construction of Low Cost Sealing at Agoro Sub County worth UGX 351,810,023 Provider: Mogen Enterprises Limited	Oryen Betty and George Ocaya	<i>We have taken not and promise to make sure all members in the future</i>

Implication

This casts doubt on whether the above mentioned members participated in the evaluation process.

Recommendation

The evaluation report should be signed by all members of the Evaluation Committee including those absent during evaluation, where there are disagreements, the evaluation report should state the disagreements, including the reasons, the discussions held on the issue and the names of those holding alternative views in accordance with Regulations 72 (11 &12) of the Local Governments (PPDA) Regulations, 2006.

2.2. 7 Irregularities in evaluation

The Authority found irregularities in evaluation of bids in eight procurements worth UGX 776,927,459. The details are in the Table 13 below:

Table 13: Procurements with irregularities in the evaluation

No	Subject of procurement	Finding	Management Response
1.	Supply of Furniture (216 pieces of Three- Seater Classroom/Pupils' Desk) worth UGX 51,840,000 Provider: Timrotim Investments Limited	<p>1) Elimination of a bidder for exceeding requirements The Evaluation Committee irregularly failed Nellines International Limited for providing a bid security that remained valid until 28th January 2022 contrary to the requirement of 31st December 2021. The elimination was irregular since the bidder had exceeded the minimum requirements.</p> <p>2) Irregularly passing the best evaluated bidder (Timrotim Investments Limited) The criteria for specific experience stated that the bidder should have participated as a contractor, management contractor, or subcontractor in at least three contracts within the last five years each with a value of at least 100,000,000 that have been successfully and substantially completed (at least 70% complete) and that are similar to the proposed works. However out of the three contracts submitted as specific experience by Timrotim Investments Limited, one contract was worth UGX 16,095,200. The Evaluation Committee took the average of the experiences (366,980,000; 16,095,200; 100,675,000) and passed the bidder on this basis.</p>	<i>The audit finding is true, however the evaluation committee will be technically guided and to stick to the criteria set in the solicitation documents and only waive non material requirements.</i>
2.	Construction of Administration Block (Phase II) at the District Headquarters worth UGX 216,356,304 Provider Northcross Professional Engineers	1) Failure to provide bids for audit The Entity did not provide bids for North Cross Professional Engineers Limited during the audit hence the audit team could not ascertain whether the bidder met the	<i>The waiver of material requirements, the site visit or inspection certificate was based on the fact the contractor was alone and it is the same contractor that did the work in (phase 1)</i>

No	Subject of procurement	Finding	Management Response
	Limited.	requirements. 2) Waiving of material requirements; evidence of site visit or site inspection certificate. This exposes the Entity to the risk of variations arising from not assessing site conditions in terms of terrain, ESHS requirements, and source of materials, among others.	
3.	Construction of One Block of 02 Classrooms at Potwach P/S and Renovation of 02 Classrooms Block at Kolokolo P/S worth UGX 91,871,500 Provider: Forad Consultants Limited	1) Failure to communicate arithmetic errors to the bidders. Forad Consultants Limited's bid price was adjusted from UGX 96,465,075 to UGX 105,288,329 following corrections worth UGX 8,823,254. There was no evidence that the chairperson of the evaluation committee communicated the corrections contrary to Regulation 74 (3) of the Local Governments (PPDA) Regulation, 2006. 2) Waiver of material requirements. The evaluation committee waived material requirements such as fulfilment of obligations to pay taxes and social security contributions in Uganda. This exposed the Entity to the risk of dealing companies that violate tax and social security obligations.	I. <i>We have noted the non-existence of communication of arithmetic error to the bidders and promise to greatly improve on the filing of our record.</i> II. <i>The evaluation did the waiver on the requirements of NSSF certificate was done across all the other projects not only on this specific procurement.</i> Authority Comment A breach of a statutory requirement substantially limits the rights of the Entity and the obligations of the provider and is a material deviation that cannot be waived in accordance with Regulation 75(1) of the Local Governments (PPDA) Regulations, 2006.
4.	Supply of Assorted Medical Equipment worth UGX 190,000,012 Provider: Relief Line (U) Limited	Recommending award of contract to a bidder that did not have the required experience. The criteria for specific experience stated that the bidder should have participated as a contractor, management contractor, or subcontractor in at least three contracts within the last five years each with a value of at least 100,000,000 that have been successfully and substantially completed (at least 70% complete) and that are similar to the proposed works. However, Relief Line (U) Limited provided experience in four (4) contracts and three	<i>The audit finding is true, however the evaluation committee will be technically guided and to stick to the criteria set in the solicitation documents.</i>

No	Subject of procurement	Finding	Management Response
		<p>3) of them were below the minimum value:</p> <ul style="list-style-type: none"> i. Supply of medical equipment to Kicwamba Health Centre worth UGX 29,139,204 ii. Supply of medical equipment to Plan International worth UGX 33,750,000 iii. Supply of medical equipment to Lutheran World Federation worth UGX 25,184,000 iv. Supply of medical equipment to UNFPA worth UGX 289,322,000 <p>This was irregular and an unjustified award to the BEB.</p> <p>Whereas the requirement of audited accounts was for the last two years; 3 bidders JF HealthCare & Solutions Limited, Skyfall investments Limited and Crown Health Care U Limited were eliminated for not meeting this requirement however Relief Line (U) Limited submitted audited accounts for 2019/2020 and did not submit for 2020/2021 and was passed which amounts to irregular and unfair evaluation.</p>	
5.	Construction of Staff house at Pangira HC II worth UGX 119,535,263 Provider: Giant Plum Enterprises	<p>1) Passing of an administratively noncompliant bid The best evaluated bidder, Giant Plum Enterprises (U) Limited's authorized Powers of Attorney Ochola Johnson did not sign on the bid submission sheet, the code of ethical conduct, and the price schedule.</p> <p>2) Elimination of a bidder for submission of unauthentic documents without verification from the issuing authority. Palo Consults Limited UGX 80,042,400 was eliminated because "the Auditor's opinion on the Financial Report for FY 2020 and 2019 reflected the opinion for FY 2017/2018 and hence misled administration on the authenticity of the financial status of the firm." The Evaluation Committee eliminated the bidder before verifying the authenticity from the issuing authority i.e. The Auditor.</p>	<p><i>The audit finding is true, however the evaluation committee will be technically guided and to stick to the criteria set in the solicitation documents.</i></p> <p><i>True the team eliminated the bidder based on the auditor opinion which was misleading, we take note and will verify all and ask for clarifications on documents that can be verified in the subsequent years.</i></p>

No	Subject of procurement	Finding	Management Response
		<p>3) Failure to make accurate arithmetic corrections.</p> <p>The Evaluation Committee made correction to Giant Plum Enterprises' bid price of UGX 115,756,141 to UGX 119,535,263. On re-computation, the Authority found that the correct bid price was UGX 118,434,539 as shown under Appendix 1. This exposes the Entity to a potential financial loss worth UGX 1,100,724</p>	<p><i>Note is taken on this finding and we promise to critically check for the accuracy in the bidders bids to avoid such in future.</i></p>
6.	Construction of One Block of 02 Units Staff House at Pauma P/S worth UGX 107,324,380 Provider: Kaka Rom Investments Limited	Waiving of material requirements such as fulfilment of obligations to pay taxes and social security contributions in Uganda Health and Safety officer, Environmental officer, Social Development Officer. This exposed the Entity to the risk of dealing with companies that lack capacity to execute Government of Uganda contracts.	<i>The evaluation did the waiver because on the requirements of NSSF certificate across all the other projects not only on this specific procurement. We have evidence of other evaluation reports available.</i>

Implication

Evaluation Irregularities expose the Entity to the risk of awarding contracts to undeserving bidders at non-economical prices.

Recommendation

The Accounting Officer should engage the Authority to undertake procurement training in the area of bid evaluation to build the capacities of members of the Entity in accordance of Regulation 5(1) of the Local Governments (PPDA) Regulations, 2006.

2.2.8 No evidence of verification of information submitted by bidders at Post Qualification.

In six procurement transactions worth UGX 2,883,303,552 there was no evidence that the Evaluation Committees verified key information submitted by the best evaluated bidders at post qualification contrary to the post qualification requirements in the bidding documents. The following information in Table 14 wasn't verified:

Table 14: Procurements with no post qualification verification

No.	Subject of procurement	Information not verified	Management Response
1.	Construction of Community Resource Centre at Lamwo Town Council worth UGX 1,506,514,900 Provider: Christone Contractors Ltd	<p>i. Construction of a bible college, mediation rooms, residential quarters, and Ampi Theatre for Greater Masaka worth UGX 2,637,325,588 under Church Help International.</p> <p>ii. Construction of Ngwedo Livestock Market in Buliisa District worth UGX 1,124,541,205.</p> <p>ii. Line of credit from Equity Bank worth UGX 1,000,000,000.</p>	<i>We sent emails requesting for information regarding performance of the contractors but we were limited by lack responses</i>
2.	Construction of Staff house at Pangira HC II worth	i. Liquid assets worth UGX 1,343,310,620	<i>We have admitted the</i>

No.	Subject of procurement	Information not verified	Management Response
	UGX 119,535,263 Provider: Giant Plum Enterprises	<ul style="list-style-type: none"> ii. Experience of construction of 3 transitional classroom block in Bidibidi Refugee Settlement Camp worth UGX 311,906,700, and construction of one block of 4 standard classroom blocks in Nakavule Refugee Settlement Camp Isingiro District worth UGX 306,346,000 ii. Availability of proposed key staff 	<i>audit findings and promise to allocate funds to care of post qualifications exercise.</i>
3.	Construction of Low Cost Sealing at Agoro Sub County worth UGX 351,810,023 Provider: Mogen Enterprises Limited	<ul style="list-style-type: none"> i. Lines of credit from Equity Bank worth UGX 300,000,000. ii. Experience of construction of low cost seal at Lira-kamuda-aboket road worth UGX 388,204,660, low cost seal of college road at Uganda Technical College Elgon worth UGX 196,445,200 and Low cost seal of Kalongo Town Council roads worth UGX 268,673,610. ii. Availability of proposed key staff. 	<i>We admit the audit findings and promise to improve in the subsequent year</i>
4.	Construction of OPD Block at Pangira HC II worth UGX 305,849,033 Provider: Demma Inland Limited	<ul style="list-style-type: none"> i. Source of funds ii. Experience of construction of one block of OPD, and one block of a staff house at Yoyo Health Centre III in Yumbe District worth UGX 421,005,430, and construction of three blocks of staff houses worth UGX 510,000,000 for Equator Seeds Limited. ii. Availability of proposed key staff 	<i>We admit the audit findings and promise to improve in the subsequent year</i>
5.	Construction of Maternity Ward at Pangira HC II worth UGX 383,238,029 Provider: Mason Consult Limited	<ul style="list-style-type: none"> i. Line of credit with Absa worth UGX 100,000,000 ii. Experience of construction of classroom blocks at Orthodox Primary School worth UGX 846,408,885, and construction of staff houses at Akeria HC II in Amuria District worth UGX 932,314,530. ii. Availability of proposed key staff 	<i>We admit the audit findings and promise to improve in the subsequent year</i>
6.	Construction of Administration Block (Phase II) at the District Headquarters worth UGX 216,356,304 Provider Northcross Professional Engineers Limited.	<ul style="list-style-type: none"> i. Financial resources worth UGX 383,304,614 ii. Experience of construction of a district health office in Dokolo DLG worth UGX 1,350,460,511, and construction of a pharmacy in Lira DLG worth UGX 1,039,400,000. 	<i>We admit the audit findings and promise to improve in the subsequent year</i>

No.	Subject of procurement	Information not verified	Management Response
		ii. Availability of proposed key staff	

Implication

Failure to verify the financial and technical capacity of the bidder exposes the Entity to the risk of awarding contracts to incompetent and financially incapacitated providers.

Recommendation

The Evaluation Committees should verify information submitted by the Best Evaluated Bidders in accordance with the criteria set in the bidding documents. This should involve third party confirmations and physical verification.

2.2.9 No evidence of sending of the notice of Best Evaluated Bidder to the unsuccessful bidders

In all the 18 sampled procurement transactions worth UGX 7,324,514,538, the Entity did not communicate the results of the evaluation exercise to the bidders that participated in the bidding processes in form of sending of a Best Evaluated Bidder Notice particularly to those that were unsuccessful in line with Regulation 85 (5) of the Local Governments (PPDA) Regulations, 2006.

Implications

- Failure to notify all bidders denies them the right to appeal the decision of award in case they are aggrieved. It also contravenes the principle of transparency.
- It further denies bidders of a chance to make improvements in future bids hence deterring building of their capacity.

Recommendations

1. The Accounting Officer should send the Notice of Best Evaluated Bidder to all bidders who participate in a bidding process in accordance with Regulation 85(5) of the Local Governments (PPDA) Regulations, 2006.
2. The Procurement and Disposal Unit should require bidders to include their official email addresses in their bids to enable electronic communication of the Notice of Best Evaluated Bidder.

Management Response

We have evidence of emails confirming having sent the BEB to the respective bidders.

Authority Comment

The evidence was not provided for verification.

2.2.10 Signing contracts based on expired bids

The Accounting Officer signed six contracts worth UGX 1,543,137,049 where bids had expired and not been renewed contrary to Regulation 49 (3) (d) of the Local Governments (PPDA) Regulations, 2006. Table 15 below details the procurements:

Table 15: Signed contracts on expired bids

No.	Subject of procurement	Bid validity expiry	Date of Contract signing
1.	Supply of Assorted Medical Equipment worth UGX 190,000,012 Provider: Relief Line (U) Limited.	31 st December 2021	22 nd March 2022
2.	Construction of One Block of 02 Classrooms at Potwach P/S and Renovation of 02 Classrooms Block at Kolokolo P/S worth UGX 91,871,500 Provider: Forad Consultants Limited.	31 st December 2021	25 th April 2022
3.	Construction of One Block of 02 Units Staff House at Pauma P/S worth UGX 107,324,380 Provider: Kaka Rom Investments Limited.	31 st December 2021	29 th March 2022
4.	Supply of Furniture (216 pieces of Three- Seater Classroom/Pupils' Desk) worth UGX 51,840,000 Provider: Timrotim Investments Limited.	31 st December 2021	22 nd March 2022
5.	Rehabilitation/Construction of Three Blocks of Two Classrooms, Two Units Semi-Detached Teachers' Houses, One Block of 5 Stance Drainable Latrine at Madi Opei Primary School worth UGX 557,104,726 Provider: Civo Construction Services Limited.	31 st December 2021	12 th May 2022
6.	Rehabilitation/Construction of Three Blocks of Two Classrooms, Two Units Semi-Detached Teachers' Houses, One Block of 5 Stance Drainable Latrine at Ogako Lacan Primary School worth UGX 544,996,431. Provider: Relief line Uganda Limited.	31 st December 2021	12 th May 2022

Implication

This makes the contract terms based on the bids voidable and could become unenforceable in case they are challenged by either party.

Recommendations

1. The Accounting Officer should refrain from signing contracts based on expired bids.
2. The Procurement and Disposal Unit should monitor bid validity periods and where necessary request for an extension in writing prior to the expiry of the bids in accordance with Regulation 49(5) of the Local Governments (PPDA) Regulations, 2006.

Management Response

The Entity has taken note and will monitor closely the bid validity period of the contracts before signing. However, there are contracts whose bid validities were extended and the letters are available.

2.2. 11 Irregularities at contracting

The Authority found that two procurement transactions worth UGX 268,196,304 had irregularities at contracting as detailed in Table 16 below:

Table 16: Procurements with irregularities at contracting

No.	Subject of procurement	Finding	ManagementResponse
1.	Supply of Furniture (216 pieces of Three- Seater Classroom/Pupils' Desk) worth UGX 51,840,000 Provider: Timrotim Investments Limited	Use of an inappropriate contract type. The contract used was admeasurement instead of the lump sum contract type recommended for supplies.	<i>This noted and contracts will be prepared accordingly</i>
2.	Construction of Administration Block (Phase II) at the District Headquarters worth UGX 216,356,304 Provider Northcross Professional Engineers Limited.	Suspected deceitful submissions to the Contracts Committee Whereas there were minutes for approval of award of contract on 7 th December 2021 signed by the Ag. Chairperson of the meeting Dr. Avudraga Stanley. He later wrote a letter to the Accounting Officer on 23 rd February 2022 stating that the minutes had been signed on in error and the Contracts Committee had rejected the recommendation since there was no evaluation report. The Head, PDU George Ochaya had hoodwinked the chairperson and later on used the same minutes to submit to the solicitor general for approval which were rejected. The Accounting Officer later instituted investigations and Mr. George Ochaya was suspended.	<i>The finding is true and management took appropriate action on the officer as indicated in your finding</i>

Implications

- Contract anomalies expose the Entity to the risk of voidable contracts and failure to enforce contracts.
- Failure to seek Contracts Committee approval and submission of false information exposes the Entity to the risk of fraud and corruption.

Recommendations

1. The Accounting Officer should ensure that all contracts are correctly drafted and fully signed and witnessed by both the Entity and the provider.
2. The Contracts Committee should select the contract type which is most appropriate to the procurement requirements, most advantageous and which offers an equitable contract to the provider in accordance with Regulation 90 (2) of the Local Governments (PPDA) Regulations 2006.
3. The Contracts Committee should be keen on the submissions from the Procurement and Disposal Unit. It should carefully study, and scrutinize all documents before making a decision.

2.3 EFFICIENCY AND EFFECTIVENESS DURING CONTRACT EXECUTION

2.3.1 Failure by the contractor to meet preliminary contract management requirements

In the construction of the Community Resource Centre at Lamwo Town Council worth UGX 1,506,514,900 by Christone Contractors Limited, the following preliminary requirements had not been met by the Contractor as at 22nd December 2022 yet they were essential to the success of the contract:

- i. 2.8 CC Brand New Double Cabin Pickup for supervision worth UGX 200,000,000,
- ii. 2 brand new 100-150cc Yamaha Motorcycles.

Implication

This is a sign of negligence on the side of the Entity to ensure effective contract performance.

Recommendation

The Accounting Officer should prevail over the contractor to fulfil the above mentioned obligations.

Management Response

The contractor submitted an advance payment guarantee to procure the items but MOFPED had not authorized the payment.

Authority Comment

The contract terms required the contractor to procure the items as part of the contract mobilisation costs that had been catered for in the initial 30% advance payment that had already been made by the Entity to the contractor.

2.3.2 Failure to acquire performance security from the contractors

The Entity failed to enforce the requirement of the 10% performance security as had been required by the contract clauses in four procurements worth UGX 1,160,432,348. The procurements are in Table 17 below:

Table 17: Contracts without performance security submitted

No.	Subject of procurement	Contract Amount (UGX)
1.	Construction of Maternity Ward at Pangira HC II by Mason Consult Limited.	383,238,029
2.	Construction of OPD Block at Pangira HC II by Demma Inland Limited.	305,849,033
3.	Construction of Low Cost Sealing at Agoro Sub County by Mogen Enterprises Limited.	351,810,023
4.	Construction of Staff house at Pangira HC II by Giant Plum Enterprises.	119,535,263
	Total	1,160,432,348

Implication

The Entity had no recourse in case of contract non-performance by the providers.

Recommendations

The Contracts Committee should award the contract to the Next Best Evaluated Bidder from among the remaining bidders where the successful bidder fails to provide the performance security within the specified time in accordance with Regulation 89 of the Local Governments (PPDA) Regulations, 2006.

Management response

We admit it was not submitted because the procurements were done late and the banks were unable to support the contractors accordingly.

2.3.3 Failure to make progress and completion reports for projects where funds had been advanced to the contractors

The Entity made full payments to the contractors before completion of works, against guarantees in four procurements worth UGX.1,301,300,037 since it was coming to the end of the Financial Year. However, after making the payments, the contract supervisors never made any progress and completion reports to report on the implementation of the contracts. All progress reports for these contracts were before the advance payments were made. The procurements are in Table 18 below:

Table 18: Contracts without progress reports after making advance payments

No.	Subject of procurement	Contract Amount (UGX)
1.	Construction of One Block of 02 Classrooms at Potwach P/S and Renovation of 02 Classrooms Block at Kolokolo P/S worth UGX 91,871,500 Provider: Forad Consultants Limited	91,874,500
2.	Construction of One Block of 02 Units Staff House at Pauma P/S worth UGX 107,324,380 Provider: Kaka Rom Investments Limited	107,324,380
3.	Rehabilitation/Construction of Three Blocks of Two Classrooms, Two Units Semi-Detached Teachers' Houses, One Block of 5 Stance Drainable Latrine at Ogako Lacan Primary School worth UGX 544,996,431. Provider: Relief line Uganda Limited	544,996,431
4.	Rehabilitation/Construction of Three Blocks of Two Classrooms, Two Units Semi-Detached Teachers' Houses, One Block of 5 Stance Drainable Latrine at Madi Opei Primary School worth UGX 557,104,726 Provider: Civo Construction Services Limited	557,104,726
	Total	1,301,300,037

Implication

Ineffective contract monitoring increases the risk of shoddy work, compromised quality standards, and incomplete contract requirements.

Recommendation

The Contract Supervisors should not make progress reports only for purposes of making payments but for the purpose of contract monitoring and reporting to the responsible stake holders on the progress of the contracts. Contract Supervisors should also prepare contract completion reports at the completion of the contracts in accordance with Regulation 119 (10) (f) of the Local Governments (PPDA) Regulations, 2006.

2.3.4 Advancing payments to a contractor without an equivalent payment guarantee

In the procurement for construction of a staff house at Pangira HC II worth UGX 119,535,263 by Giant Plum Enterprises, the Entity made full payment to the contractor in LPO 1305 worth UGX 34,051,482 dated 11th June 2022 and LPO 1361 worth UGX 85,483,781 dated 17th June 2022 before completion of works and without provision of advance payment guarantees for both payments. Shoddy and incomplete works were found during the Authority's site visit conducted on 22nd December 2022.

Implication

This resulted into the entity lacking any form of protection when the contractor's works turned out to be of unsatisfactory. There were several cracks on the veranda, a window was broken and incomplete works.

Recommendations

1. The Accounting Officer should desist from making advance payments to contractors without a corresponding advance payment guarantee from a reputable financial institution in accordance with Regulations 116 (1&2) of the Local Governments (PPDA) Regulations, 2006.
2. The Accounting Officer should only make full payments to the providers after completion of projects and keep the retention fees to cater for defects that occur during the defects liability period.

Management Response

The work of the staff house at Pangira HC II is now fully completed.

2.3.5 Lack of accountability and justification of certain items paid in the BOQs

There was lack of accountability and justification for items in the bills of quantities in six procurement transactions worth UGX 2,006,079,375 contrary to Regulation 43 (3) of the Local Governments (PPDA) Regulations, 2006 as detailed in Table 19 below:

Table 19: Contracts with irregular payments

No.	Subject of procurement	Accountability not provided	Management Response
1.	Construction of Perimeter Fence with Chain Link with 02 Gates and Construction of 04 Stance Drainable Latrine at Aguu Primary School worth UGX 65,426,615 Provider: Aloc Twon General Company Limited	Accountability and justification needed for the following bills i. Contingencies worth UGX 2,139,650 for the chain link fencing ii. Supervision worth UGX 2,139,650 for the chain link ii. Contingencies worth UGX 823,378 for the latrine v. Supervision worth UGX	<i>The payment was all made to the contractor in the interest of saving the money and some of these fund were supposed to remitted back but that never happened that justify not having the</i>

No.	Subject of procurement	Accountability not provided	Management Response
		823,378 for the latrine	<i>accountability on the ground</i>
2.	Construction of Staff house at Pangira HC II worth UGX 119,535,263 Provider: Giant Plum Enterprises	The accountability and justification for the following amounts that were included in the BoQs and paid to the Engineer. i. Supervision by the District Engineer worth UGX 5,102,552 ii. Project Commissioning UGX worth 500,000 iii. Occupational Health, Safety and Environmental Activities worth UGX 1,500,000 iv. Material testing by the District Engineer worth UGX 3,500,000	<i>The payment was all made the contractor in the interest of saving the money and some of these fund were supposed to remitted back but that never happened that justify not having the accountability on the ground</i>
3.	Construction of one block of 2 classroom at Potwach PS and Renovation of one block of two classrooms at Kolokolo PS worth UGX 91,871,500 by Forad Consultant Limited	Accountability and justification needed for the following bill: i. Contingencies worth UGX 744,150 for the renovation of one block of two classrooms ii. Contingencies worth UGX 3,849,425 for the construction of one block of 2 classroom iii. Supervision by the District Engineer worth UGX 4,823,254 iv. Project Commissioning worth UGX 500,000 v. Occupational Health, Safety and Environmental Activities worth UGX 2,000,000 vi. Material testing by the District Engineer worth UGX 3,500,000	<i>The payment was all made to the contractor in the interest of saving the money and some of these fund were supposed to remitted back but that never happened that justify not having the accountability on the ground</i>
4.	Rehabilitation of Abakadyak-Katum Road (8.0 KM) worth UGX 627,144,840 by Wml Consult & Engineering Limited	Accountability and justification needed for contingencies worth UGX 29,864,040	<i>This work is just under implementation and they have just only been paid advance</i>
5.	Rehabilitation/Construction of Three Blocks of Two Classrooms, Two Units Semi-Detached Teachers' Houses, One Block of 5	Accountability and justification needed for the following bills: i. Contingencies worth UGX 26,528,796 ii. Health and welfare of work	<i>This contract was signed in May 2022 and only advance for Civo Construction Services Limited was</i>

No.	Subject of procurement	Accountability not provided	Management Response
	Stance Drainable Latrine at Madi Opei Primary School worth UGX 557,104,726 Provider: Civo Construction Services Limited	i. people worth UGX 1,100,000 Environmental mitigation implemented by the District worth UGX 10,450,000	<i>paid. The rest of the fund are not utilized</i>
6.	Rehabilitation/Construction of Three Blocks of Two Classrooms, Two Units Semi-Detached Teachers' Houses, One Block of 5 Stance Drainable Latrine at Ogako Lacan Primary School worth UGX 544,996,431. Provider: Relief line Uganda Limited	Accountability and justification needed for the following bills: Contingencies worth UGX 25,952,211 i. Health and welfare of work people worth UGX 1,100,000 i. Environmental mitigation implemented by the District worth UGX 10,450,000	<i>All these funds are not utilized to date.</i>

Implication

The Entity is exposed to a risk of a potential financial loss if these moneys cannot be justified and accounted for.

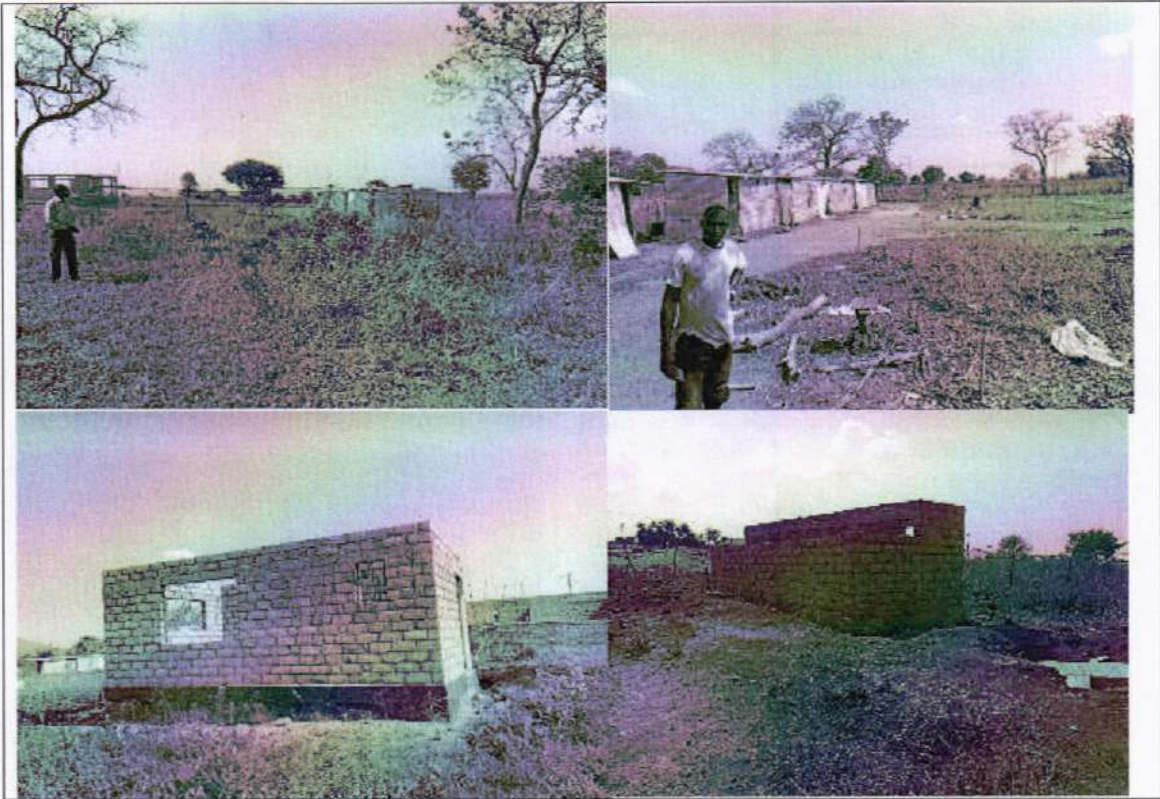
Recommendations

1. The Accounting Officer should recover amounts worth UGX 31,945,437 paid for activities without corresponding justifiable accountability.
2. The Contract Supervisors should not initiate the payment of contingency and provisional sums without following proper documented procedures and approvals.
3. The User Departments should plan and budget for supervision fees internally as opposed to including them in contracts where the funds are first paid to the contractors who then make payments to the contract supervisors.

2.3.6 Slow progress of works

In the contract for construction of a Community Resource Centre at Lamwo Town Council worth UGX 1,506,514,900 by Christone Contractors Limited, the Authority found slow progress of works; as at 22nd December 2022 seven out of the nine months had passed representing 77% of the project time. However, the contractor had only undertaken works up to the beam level of the resource center main block, the kitchen, the gent's toilet and the lady's toilet representing UGX 237,523,650 of the UGX 1,506,514,900. (16%). Works shown under **Appendix 2** were still pending as at 22nd December 2022. The status of the site as at 22nd December 2022 is shown in the table below:

Figure 2: Status of works for construction of the resource centre as at 22nd December 2022



Implication

Slow progress of works is a red flag for potential failure to complete the works within the contract period.

Recommendations

1. The Accounting Officer should engage the contractor for the construction of the Resource Centre on the challenges affecting the progress of works and come up with interventions that shall lead to accelerated progress.
2. The Accounting Officer should engage USAID on ways of expediting the procurement for boreholes drilling and rehabilitation.

Management response

At the time of audit, the contractor had a pending payment claim with the entity that had lasted for over two months and that affected their cash flow and the progress of the work. However, his claim was paid by end of December 2022 he reported back to site coupled with management actions the contractor accelerated the work as seen below:



Figure 3 shows the status of the contract for construction of the resource centre after the audit field exercise



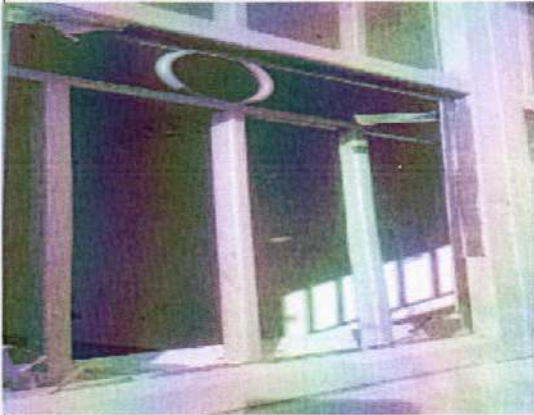
2.3.7 Project defects

The Authority found project defects in two contracts worth UGX 211,406,763 during audit field visit to the projects conducted on 22nd December 2022. The details are in Table 20 below:

Table 20: Project Defects

No.	Procurement Subject	Observation	Management response
1.	<p>Construction of one block of 2 classrooms at Potwach Primary School and Renovation of one block of two classrooms at Kolokolo Primary School.</p> <p>Contract Amount (UGX): 91,871,500</p> <p>Provider: Forad Consultant Limited</p> <p>Contract signing date: 25th April 2022</p> <p>Completion date: 25th August 2022</p>	<p>i The office for the one class room block at Potwach Primary School was missing as shown in the image below:</p>  <p><i>Image 1 taken on 22nd December 2022 shows a missing door for the office for the one classroom block at Potwach Primary School.</i></p> <p>ii The window for one of the classrooms was broken as shown in the image below:</p>  <p><i>Image 2 shows a broken window</i></p> <p>iii The Authority did not find evidence of the contracted renovation works at Kolokolo Primary School</p>	<p>(a) <i>The defects were rectified.</i></p> <p>(b) <i>The renovation contract was not implemented due inadequate fund. Further available was swept back at the end of the financial year.</i></p> <p><u>Authority Comment</u> The Entity did not provide evidence of rectification of the defects</p>

No.	Procurement Subject	Observation	Management response
2.	Construction of Staff house at Pangira HC II Contract Amount (UGX): 119,535,263 Provider: Giant Plum Enterprises Contract signing date: 29 th March 2022 Completion date: 28 th June 2022	 <p data-bbox="612 651 1190 741"><i>Image 3 taken on 22nd December 2022 shows the constructed staff house without a lightening arrestor as had been specified.</i></p>  <p data-bbox="612 1346 1190 1406"><i>Image 4 taken on 22nd December 2022 shows deep cracks on the splash apron</i></p>	<p data-bbox="1200 232 1500 259"><i>The defects were rectified.</i></p> <p data-bbox="1200 293 1500 416">Authority Comment The Entity did not provide evidence of rectification of the defects</p>

No.	Procurement Subject	Observation	Management response
		 <p data-bbox="606 853 1193 945"><i>Image 5 taken on 22nd December 2022 shows a broken window on the front side of one of the staff houses</i></p>	

Implication

Defects compromise the quality and the ability of the projects to meet the objectives of the procurement.

Recommendation


The Accounting Officer should strengthen the contract management function through appointment of competent contract supervisors, providing adequate facilitation, setting up project construction committees with the final users, and tasking internal audit to undertake effective oversight.

IMPROVEMENTS AFTER THE AUDIT

The following anomalies were identified during the audit, the Entity however stated in the management response that they had since rectified the defects and completed the projects. Below is the status before and after the audit:

BEFORE

Table 21: Projects with defects as identified during the audit on 22nd December 2022

1.	Procurement: Rehabilitation / construction of 3 blocks of 2 classrooms, 2 units semi-detached teachers' house, one block of 5 stance drainable latrine at Madi Opei Primary School
	Contract Amount (UGX): 557,104,726
	Provider: Civo Construction Services Ltd
	Contract signing date: 12 th May 2022
	Completion date: 26 th November 2022
	

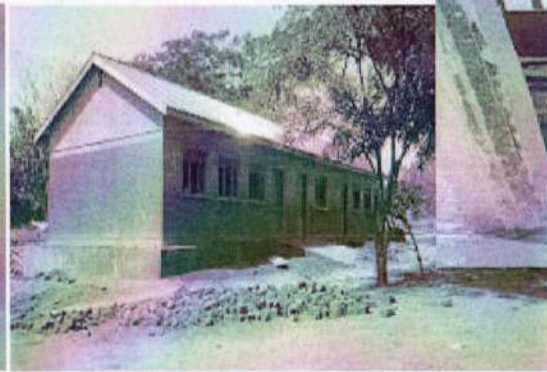


Observations evidenced by images taken on 22nd December 2022

- 1) The site had been abandoned by the contractor since August 2022 and by 22nd December 2022, the contractor had not returned to site
- 2) The works were incomplete and the contract had expired.
- 3) According to the head teacher, the contract supervisor had not been to the site in over a month following an accident

2.	<p>Procurement: Rehabilitation/construction of three blocks of 2 classrooms, 2 units semi-detached teachers' house, one block of five (5) stance drainable latrine at Ogako Lacan Primary School in Padibe East Sub County Lamwo District Uganda</p>
	<p>Contract Amount (UGX): 544,996,431</p>
	<p>Provider: Relief line Uganda Limited</p>
	<p>Contract signing date: 12th May 2022</p>
	<p>Completion date: 26th November 2023</p>





Observations as evidenced by images taken on 22nd December 2022

- 1) The works were incomplete and the contract had expired
- 2) Workers did not have Personal Protective Equipment (PPE)
- 3) The floor in the latrine for the disabled was not leveled and it did not have supporting rails making it inaccessible for the

intended beneficiaries

4) The latrines had no separation for boys and girls

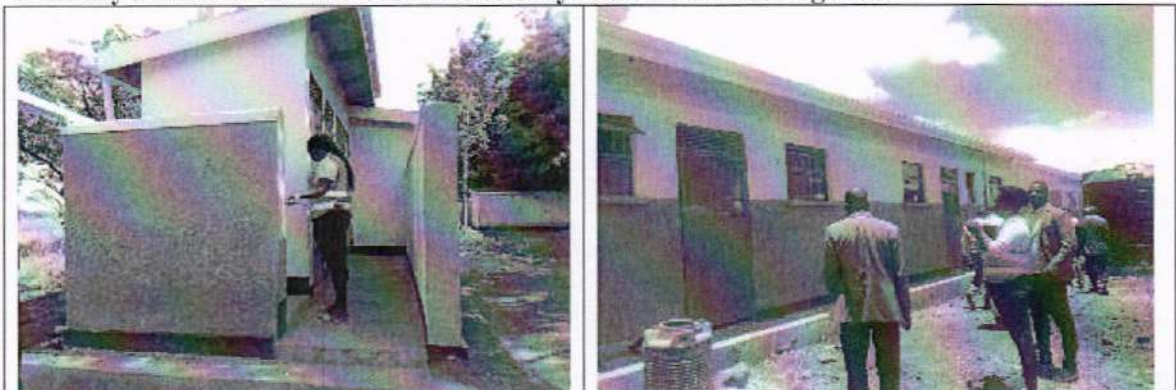
AFTER THE AUDIT

Below is the status of the projects as submitted in the management response dated 10th May 2023. The Entity stated that they had rectified the defects and completed the projects.

Figure 4: Rehabilitation / construction of 3 blocks of 2 classrooms, 2 units semi-detached teachers' house, one block of 5 stance drainable latrine at Madi Opei Primary School



Figure 5: Rehabilitation/construction of three blocks of 2 classrooms, 2 units semi-detached teachers' house, one block of five (5) stance drainable latrine at Ogako Lacan Primary School in Padibe East Sub County Lamwo District Uganda



CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

3.1 Overall Procurement Performance Conclusion

The performance of Lamwo District Local Government for the Financial Year 2021/2022 was **moderately satisfactory** with an overall weighted average risk rating of **66.7%**.

Table 22: Performance rating scale

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

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 23 below:

Table 23: Summary of performance of Lamwo District Local Government

Risk Rating	No.	% by No.	Weight	Weighted score by No.	Value	% Value	Weight	Weighted score by value
High	6	33	0.6	20	2,759,141,530	38	0.6	23
Medium	11	61	0.3	18	4,513,533,008	61	0.3	18
Low	1	6	0.1	1	51,840,000	1	0.1	0
Total	18	100	1.0	39	7,324,514,538	100	1.0	41

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{6060} \times 100\% = \frac{39}{6060} \times 100 = 65.0\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100\% = \frac{41}{60} \times 100 = 68.3\%$$

$$\text{The average weighted risk rating} = \frac{65+68.3}{2} = 66.7\%$$

2

Figure 6: Risk Rating by Number

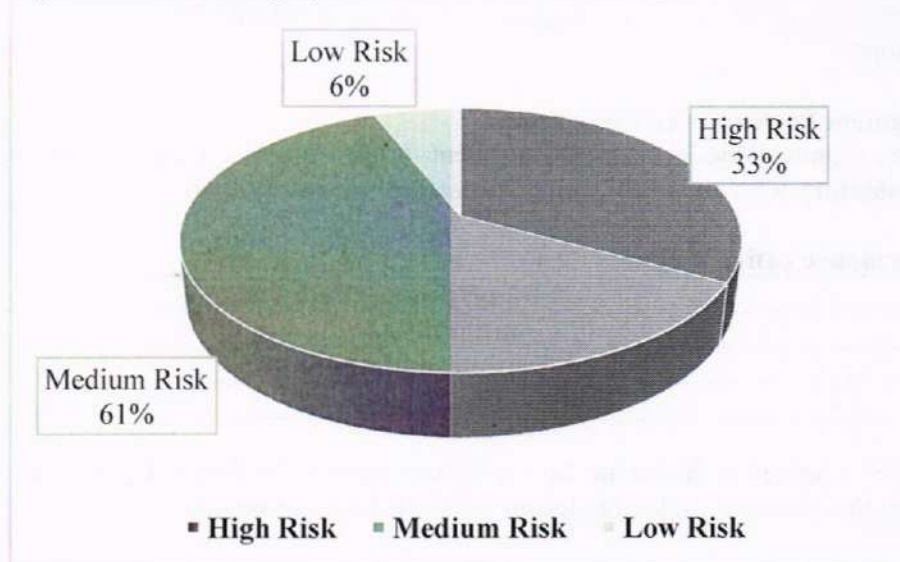
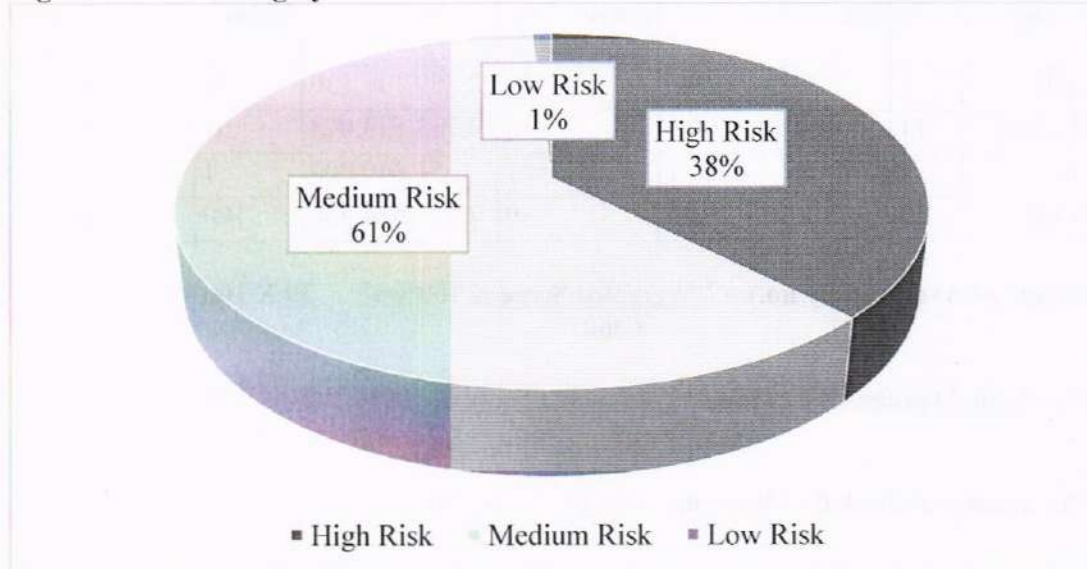


Figure 7: Risk Rating by Value



3.2 Recommended Action Plan

Lamwo District Local Governments should implement the following recommendations to improve its performance in accordance with Section 9 (1) (a) of the PPDA Act, 2003.

Table 24: Recommended Action Plan

No.	Recommendation	Timeline
1.	The Accounting Officer should prevail over all responsible stakeholders to address bottlenecks that cause inefficiency in the procurement system to enable implementation of procurements before the close of the Financial Year and the projects.	December 2023
2.	The Chairman Contracts Committee should ensure that quarterly summary reports of all bids awarded are published and submitted to the Authority, the ministry responsible of local governments and copies distributed to all relevant local councils in the district in accordance with Regulation 19(4)(e) of the Local Governments (PPDA) Regulations, 2006. This should include all procurements conducted at lower local governments, through Donor Funded Projects and Schools.	December 2023
3.	User Departments should report micro procurements undertaken to the Contracts Committee on a monthly basis in accordance with Regulation 41 (8) of the Local Governments (PPDA) Regulations, 2006.	December 2023
4.	The Accounting Officer should cause for the preparation and submission of an approved disposal plan for the assets earmarked for disposal to the Authority and expedite the process to achieve value for money.	October 2023
5.	The Chairperson Contracts Committee or their designated representative or member should witness bid opening in accordance with Regulation 71 (2) of the Local Governments (PPDA) Regulations, 2006.	December 2023
6.	The Head Procurement and Disposal Unit not issue any bidding documents and charge bidding document costs that have not been approved by the Contracts Committee.	December 2023
7.	The Accounting Officer should lodge a formal request for procurement training for members of the Entity by the Authority.	December 2023
8.	The Evaluation Committees should verify information submitted by the Best Evaluated Bidders in accordance with the criteria set in the bidding documents. This should involve third party confirmations and physical verification.	December 2023
9.	The Procurement and Disposal Unit should monitor bid validity periods and where necessary request for an extension in writing prior to the expiry of the bids in accordance with Regulation 49(5) of the Local Governments (PPDA) Regulations, 2006.	December 2023
10.	The Contracts Committee should award the contract to the Next Best Evaluated Bidder from among the remaining bidders where the successful bidder fails to provide the performance security within the specified time in accordance with Regulation 89 of the Local Governments (PPDA) Regulations, 2006.	December 2023
11.	The Contract Supervisors should not make progress reports only for purposes of making payments but for the purpose of contract monitoring and reporting to the responsible stakeholders on the progress of the contracts. Contract Supervisors should also prepare contract completion reports at the completion of the contracts in accordance with Regulation 119 (10) (f) of the Local Governments (PPDA) Regulations, 2006.	December 2023

No.	Recommendation	Timeline
12.	The Accounting Officer should desist from making advance payments to contractors without a corresponding advance payment guarantee from a reputable financial institution in accordance with Regulations 116 (1&2) of the Local Governments (PPDA) Regulations, 2006.	December 2023
13.	The Contract Supervisors should not initiate the payment of contingency and provisional sums without following proper documented procedures and approvals.	December 2023
14.	The Accounting Officer should engage the contractor for the construction of the Resource Centre on the challenges affecting the progress of works and come up with interventions that shall lead to accelerated progress.	December 2023
15.	The Accounting Officer should strengthen the contract management function through appointment of competent contract supervisors, providing adequate facilitation, setting up project construction committees with the final users, and tasking internal audit to undertake effective oversight.	December 2023

APPENDICES

Appendix 1: Change of bid price for construction of staff house at Pangira HC II

No.	Description of works	Amount (UGX)
1.	Preliminaries	8,602,552
2.	Substructure	41,930,645
3.	Roof	10,096,933
4.	External Walls	8,266,520
5.	Windows and External Doors	9,125,490
6.	Internal walls and partitions	4,185,500
7.	Internal Doors	3,418,240
8.	Internal Finishing	12,395,274
9.	Fittings and Furnishings	549,420
10.	Electrical Installation	12,083,015
11.	Arithmetic error correction	7,780,950
12.	Correct bid price	118,434,539
13.	Contract Price	119,535,263
14.	Misstatement	1,100,724

Appendix 2: Pending works for Construction of Community Resource Centre at Lamwo Town Council as at 22nd December 2022

Description	Amount (UGX)
External works including: Car parking, drive ways, gate house, fruit trees and flowers, chain link fence, waste collection area, surface water drainage	154,855,000
Electrical Installations and mechanical installations for the resource centre, kitchen, toilet block, gate house, electrical reticulation, mechanical reticulation	285,565,000
Preliminaries including procuring a motor vehicle and 02 motorcycles	250,500,000
Completion of the Resource Centre Main Block	279,611,150
Total	970,531,150

Appendix 3: List of Obsolete Items recommended for Disposal

Item	Engraved code/Reg No	Condition	Location	Recommendation
Double Cabin Pick(Toyota Hilux)	LG0072-22	Grounded	CAO's Office (Broken @ Police)	To be boarded off
Single Cabin Pick up)	LG0099-22	Grounded	Community Department	Recommended for boarding off
Land Cruiser (box body)	UDG505	Grounded	Planning Unit	To be boarded off
Double cabin pick up (Nissan hard body)	UG2245M	Grounded	Health Department	To be boarded off
ISUZU Single cabin pick up	UDN896	Grounded	Works Yard Kitgum	To be boarded off
Land cruiser box body	LG0022-22	Grounded	Works Yard	To be boarded off

			Kitgum	
Double cabin pick up (Toyota HILUX)	LG0029-22	Grounded		To be boarded off
Maruti Suzuki Gypsy Ambulance	UG3509M	Grounded	Padibe HCIV	To be boarded off
Maruti Suzuki Gypsy Ambulance	UG3501M	Grounded	M/Opei HCIV	To be boarded off
Maruti Suzuki Gypsy Ambulance	UG3504M	Grounded	P/Kal HCIII	To be boarded off
Maruti Suzuki Gypsy Ambulance	UG0445M	Grounded	Padibe HCIV	To be boarded off
Single cabin pick up (Toyota Hilux)		Grounded	Atek Ki Lwak Garage Kitgum	To be boarded off
Isuzu JMC Pick up white (Ministry of Local Govt)	LG0003-065	Broken Down	Works Department	Recommended for disposal
Isuzu JMC Pick up white (Ministry of Local Govt)	LG0005-065	Destroyed	LTC Engineering Department	Recommended for disposal as scrap
White Generator (DFCU)		Operational	Lamwo District	Recommended for disposal
Land cruiser Eng. NoHZJ105R-GCMRSIHZ/Chassis No JTEBOIJ901031316	LG0143-22	Broken Down	Education Department	Recommended for boarding off
Isuzu Pick up Eng. No 4JAI-148066/Chassis No MPATF354HBH550317	LG0012-065	Broken Down	Administration	Recommended for boarding off
Honda XL 125 Red Eng. No Li255E5753395	UG2988R	Broken Down	Audit	Recommended for boarding off
Yamaha AG 100 RED	UG1035S	Grounded	Water	To be boarded off
Yamaha AG 100 RED	UG2308M	Grounded	Agoro Sub-County	To be boarded off
Yamaha AG 100 RED Eng. No. 3HA-149054	LG0096-22	Grounded	Community Department	Recommended for disposal
Yamaha DT125 Eng. No 3TT-165317	UAC 860Z	Operational	Community Department	Recommended for disposal
Yamaha DT125 White (NUMAT) DE02X-045485		Operational	P/Kal HCIII	Recommended for disposal
Yamaha AG 100 RED Eng. No 3HA-158687/Chassis 3HA-159000 (Donated by UNICEF)	LG142-22	Operational (Stolen)	Probation Officer	Internal Audit report on the loss of the motorcycle to be enforced by management
J Red Colour	LG0004-065	Grounded	Works Department	To be boarded off
Yamaha DT 125 White Eng DE02X-077104/Chassis 3TT-199853	UG0590Z	Broken down	Agoro Sub-County (ALREP)	Recommended for disposal
Yamaha DT 125 White Eng DE02X-077080/Chassis 3TT-199830	UG0592Z	Operational	Padibe West Sub-County (ALREP)	To be boarded off
Yamaha DT 125 White Eng. DE02X-0782527/Chassis 3TT-201006	UDX221Y	Broken down	P/Kal Sub-County (ALREP)	To be boarded off
Yamaha DT 125 White Eng. DE02X-078202/Chassis 3TT-200951	UDX 288Y	Broken down	Padibe West Sub-County (NAADs)	To be boarded off
Yamaha DT 125 White Eng DE02X-078206/Chassis 3TT-	UDX 227Y	Not operational	P/Gem Sub-County (NAAD)	To be boarded off

200955				
Yamaha DT 125 White Eng DE02X-078209/Chassis 3TT- 200958	UDX 291Y	Not operational	P/Kal Sub-County (NAAD)	To be boarded off
Suzuki White	UAC 681U	Broken (Store)	Agoro Sub-County (NAAD)	To be boarded off
Suzuki White	UDA 045 U	Broken (Store)	M/Opei Sub- County	To be boarded off
Suzuki White	UAC 680 U	Broken (Store)	Agoro Sub-County	To be boarded off
Suzuki White	UDA 457 U	Broken (Store)	Lokung Sub- County	To be boarded off
Suzuki White	UAC 682 U	Broken (Store)	Padibe West Sub- County	To be boarded off
Suzuki White	UDA 455 U	Broken (Store)	P/Kal Sub-County	To be boarded off
Suzuki White	UDA 461 U	Broken (Store)	Padibe East Sub- County	To be boarded off
Suzuki White	UDA 459 U	Broken (Store)	P/Gem Sub-County	To be boarded off
Yamaha DT 125 White		Broken (Store)	Paloga Sub-County	To be boarded off
Yamaha DT 125 white	UG 0585 Z	Functional	Water Department	To be boarded off
Public address system		Broken (Store)	Administration	To be boarded off
Hospital Beds		Broken (Store)	Health Department	To be boarded off
Examination Beds		Broken (Store)	Health Department	To be boarded off
Delivery Beds		Broken (Store)	Health Department	To be boarded off
Worn out Tires		Broken (Store)	Finance Department	To be boarded off
Metalic Gates		Broken	Health Department	To be boarded off
Chain Links		Broken	Palabek Kal HCIII	To be boarded off
Hospital screen frames		Broken (Store)	Health Department	To be boarded off
Yamaha XTZ125 (White) Eng No E3N2E-01974/ Chassis No LBPKE179000003847	LG0020-065	Broken	Community Padibe west	To be boarded off
Yamaha YBR 125 G (blue) Eng No JYM154FMI*14054770* Chassis No LBPKE1352F0043324	LG 0027-065	Broken	PalabekOgili sub- county	To be boarded off
Yamaha XTZ125 (White) Eng No E3N2E-019732//Chassis No LBPKE179000003841	LG 0019-065	Broken	Community Palabek gem sub- county	To be boarded off
Yamaha Ag 100(red) Eng No 3HA137550/ Chassis No 3HA137625	LG 0103-22	Broken	Health Assistant Lokung	To be boarded off
Yamaha DT 125 (White) Eng No 3TT199852/ Chassis No DEO2X056581	UDM 602 V	Broken	Health Assistant Madi opei	To be boarded of

Generator Lister Pettter (white) S/n 07029694LPW3A27		Broken	Administration	To be boarded off
Honda XI 125 Red (Eng.No: Li255E5753395)	UG 2988R	Broken (Store)	Audit Department	To be boarded off
Yamaha DT 125	UAD 740 U	Broken (Store)	Production Department	To be boarded off
Yamaha Dt 125 White	UDR 540 Y	Broken (Store)		To be boarded off
Yamaha Dt 125 White	UAC 426 Z	Broken (Store)	Community Department	To be boarded off
Yamaha Dt 125 White	UG 0806 R	Broken (Store)	Human Resource	To be boarded off
Suzuki Tf 125 White	UG 2209 A	Broken (Store)	NUSAF	To be boarded off
Yamaha DT 125 White	UG 0586 Z	Broken (Store)	Production Department	To be boarded off
Yamaha DT 125 White	UG 0587 Z	Broken (Store)	Production Department	To be boarded off
Yamaha DT 125 White	UG 0588 Z	Broken (Store)	Production Department	To be boarded off
Yamaha DT 125 White	UG 0589 Z	Broken (Store)	Production Department	To be boarded off
Yamaha DT 125 White	UG 0590 Z	Broken (Store)	Production Department	To be boarded off
Yamaha DT 125 White	UG 0591 Z	Broken (Store)	Production Department	To be boarded off
Yamaha DT 125 White	UG 0592 Z	Broken (Store)	Production Department	To be boarded off
Yamaha DT 125 White	UG 0593 Z	Broken (Store)	Production Department	To be boarded off
Yamaha DT 125 White	UDX 173 Y	Broken (Store)	Production Department	To be boarded off
Yamaha DT 125 White	UDX 221 Y	Broken (Store)	Production Department	To be boarded off
Yamaha DT 125 White	UDX 170 Y	Broken (Store)	Production Department	To be boarded off
Yamaha DT 125 White	UDX 117 Y	Broken (Store)	Production Department	To be boarded off
Yamaha DT 125 White	UDX 178 Y	Broken (Store)	Production Department	To be boarded off
Yamaha DT 125 White	UDX 219 Y	Broken (Store)	Production Department	To be boarded off
Yamaha DT 125 White	UDX 113 Y	Broken (Store)	Production Department	To be boarded off
Yamaha XTZ125 (Blue)	LG 0017-065	Broken (Store)	Community Department	To be boarded off
Suzuki 125 White	UG 0139 Z	Broken (Store)	Production Department	To be boarded off
Yamaha YBR 125 G (Blue)	LG 0013-065	Grounded	Council 5 (Otto Martin)	To be boarded off

Yamaha DT 125 White	LG 0033-065	Grounded	Council 3 (Francis Oyil)	To be boarded off
Yamaha DT 125	LG 0034-065	Broken (Store)	Council 5	To be boarded off

Appendix 4: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry risk for the regulatory system or the Entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	Planning: Lack of or failure to procure within the approved plan	This implies emergencies and use of the direct procurement method which affects competition and value for money.
		Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals and usurping the powers of the PDU.	This implies use of less competitive methods which affects transparency, accountability and value for money.
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries

RISK	DESCRIPTION	AREA	IMPLICATION
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the Entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place.	Planning: Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		Bidding Process: Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	This implies lack of efficiency, standardization and avoiding competition.
	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.	Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		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.	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.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety.	

RISK	DESCRIPTION	AREA	IMPLICATION
		Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.	Planning: Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

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 5: Reasons for High Risk Rating

No	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	Rehabilitation/Construction of Three Blocks of Two Classrooms, Two Units Semi-Detached Teachers' Houses, One Block of 5 Stance Drainable Latrine at Ogako Lacan Primary School	<ul style="list-style-type: none"> • Delayed completion of works • Poor contract monitoring in form of missing records • Missing accountabilities
2.	Construction of Administration Block (Phase II) at the District Headquarters	<ul style="list-style-type: none"> • Fraudulent practices • Stalled procurement • Missing records
3.	Construction of One Block of 02	<ul style="list-style-type: none"> • Failed to undertake renovation works and

No	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
	Classrooms at Potwach P/S and Renovation of 02 Classrooms Block at Kolokolo P/S	<ul style="list-style-type: none"> • returned funds to the central treasury • Project defects • No evidence of contract monitoring • Missing accountabilities
4.	Construction of Staff house at Pangira HC II	<ul style="list-style-type: none"> • Incomplete works • Advancing funds without an advance payment security • Delayed procurement processes and contract
5.	Construction of Community Resource Centre at Lamwo Town Council.	<ul style="list-style-type: none"> • Slow progress of works • No contract management records • Failure by the contractor to meet the preliminary requirements. • Failure to undertake post qualification
6.	Design and Build of Pipe Water System in Agoro Sub County	<ul style="list-style-type: none"> • The procurement was not completed in time and funds worth UGX 282,624,058 reverted to the treasury due inefficiencies

Appendix 6: Sample Procurements and Risk Rating

No.	Reference Number	Subject of procurement	Method of procurement	Provider	Contract value (UGX)	Risk Rating
1.	LAMW585/NUDEIL/WRKS/2021-2022/00001	Rehabilitation/Construction of Three Blocks of Two Classrooms, Two Units Semi-Detached Teachers' Houses, One Block of 5 Stance Drainable Latrine at Ogako Lacan Primary School.	Open National Bidding	Reliefline Uganda Limited	544,996,431	High Risk
2.	LAMW585/NUDEIL/WRKS/2021-2022/00002	Rehabilitation/Construction of Three Blocks of Two Classrooms, Two Units Semi-Detached Teachers' Houses, One Block of 5 Stance Drainable Latrine at Madi Opei Primary School.	Open National Bidding	Civo Construction Services Limited	557,104,726	Medium Risk
3.	LAMW585/NUDEIL/WRKS/2021-2022/00003	Rehabilitation of Abakadyak-Katum Road (8.0 KM)	Open National Bidding	Wml Consult & Engineering Limited	627,144,840	Medium Risk
4.	LAMW585/NUDEIL/WRKS/2021-2022/00004	Rehabilitation (Siting & Supervision, Drilling, Installation, Casting & Pump Testing) of 08 (New) Boreholes and Major Rehabilitation of 04 (Old) Boreholes	Open National Bidding	Icon Projects Limited	233,720,000	Medium Risk
5.	LAMW585/NUDEIL/SUPLS/2021-2022/00001	Supply of Furniture (216 pieces of Three- Seater Classroom/Pupils' Desk)	Open National Bidding	Timrotim Investments Limited	51,840,000	Low Risk
6.	LAMW585/WRKS/2021-2022/00001	Construction of Administration Block (Phase II) at the District Headquarters	Open National Bidding	Northcross Professional Engineers Limited.	216,356,304	High Risk
7.	NA	Routine mechanized maintenance of 21.7km of Corner OgwecTenten road.	Force Account Mechanism	Works Department	20,500,000.	Medium Risk
8.	Lamw/585/Wrks/2021/2022/00001	Construction of Maternity Ward at Pangira HC II	Open National Bidding	Mason Consult Limited	383,238,029	Medium Risk
9.	Lamw/585/Wrks/2021/2022/00001	Construction of OPD Block at Pangira HC II	Open National Bidding	Demma Inland Limited	305,849,033	Medium Risk

No.	Reference Number	Subject of procurement	Method of procurement	Provider	Contract value (UGX)	Risk Rating
10.	Lamw/585/Wrks/2021/2022/00007	Construction of One Block of 02 Units Staff House at Pauma P/S	Open National Bidding	Kaka Rom Investments Limited	107,324,380	Medium Risk
11.	Lamw/585/Wrks/2021/2022/00008	Construction of One Block of 02 Classrooms at Potwach P/S and Renovation of 02 Classrooms Block at Kolokolo P/S	Open National Bidding	Forad Consultants Limited	91,871,500	High Risk
12.	Lamw/585/Wrks/2021/2022/00010	Construction of Low Cost Sealing	Open National Bidding	Mogen Enterprises Limited	351,810,023	Medium Risk
13.	Lamw/585/Supls/2021/2022/00009	Supply of Assorted Medical Equipment	Open National Bidding	Relief Line (U) Limited	190,000,012	Medium Risk
14.	Lamw/585/Wrks/2021/2022/00006	Construction of Staff house at Pangira HC II	Open National Bidding	Giant Plum Enterprises	119,535,263	High Risk
15.	MLHUD/UP/MID/LA MW/585/Wrks/2021/2022/00011 Lot 1	Construction of Community Resource Centre at Lamwo Town Council	Open National Bidding	Christone Contractors Ltd	1,506,514,900	High Risk
16.	MLHUD/UP/MID/LA MW/585/Wrks/2021/2022/00012 Lot 2	Construction of Market at LagotOpuk in PalabekOgili S/County	Open National Bidding	Ficah Enterprises (U) Limited	1,671,415,350	Medium Risk
17.	Lamw/585/Wrks/2021/2022/00004	Design and Build of Pipe Water System in Agoro Sub County	Open National Bidding	W&S Consults Inter Limited	279,867,132	High Risk
18.	Lamw/585/Wrks/2021/2022/00020	Construction of Perimeter Fence with Chain Link with 02 Gates and Construction of 04 Stance Drainable Latrine at Aguu Primary School	Selective Bidding	Aloc Twon General Company Limited	65,426,615	Medium Risk
TOTAL					7,304,014,538	

Appendix 7: Contracts Committee Membership

No	Name	Title	Committee Position	Date of Appointment
1	Ms. Grace Acayo	District Water Officer	Chairperson	16 th March 2020
2	Ms. Lakot Jannet	Senior Assistant Secretary	Member	16 th March 2020
3	Dr Avudraga Stanley	Senior Veterinary Officer	Member	16 th March 2020
4	Mr. Joro Ben Washington	Inspector of Schools	Member	16 th March 2020
5	Mr. Arop Wilson Woodford	Senior Environmental Health Officer	Member	16 th March 2020

Appendix 8: Procurement and Disposal Unit

No.	Name	Title
1.	Mr. Oyoo Simon Peter	Procurement Officer

NB. The Senior Procurement Officer Mr. Ocaya George had been interdicted over allegations of fraud and corruption. The Procurement Officer was the acting Head of the Procurement and Disposal Unit for the period under review.