



**PROCUREMENT AND DISPOSAL AUDIT REPORT FOR FINANCIAL
YEAR 2022/2023**

KWANIA DISTRICT LOCAL GOVERNMENT

JUNE 2024

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ACRONYMS

BOQs	Bill of Quantities
FY	Financial Year
GCC	General Condition of Contract
DLG	District Local Government
PPDA	Public Procurement and Disposal of Public Assets Authority

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Kwanja District Local Government that covered a representative sample of 15 procurement transactions under Financial Year 2022/23.

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Kwanja District Local Government's procurement system and processes 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 Kwanja District Local Government for Financial Year 2022/23 was **unsatisfactory** with overall weighted average risk rating of **75%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of this audit report.

The following key exceptions were noted:

1. Failure by the Entity to dispose of obsolete/unserviceable assets contrary to the Board of Survey report for FY 2021/2022 that identified several items for boarding off. This has exposed the assets to depreciation and risk of loss through vandalism;
2. Failure to implement planned procurements worth UGX 648,734,995. The Entity attributed the low implementation of the planned procurements to budget cuts;
3. Failure by the Entity to implement 55% of the recommendations contained in the procurement and disposal audit report for Financial Year 2019/20. This implies that the Entity has weak controls in the procurement function which affects procurement performance;
4. Six procurements worth UGX 1,045,481,014 had inappropriate bidding documents that did not provide specific and adequate information to the bidders in the statement of requirements and bid evaluation criteria. This exposed the Entity to the risk of obtaining non-responsive bids and award of contracts to ineligible and unsuitable bidders;
5. Nine procurements worth UGX 979,600,164 had bid evaluation irregularities, for example, passing of non-compliant bidders, failure to adhere to set criteria in the bidding documents, and failure to evaluate bids. This led to award of contracts to non-compliant bidders;
6. Failure by the evaluation committee to conduct post qualification in four procurements worth UGX 745,536,494 contrary to the bidding documents requirement. This exposed the Entity to the risk of awarding contracts to firms that lacked capacity to execute government contracts;
7. Seven procurements worth UGX 1,250,224,634 had anomalies at the contracting stage, for example, signing contracts against expired bids, irregular change of contract terms, irregular conduct of negotiations, among others. This exposed the Entity to the risk of contract disputes between the Entity and the contractors;
8. The Accounting Officer took an average of 36 working days to sign six contracts worth UGX 358,141,310. This delayed service delivery to the targeted beneficiaries, contributed to the haphazard contract execution towards the end of the financial year and also failure to fully utilize appropriated funds hence affecting the performance of the Government of Uganda;
9. Six procurement action files worth UGX 1,159,629,494 were incomplete i.e. records such as, submitted bids, bidding documents, progress reports, copies of Performance Securities and contract implementation plans were not on file. Missing records are a red flag for an ineffective accountability system within the Entity;

10. The Accounting Officer failed to obtain Performance Securities from the contractors in seven procurements worth UGX 1,199,026,154. This exposed the Entity to risks associated with non- performance of the contracts; and
11. Nine procurements worth UGX 1,371,279,014 had contract management anomalies, for example, irregular extension of contracts, lack of progress reports and lack of contract completion certificates. This casts doubt on the effectiveness of the Entity in supervision of contracts.

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

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

1. The Accounting Officer should:
 - i) Dispose all obsolete/unserviceable assets of the district in accordance with Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023;
 - ii) Implement the procurement plan by the end of the financial year by ensuring early commencement of the procurement processes and regular update of the procurement plan whenever need arises in accordance with Section 58 (4) and (5) of the PPDA Act, 2003;
 - iii) Implement all the Authority's procurement audit recommendations in accordance with Section 9 of the PPDA Act, 2003. Where management finds challenges in implementation of any recommendation, this should be brought to the attention of the Authority;
 - iv) Instruct the Chairperson Contracts Committee and Head Procurement and Disposal Unit to ensure that post qualification is conducted in accordance with Regulation 11 of the PPDA (Evaluation) Regulations, 2023;
 - v) Sign contract documents after satisfying himself on removal or correction of any ambiguity that may be contained therein and that the contracts are complete;
 - vi) Put in place measures to minimize delays in signing contracts after the Contracts Committee award decisions are made; and
 - vii) Task contractors to fulfil conditions of contract effectiveness, by obtaining the required Performance Securities from the contractors, before allowing them to access sites in accordance with Regulation 12 (1) (a) of the PPDA (Contracts) Regulations, 2023.
2. The Head Procurement and Disposal Unit should:
 - i) Prepare solicitation documents that define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023; and
 - ii) Ensure that the procurement action files are complete with all documents in accordance with Section 31 (o) of the PPDA Act, 2003.
3. Evaluation Committees should adhere to the evaluation criteria stated in the bidding document while conducting evaluations in accordance with Section 71 (3) of the PPDA Act, 2003.
4. Contract Managers should:

- i) Submit regular progress /contract management reports to the Procurement and Disposal Unit as required under Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023; and
- ii) Strictly supervise contracted firms to fulfil all contractual obligations specified within the terms and conditions of the contract.

Kwania District Local Government should implement the recommended action plan on pages **58-59** of this report.

CHAPTER 1: INTRODUCTION

1.1. Structure of the Entity

According to Section 26 of the PPDA Act, 2003, the overall responsibility for the successful execution of procurement, disposal and contract management in Kwania District Local Government is the Chief Administrative Officer. The Chief Administrative Officer of Kwania District Local Government during the Financial Year under review was, Mr. Benard Apollo Opolot who has since left the Entity. The current Chief Administrative Officer is Mr. David Wamburu Wasikye. The User Departments, Contracts Committee and composition of the Procurement and Disposal Unit are detailed in Annex D.

1.2. Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Kwania District Local Government that covered a sample of 15 procurement transactions under Financial Year 2022/23. The audit involved a review of procurement structures, procurement and disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act, 2003 and Local Governments (PPDA) Regulations, 2006.

1.3. Audit Objectives

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Kwania District Local Government's procurement system and processes with the provisions of the PPDA Act, 2003 and the Local Governments (PPDA) Regulations, 2006 and assess the level of procurement performance over the audit period.

The specific objectives were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act, 2003 and Local Governments (PPDA) Regulations, 2006 with regard to the performance of the procurement structures and conduct of procurement processes;
2. Assess the degree of compliance of the Entity's disposal process with the provisions of the PPDA Act, 2003 and Local Governments (PPDA) Regulations, 2006; and
3. Assess the level of efficiency and effectiveness in contract implementation including the application of the Environmental, Social, Health and Safety (ESHS) requirements in the procurement process.

1.4. Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation on sample basis. The audit covered a sample of 15 procurement transactions under Financial Year 2022/23. The list of sampled transactions is contained in **Annex B**. The distribution of the transaction population and sample is shown in Table 1 below:

Table 1: Distribution of the transactions population and sample for audit

Procurement Method	Population Value (UGX)	Sample Value (UGX)	% Value	Population Number	Sample Number	% Number
Open Domestic Bidding	1,592,740,819	1,526,187,639	96	15	12	80
Selective Bidding	201,824,200	47,550,000	24	11	2	18
Direct Procurement	88,000,000	88,000,000	100	1	1	100
Micro Procurement	11,595,000	-	-	-	-	-
Total	1,894,160,019	1,661,737,639	88	27	15	55.6

1.5. Audit Methodology

The auditors examined records and documents for each sampled procurement transaction and obtained relevant and sufficient evidence to derive at the 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 documents 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, 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 **21st February 2024** before the auditors could embark on preparation of the management letter. The management letter was sent to the Entity on **11th April 2024** with a requirement to submit a management response by **19th April 2024**, which was submitted on **2nd May 2024**. The exit meeting was held on **2nd May 2024** at PPDA Head Office in Kampala. The amended management response was submitted by the Entity on **20th May 2024**.

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

CHAPTER 2: AUDIT FINDINGS AND RECOMMENDATIONS

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

2.1.1. Implementation of the procurement plan

The procurement reports submitted to the Authority for the Financial Year 2022/2023 indicated that the Entity procured 74.5% (by value) of the planned procurements creating a variance of UGX 648,734,995 unimplemented as summarized in Table 2 below:

Table 2: Procurement plan implementation rate

Total procurement plan value inclusive VAT (UGX)	2,542,895,014
Total procurement spend value inclusive VAT (UGX)	1,894,160,019
Procurement plan implementation rate (%)	74.5%
Procurement plan implementation Variance (UGX)	648,734,995

Implication

Failure to fully implement all planned procurements is an indicator of inadequate planning, poor formulation of needs and lack of absorption capacity or failure to realize all the funds required to achieve the budget targets.

Management response

This was due to limited resources received by the District. Some funds were not sent to the District.

Recommendations

The Entity's response is noted and the Authority recommends that:

1. The Accounting Officer should regularly conduct or designate persons to regularly conduct a review of the procurement plan to harmonize it with the existing circumstances especially with regard to changes in the budget of the Entity in accordance with Section 58 (4) and (5) of the PPDA Act, 2003.
2. In the event that amendments are made to the departmental work plans, User Departments should share amendments with the Head Procurement and Disposal Unit to update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003.

2.1.2. Procuring outside the procurement plan

The Authority found that the procurement for design and construction of Alido Trading Centre solar pipe water system worth UGX 239,953,000 was procured outside the procurement plan for the financial year 2022/2023 contrary to Section 58 (7) of the PPDA, Act 2003.

Implications

- Conducting procurements outside the procurement plan could hinder the implementation of planned procurements due to diversion of funds thus affecting service delivery.
- Conducting procurements outside the procurement plan leads to accumulation of domestic arrears by the Entity.

Management Response

This was in the procurement plan for Water Department, but an oversight in the consolidated procurement plan.

Recommendations

1. The Head Procurement and Disposal Unit should endeavor to include all planned activities in the Entity's consolidated annual procurement plan before submitting it to the Contracts Committee for approval.
2. The Contracts Committee should ensure that:
 - i) All procurements undertaken by the Entity are included in the consolidated procurement plan before approving them in accordance with Section 28 (bb) of the PPDA, Act 2003.
 - ii) Procurements are not carried out outside the procurement plan except in cases of emergency situations in accordance with Section 58 (7) of the PPDA, Act 2003.

2.1.3. Failure to fully implement the Authority's recommendations.

The Entity was issued with the procurement and disposal audit report for Financial Year 2019/20 in August 2021 and out of the 11 recommendations made, five (45%) were implemented and six (55%) were not implemented as indicated in Table 3 below:

Table 3: Previous recommendations that were not implemented

No.	Recommendation	Management Response
1.	The Accounting Officer should recover UGX 4,208,325 from Oryem Can Co. Ltd that was meant for supervision of the project by the Employer.	<i>This was recovered during payment of retention.</i> Authority's comment The Entity did not submit documentary evidence to the Authority for verification.
2.	The Accounting Officer should ascertain the causes for low bidder response and devise mechanisms of increasing competition in the Entity's procurement processes so as to achieve value for money.	<i>Noted.</i>
3.	The Head Procurement and Disposal Unit should archive all documents pertaining to a particular procurement on their respective files in accordance with Section 31 (o) of the PPDA Act, 2003.	<i>Noted.</i>
4.	The Head Procurement and Disposal Unit should always monitor procurement timelines in order to minimize delays.	<i>Noted.</i>
5.	The contract managers should submit regular progress /contract management reports to the Procurement and Disposal Unit as required under Regulation 119 (10) (f) of the Local Governments (PPDA) Regulations, 2006.	<i>Noted.</i>
6.	Evaluation Committee members should adhere to the criteria set out in the solicitation document during bid evaluation in accordance with Regulation 73 of the Local Governments (PPDA) Regulations, 2006.	<i>Noted.</i>

Implications

- Failure to implement the Authority's recommendations exposes the Entity to continued weak controls in the procurement function which affects procurement performance.
- Failure to fully implement previous audit recommendations is a breach of Section 9 of the PPDA Act, 2003.

Recommendation

The Accounting Officer should implement all the Authority's audit recommendations in accordance with Section 9 of the PPDA Act, 2003. Where the Entity's management finds challenges in implementation of any recommendation, this should be brought to the attention of the Authority.

2.1.4. Lack of adequate filing cabinets and shelves for storing procurement records

The Authority found that the Procurement and Disposal Unit lacked adequate filing cabinets and shelves to safely keep the procurement and disposal documents and records as required by Section 41 (1) of the PPDA Act, 2003.

Implication

Failure to safely keep the procurement and disposal documents and records, exposes them to the risk of loss or damage.

Management response

The Procurement and Disposal Unit has been allocated office space with storage, although the District is still facing a challenge of office space since the Administration block is still under construction.

Authority's comment

The Entity did not submit evidence of the storage facilities allocated to the Procurement and Disposal Unit.

Recommendation

The Accounting Officer should provide the Procurement and Disposal Unit with more storage facilities such as shelves and filing cabinets in accordance with Section 41 (1) of the PPDA Act, 2003.

2.1.5. Failure by the Internal Audit to audit the procurement function

The Authority reviewed the Entity's Internal audit reports and found that the Internal Audit department did not audit the procurement and disposal procedures in the financial year under review contrary to Regulation 28 of the Local Governments (PPDA) Regulations, 2006.

Implication

This denied the Accounting Officer and Entity Management the opportunity for timely correction of anomalies before severe outcomes.

Management response

The Entity did not respond to the query.

Recommendation

The Internal Audit department should audit the procurement and disposal procedures in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.1.6. Issuance of bidding documents with inappropriate requirements

The Authority reviewed bidding documents of six procurements worth UGX 1,045,481,014 and found that the bidding documents had inappropriate requirements or provisions as detailed in Table 4 below:

Table 4: Procurements with irregularities in the bidding documents

No.	Subject of Procurement	Contract Value (UGX)	Irregularities found
1.	Construction of a semi-detached staff house with a two-stance drainable latrine under UgIFT at Akali Health Centre III in Akali Sub County	151,000,000	<p>The Authority found that:</p> <ul style="list-style-type: none">• The bidding document required fulfilment of obligations to pay taxes and social security contributions in Uganda without indicating the periods of interest.• Key evaluation criteria such as a bank statement/access to a credit facility was not included in the bidding document.
2.	Construction of a semi-detached staff house with a two-stance drainable latrine under UgIFT at Owiny Health Centre III at Ayabi Sub County	151,000,000	<p><u>Management response</u> <i>The bidding documents for the staff houses were received late with errors from the Ministry of Health and there was no sufficient time to customize them. Going forward, this has been included as one of the key requirements in the bidding documents.</i></p> <p>Authority's comment The Head Procurement and Disposal Unit should always quality assure bidding documents before issuance to the bidders.</p>
3.	Construction of Main Administration Block Phase V	289,991,354	<p>The Authority found that the General Conditions of Contract and Special Conditions of Contract were not included in the bidding document.</p> <p><u>Management response</u> <i>This was an oversight.</i></p>
4.	Siting, drilling and installation of 6 deep wells	125,804,520	<p>The Authority found that:</p> <ul style="list-style-type: none">• The bidding document required a Contract Manager with a Bachelor's Degree in Civil Engineering and a Site Engineer with a Bachelor's Degree in Civil Engineering, however, it did not specify whether the Contract Manager and Site Engineer should be Hydrologists/Geologists since the procurement was for borehole drilling.

No.	Subject of Procurement	Contract Value (UGX)	Irregularities found												
			<ul style="list-style-type: none"> The bidding document did not require at least one of the personnel to be a registered/licensed hydrologist with Ministry of Water. <p>Management response <i>This is noted. Going forward, it will be incorporated as a requirement in the bidding documents for water drilling works.</i></p>												
5.	Low cost sealing of 0.5km of the road to Kwanja district headquarters	239,685,140	<p>The Authority found that the Entity included unnecessary costs in the bidding document and as a result, the best evaluated bidder, Rhino Engineering Works Ltd quoted the following amounts which irregularly formed part of the contract and were paid to the contractor:</p> <table border="1" data-bbox="801 786 1369 1167"> <thead> <tr> <th data-bbox="801 786 946 887">Item No.</th> <th data-bbox="946 786 1134 887">Description</th> <th data-bbox="1134 786 1214 887">Qty</th> <th data-bbox="1214 786 1369 887">Amount (UGX)</th> </tr> </thead> <tbody> <tr> <td data-bbox="801 887 946 965">6.2</td> <td data-bbox="946 887 1134 965">Insurance and Bonds</td> <td data-bbox="1134 887 1214 965">1</td> <td data-bbox="1214 887 1369 965">100,000</td> </tr> <tr> <td data-bbox="801 965 946 1167">6.6 (a)</td> <td data-bbox="946 965 1134 1167">Supervision of the project by the Employer</td> <td data-bbox="1134 965 1214 1167">1</td> <td data-bbox="1214 965 1369 1167">3,000,000</td> </tr> </tbody> </table> <p>Management response <i>This was an over sight and hence forth shall not be repeated.</i></p>	Item No.	Description	Qty	Amount (UGX)	6.2	Insurance and Bonds	1	100,000	6.6 (a)	Supervision of the project by the Employer	1	3,000,000
Item No.	Description	Qty	Amount (UGX)												
6.2	Insurance and Bonds	1	100,000												
6.6 (a)	Supervision of the project by the Employer	1	3,000,000												
6.	Sitting, drilling and installation of 04 deep wells	88,000,000	<p>The Authority did not find a bidding document on the procurement action file.</p> <p>Management response <i>The bidding document got misplaced during national assessment and unfortunately we failed to get it. The contractor's copy too could not be accessed. Going forward, the Procurement and Disposal Unit shall maintain more than two copies.</i></p> <p>Authority's comment The Head Procurement and Disposal Unit should always keep all approved bidding documents on the respective procurement action files.</p>												
Total		1,045,481,014													

Implications

- Failure to clearly state key requirements in the bidding documents exposes bidders to the risk of preparing non-responsive bids.
- Setting inappropriate bid evaluation criteria exposes the Entity to the risk of inappropriate evaluation of bids, hence increasing the risk of awarding contracts to ineligible and unsuitable bidders.

Management response

This is noted. Once the Entity gets the recent standard bidding documents, these errors will definitely stop.

Authority's comment

The Entity should visit the PPDA Website (www.ppda.go.ug) and download the copies of the Standard Bidding Documents for works, supplies and services for each procurement method.

Recommendations

The Head, Procurement and Disposal Unit should:

1. Prepare solicitation documents that define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
2. Set evaluation criteria that is appropriate and suits the objectives of the procurement in accordance with Regulation 42 (b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.7. Low bidder participation

The Authority found low bidder participation in four procurement transactions worth UGX 525,653,669. The Entity either had a sole bidder or two bidders participating in the procurement process as indicated in Table 5 below:

Table 5: Procurements with low bidder participation

No.	Subject of procurement	Procurement method	Amount (UGX)	Number of bids received
1.	Construction of a semidetached staff house with a two-stance drainable latrine under UgIFT at Owiny Health Centre III at Ayabi Sub County	Open domestic bidding	151,000,000	1
2.	Construction of Main Administration Block Phase V	Open domestic bidding	261,603,669	2
3.	Procurement of 167 local female goats	Selective bidding	25,050,000	1
4.	Sitting, drilling and installation of 04 deep wells	Open domestic bidding	88,000,000	1
Average/Total			525,653,669	

Implication

This deprives the Entity of the opportunity to receive competitive bids and is a red flag for potential mistrust in the procurement function of the Entity.

Management response

This is noted. However, according to Head Procurement and Disposal Unit, many firms request for solicitation documents and they are issued with the documents, but they do not return bids. Going forward, with the aid of e-GP, we are hopeful that the Entity shall be able to attract more competition.

Recommendations

1. The Accounting Officer should investigate and address the causes of low bidder participation in the Entity.
2. The Head Procurement and Disposal Unit should develop shortlists that have sufficient providers that are expected to participate and meet the eligibility requirements of the Entity and have them approved by the Contracts Committee in accordance with Regulation 20 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.8. Irregularities during evaluation

The Authority found irregularities during evaluation of bids of nine procurements worth UGX 979,600,164. This was attributed to poorly drafted bidding documents and low competences and capacities within the evaluation committees as detailed in Table 6 below:

Table 6: Procurements with irregularities during evaluation of bids

No.	Subject of procurement	Contract value (UGX)	Irregularities during evaluation
1.	Construction of a semidetached staff house with a two-stance drainable latrine under UgIFT at Akali Health Centre III in Akali Sub County	151,000,000	<ul style="list-style-type: none"> • Failure to detect unauthentic Tax Clearance Certificate (TCC) at evaluation: Roovaco (U) Ltd submitted a TCC whose Ref No. UGND230012345 belonged to Steep Entertainment Ltd. Upon verification on the URA Portal, the audit team found that the following details were altered i.e. Tax payers name was changed from Steep Entertainment Ltd to Roovaco U Ltd, the TIN was changed from 1010360133 to 1001367249, and the name of the addressee was changed from Office of the Prime Minister to Kwania District Local Government. • The bidding document required the following, however, bidders were not evaluated on these requirements: <ul style="list-style-type: none"> (i) The bidder shall submit its Code of Conduct that will apply to the Contractor's Personnel to ensure compliance with its Environmental, Social, Health and Safety (ESHS) obligations under the contract, and (ii) Environment and Social Management Plan. The Contractor shall be required to submit for approval, and subsequently implement the contractor's Environment and Social Management Plan that includes the Strategies and Implementation Plans i.e. traffic management plan, water resource protection plan, boundary marking and protection strategy for mobilization and construction to prevent offsite adverse impacts, gender based violence and sexual exploitation and abuse prevention and response action plan, and a strategy for obtaining permits such as a quarry or borrow pit. • The Evaluation Committee recommended contract award to Ailwar General Works (U) Ltd whose bid price was UGX 233,735,244 instead of Roovaco (U) Ltd whose bid price was UGX 188,456,980. The basis for recommending contract award to Ailwar General Works (U) Ltd was that Roovaco (U) Ltd was already the best evaluated bidder in another procurement. This was irregular given that the bidding document did not restrict the number of lots that a bidder should bid for.

No.	Subject of procurement	Contract value (UGX)	Irregularities during evaluation
			<p><u>Management response</u> <i>The Entity did not respond to the above findings.</i></p>
2.	Construction of a semi-detached staff house with a two-stance drainable latrine under UgIFT at Owiny Health Centre III at Ayabi Sub County	151,000,000	<p>Whereas the evaluation report showed that the bid for Roovaco (U) Ltd was the only bid evaluated, the Authority did not find the bid on the procurement action file.</p> <p><u>Management response</u> <i>The bid got misplaced in the process of collecting documents from the audit room, but it was found and shall be presented for verification.</i></p> <p><u>Authority's comment</u> The Entity did not submit the missing bid to the Authority for verification by the audit team.</p>
3.	Construction of Main Administration Block Phase V	289,991,354	<ul style="list-style-type: none"> • The evaluation criteria in the bidding document required audited accounts for the last 3 years of 2018/2019, 2019/2020 and 2020/2021 however, Ailwar General Works (U) Ltd (BEB) submitted audited accounts for only 2 years i.e. year ended 2020 and year ended 2021 hence should have been eliminated • A bid security worth UGX 2,500,000 was required however this was not submitted by Ailwar General Works (U) Ltd the best evaluated bidder. Ailwar General Works (U) Ltd should have been eliminated <p><u>Management response</u> <i>The Entity did not respond to the above findings.</i></p>
4.	Supply of 250 school desks for distribution to primary schools (Lot 3)	43,763,250	<p>The Authority found that the evaluation reports on file did not include the evaluation score sheets of bidders under the preliminary examination stage; detailed evaluation and financial comparison i.e. the annexes on how bids were assessed and evaluated were not attached hence there was no assurance that the bid evaluation process was conducted adequately and in accordance with the evaluation criteria in the bidding document.</p>
5.	Supply of 192 school desks for distribution to	33,737,920	

No.	Subject of procurement	Contract value (UGX)	Irregularities during evaluation
	primary schools (Lot 5)		<p>Management response <i>This was an oversight by the auditors. All the evaluation criteria for the lots of the desks were the same for lots 1-5.</i></p>
6.	Supply of 250 school desks for distribution to primary schools (Lot 2)	43,512,500	<p>Authority's comment The audit team found that the evaluation score sheets were not attached to the evaluation report and the Entity did not submit the evaluation score sheets to the Authority for verification.</p>
7.	Procurement of 167 local female goats	25,050,000	<ul style="list-style-type: none"> • Failure by all members of the evaluation committee to sign the evaluation report dated 30th March 2023. The Authority found that out of the five approved evaluation committee members, only one signed the evaluation report i.e. Ms. Lydia Aduni Adem. The following four members did not sign the report: <ul style="list-style-type: none"> ➤ Mr. Alex George Ongora- District Water Officer ➤ Mr. David Ongom – Eng. Mechanical ➤ Mr. Jimmy Obura –Senior Assistant Secretary ➤ Dr. Charles Opeto – District Veterinary Officer <p>Management response <i>This was an oversight, but after bid evaluation all the members signed on the evaluation score sheets.</i></p> <p>Authority's comment The Entity did not submit to the Authority documentary evidence showing that all the Evaluation Committee members signed the evaluation report.</p> <ul style="list-style-type: none"> • The Authority found that the evaluation report dated 30th March 2023 irregularly recommended contract award at a price of UGX 25,050,000 yet the bidder's price was UGX 25,885,000 and there was no correction of arithmetic errors. Notably, the UGX 25,050,000 in the evaluation report matched with the price in the negotiation report; however, the negotiation report was dated 12th April 2023 yet the evaluation report was dated 30th March 2023.

No.	Subject of procurement	Contract value (UGX)	Irregularities during evaluation
			<p><u>Management response</u> <i>The Entity did not respond to the query.</i></p> <ul style="list-style-type: none"> • Passing a non-compliant bidder <p>The Authority found that the best evaluated bidder, Ojalokome Co. Limited:</p> <ul style="list-style-type: none"> ➤ Submitted an unregistered Powers of Attorney, but was evaluated as compliant to the bidding document requirement. ➤ Did not submit a trading license but was evaluated as compliant. <p><u>Management response</u> <i>The Entity did not respond to the query.</i></p>
8.	Sitting, drilling, test pumping and installation of 07 deep wells	153,545,140	<p>The Authority found that the evaluation report on file did not include the evaluation score sheets of bidders under the preliminary examination stage; detailed evaluation and financial comparison i.e. the annexes on how bids were assessed and evaluated were not attached hence there was no assurance that bid evaluation was conducted adequately and in accordance with the evaluation criteria in the bidding document.</p> <p><u>Management response</u> <i>This could have been an oversight by the person who prepared the evaluation report, but the evaluation criteria were clear and evaluation was conducted.</i></p> <p>Authority's comment The audit team found that the evaluation score sheets were not attached to the evaluation report and the Entity did not submit the evaluation score sheets to the Authority for verification.</p>
9.	Sitting, drilling and installation of 04 deep wells	88,000,000	<p>The Authority did not find the evaluation report on the procurement action file.</p> <p><u>Management response</u> <i>This was a misinterpretation of procedure for direct procurement.</i></p> <p>Authority's comment The Entity should evaluate bids for procurements conducted under the direct procurement method.</p>

No.	Subject of procurement	Contract value (UGX)	Irregularities during evaluation
Total		979,600,164	

Implications

- Unfair evaluation discourages bidders from participating in the Entity's future procurement processes and ultimately leads to low bidder participation which undermines competition.
- Unfair evaluation further raises a red flag for collusion and intentional malpractice during evaluation of bids.

Recommendations

1. The Accounting Officer should task the Evaluation Committee members for the above-mentioned procurements to show cause as to why disciplinary action should not be taken against them for unfairly evaluating bids.
2. Evaluation Committees should adhere to the evaluation criteria stated in the bidding document while conducting bid evaluations in accordance with Section 71 (3) of the PPDA Act, 2003.

2.1.9. Failure to conduct post qualification

The Authority found that post qualification was not conducted in four procurements worth UGX 745,536,494 listed in in Table 7, contrary to the requirement in the bidding documents and Regulation 82 of the Local Governments (PPDA) Regulations, 2006. Post qualification was required on the bidder's performance of previous private and public contracts, due diligence to verify and ascertain the bidder's financial contracting capacity and a bank commitment to provide credit line to the bidder, the bidder's equipment and bidder's personnel.

Table 7: Procurements where post qualification was not conducted

No	Subject of procurement	Contract Value (UGX)
1.	Construction of a semidetached staff house with a two-stance drainable latrine under UgIFT at Akali Health Centre III in Akali Sub County	151,000,000
2.	Construction of a semi-detached staff house with a two stance drainable latrine under UgIFT at Owiny Health Centre III at Ayabi Sub County	151,000,000
3.	Construction of Main Administration Block Phase V	289,991,354
4.	Sitting, drilling, test pumping and installation of 07 deep wells	153,545,140
Total		745,536,494

Implication

Failure to conduct post qualification as required in the bidding documents, leads to risk of award of contracts to firms that lack capacity to execute government contracts.

Management response

This is noted. Post qualification shall always be conducted.

Recommendation

The Accounting Officer should instruct the Chairperson, Contracts Committee and the Head Procurement and Disposal Unit to ensure that post qualification is conducted in accordance with Regulation 11 of the PPDA (Evaluation) Regulations, 2023.

2.1.10. Anomalies at the contracting stage

The Authority found anomalies at the contracting stage in seven procurements worth UGX 1,250,224,634 as detailed in Table 8 below:

Table 8: Anomalies at contracting

No	Subject of procurement	Contract value (UGX)	Finding
1.	Construction of a semi-detached staff house with a two-stance drainable latrine under UgIFT at	151,000,000	• The Authority found that the Notice of Best Evaluated Bidder was not sent to the bidders that participated in the bidding process.

No	Subject of procurement	Contract value (UGX)	Finding
	Akali Health Centre III in Akali Sub County		<p><u>Management response</u> <i>Best evaluated bidder notices are always sent to bidders on email, but evidence of the sent mails was not printed since the former Senior Procurement Officer retired and retrieving this information may not be possible. Going forward, evidence of emails sent to the bidders will be printed and kept on the procurement action files.</i></p> <ul style="list-style-type: none"> • The Authority found that the following activities were provided for in the bidding document, however, they were not included in the signed contract and no funds were allocated for them, and as such they were not implemented; <ul style="list-style-type: none"> (i) Site meetings with local communities including HIV/AIDS awareness and Environment screening and mitigation, (ii) Supervision of the project by the Employer, (iii) Additional testing of materials and works that may be ordered by the Engineer, (iv) Bill boards, (v) Installation of temporary road signs <p><u>Management response</u></p> <ul style="list-style-type: none"> ➤ <i>Sensitization of the community on HIV awareness was done.</i> ➤ <i>Environment screening was done.</i> ➤ <i>Supervision funds were sent separately from the original funds received for the works.</i> ➤ <i>Material testing was done.</i> ➤ <i>Bill boards and sign posts are also in place.</i> <p><u>Authority's comment</u> The Authority appreciates the Entity's response, however, the Entity did not submit documentary and pictorial evidence to support its management response.</p> <ul style="list-style-type: none"> • Conducting negotiations without approval by the Contracts Committee. The audit team noted that Mr. Edward Odongo Eyak and Ms. Lydia Aduni Adem participated in the negotiations

No	Subject of procurement	Contract value (UGX)	Finding
			<p>with the contractor; however, there was no evidence to prove that they were approved by the Contracts Committee to undertake negotiations.</p> <p><u>Management response</u> <i>This was as a result of lack of experience in the procedure of conducting negotiations. Going forward, negotiation procedures shall be observed.</i></p> <p>• Irregular award of contract: The Authority found the following irregularities:</p> <ol style="list-style-type: none"> i. Awarding the contract to the bidder without details of negotiations. The Contracts Committee awarded the contract to Ailwar General Works (U) Ltd (best evaluated bidder) at UGX 151,000,000 as a result of negotiation with the contractor, however, the breakdown of the reduced scope of works was not indicated in the negotiation report. Ailwar General Works (U) Ltd's initial bid price was UGX 233,735,244. ii. The Contracts Committee awarded the contract at UGX 151,000,000 without any justification as to why the bid price reduced from UGX 233,735,144 to UGX 151,000,000 since these were not indicated in the negotiation report. <p><u>Management response</u> <i>The District Engineer issued an instruction on the items in the scope of work to be left out that would not affect the functionality of the houses to the contractor.</i></p> <p>Authority's comment The District Engineer should always submit a request to Contracts Committee for approval of any changes to be made in the bills of quantities.</p>
2.	Construction of a semi-detached staff house with a two-stance	151,000,000	<p>• The Authority found that the Notice of Best Evaluated Bidder was not sent to the bidders that participated in the bidding process.</p>

No	Subject of procurement	Contract value (UGX)	Finding
	drainable latrine under UgIFT at Owiny Health Centre III at Ayabi Sub County		<p><u>Management response</u> <i>Best evaluated bidder notices are always sent to bidders on email, but evidence of the sent mails was not printed since the former Senior Procurement Officer retired and retrieving this information may not be possible. Going forward, evidence of emails sent to the bidders will be printed and kept on the procurement action files.</i></p> <ul style="list-style-type: none"> • The Authority found that the following activities were provided for in the bidding document, however, they were not included in the signed contract and there was no proof that funds had been separately allocated for them. As such, they were not implemented: <ul style="list-style-type: none"> (i) Site meetings with local communities including HIV/AIDS awareness and environment screening and mitigation, (ii) Supervision of the project by the Employer, (iii) Additional testing of materials and works that may be ordered by the Engineer, (iv) Bill boards, (v) Installation of temporary road signs <p><u>Management response</u></p> <ul style="list-style-type: none"> ➤ <i>Sensitization of the community on HIV awareness was done.</i> ➤ <i>Environment screening was done.</i> ➤ <i>Supervision funds were sent separately from the original funds received for the works.</i> ➤ <i>Material testing was done.</i> ➤ <i>Bill boards and sign posts are also in place.</i> <p>Authority's comment: The Authority appreciates the Entity's response, however, the Entity did not submit documentary and pictorial evidence to support its management response.</p> <ul style="list-style-type: none"> • The audit team noted that Mr. Edward Odongo Eyak and Ms. Lydia Aduni Adem participated in the negotiations with the contractor,

No	Subject of procurement	Contract value (UGX)	Finding
			<p>however, there was no evidence to show that they were approved by the Contracts Committee to conduct negotiations.</p> <p><u>Management response</u> <i>This was as a result of lack of experience in the procedure of conducting negotiations. Going forward, negotiation procedures shall be observed.</i></p> <ul style="list-style-type: none"> • The following irregularities were noted at contract award: <ul style="list-style-type: none"> i. Awarding the contract to the best evaluated bidder without details of negotiations. The Contracts Committee awarded the contract to Roovaco at UGX 151,000,000 as a result of negotiation with the contractor however the breakdown of the reduced scope of works was not indicated in the negotiation report. The evaluation report indicated that Roovaco bid price was UGX 188,456,980. <p><u>Management response</u> <i>The District Engineer issued an instruction on the items in the scope of work to be left out that wouldn't affect the functionality of the houses to the contractor.</i></p> <p><u>Authority's comment</u> The District Engineer should submit a request to Contracts Committee for approval of any changes to be made in the bills of quantities.</p> <ul style="list-style-type: none"> ii. The Contracts Committee awarded the contract at UGX 151,000,000, however the details on how the bid price was reduced from UGX 188,456,980 to UGX 151,000,000 was not indicated in the negotiation report. <p><u>Management response</u> <i>This was an oversight.</i></p>

No	Subject of procurement	Contract value (UGX)	Finding
3.	Construction of Main Administration Block Phase V	289,991,354	<ul style="list-style-type: none"> • The Authority found that the Notice of Best Evaluated Bidder was not sent to the bidders that participated in the bidding process. <p><u>Management response</u> <i>The notices were sent except that evidence of emails were not printed out.</i></p> <ul style="list-style-type: none"> • No evidence of approval of the contract by the Solicitor General: The Authority found that the Accounting Officer Mr. Apollo Opolot wrote to the Solicitor General on 11th November 2022 requesting for clearance of the contract, however, there was no evidence to show that the Solicitor General cleared the contract. <p><u>Management response</u> <i>The contract was cleared and the letter of clearance by the Solicitor General was presented to the national assessment team, but it got misplaced as a result of sharing the same document by many users. Going forward, the original copy of the letter shall be photocopied and kept in archives.</i></p> <ul style="list-style-type: none"> • Signing the contract against an expired bid: The Authority found that Ailwar General Works (U) Ltd provided a bid validity date of 31st December 2022, however the contract was signed on 6th January 2023 after expiry of the bid. <p><u>Management response</u> <i>This is noted. Going forward, the bid validity period will be checked and the contractors will be tasked to extend the bid validity periods.</i></p>
4.	Procurement of 167 local female goats	25,050,000	<p><u>Irregularities at negotiation</u> The Authority found that:</p> <ol style="list-style-type: none"> i) The bidder's price was reduced from UGX 25,885,000 to UGX 25,050,000 without reduction in the original quantity of 167 goats. ii) The contracts committee approval of the negotiation team and negotiation

No	Subject of procurement	Contract value (UGX)	Finding															
			<p>parameters was not sought before negotiations were conducted.</p> <p>iii) There was no approved negotiation team by the Contracts Committee which implies that the one member from the Entity i.e (Ms. Lydia Adem-Procurement Officer) who conducted negotiations with the provider did so irregularly.</p> <p>iv) The negotiation report on file was signed by only two people i.e</p> <ul style="list-style-type: none"> ➤ Mr. Lawrence Etim – Managing Director, Ojalokome Company Limited ➤ Ms. Lydia Aduni Adem- Procurement Officer <p>v) There was no Contracts Committee approval sought for the negotiation report dated 12th April 2023.</p> <p>vi) The Contracts Committee minutes dated 3rd April 2023 approved an evaluation report that had a wrong price of UGX 25,050,000 that irregularly matched with the price in the negotiation report.</p> <table border="1" data-bbox="783 1144 1347 1753"> <thead> <tr> <th data-bbox="783 1144 1018 1223">Area</th> <th data-bbox="1018 1144 1187 1223">Price (UGX)</th> <th data-bbox="1187 1144 1347 1223">Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="783 1223 1018 1339">Bidder's bid details</td> <td data-bbox="1018 1223 1187 1339">25,885,000 <i>There were no errors</i></td> <td data-bbox="1187 1223 1347 1339"></td> </tr> <tr> <td data-bbox="783 1339 1018 1473">Evaluation report</td> <td data-bbox="1018 1339 1187 1473">25,050,000</td> <td data-bbox="1187 1339 1347 1473">30th March 2023</td> </tr> <tr> <td data-bbox="783 1473 1018 1592">CC approval of evaluation report</td> <td data-bbox="1018 1473 1187 1592">25,050,000</td> <td data-bbox="1187 1473 1347 1592">3rd April 2023</td> </tr> <tr> <td data-bbox="783 1592 1018 1753">Negotiation report <i>It was not approved by CC</i></td> <td data-bbox="1018 1592 1187 1753">25,050,000</td> <td data-bbox="1187 1592 1347 1753">12th April 2023</td> </tr> </tbody> </table> <p><u>Management response</u> <i>This was an oversight.</i></p>	Area	Price (UGX)	Date	Bidder's bid details	25,885,000 <i>There were no errors</i>		Evaluation report	25,050,000	30 th March 2023	CC approval of evaluation report	25,050,000	3 rd April 2023	Negotiation report <i>It was not approved by CC</i>	25,050,000	12 th April 2023
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5.	Sitting, drilling, test pumping	153,545,140	<p>Signing a contract based on an expired bid The Authority found that the bid validity offered</p>															

No	Subject of procurement	Contract value (UGX)	Finding
	and installation of 07 deep wells		<p>by the bidder was until 31st December 2022; however, the contract was signed on 6th January 2023 after expiry of the bid validity period.</p> <p><u>Management response</u> <i>This was an oversight.</i></p>
6.	Design and construction of Alido Trading Centre solar pipe water system	239,953,000	<p>• Signing a contract based on an expired bid. The Authority found that the contract was signed on 9th February 2023 after expiry of the bid on 31st December 2022.</p> <p>Note: the Entity sought the Solicitor General's clearance on 11th November 2022; however, the Solicitor General approved the contract on 7th Feb 2023 after expiry of the bid. The Entity did not request the contractor to extend the bid validity hence this resulted into signing a contract on an expired bid.</p> <p><u>Management response</u> <i>This was an oversight.</i></p> <p>• Failure to require a performance security in the terms and conditions of contract/ irregular change of contract terms and conditions The Authority found that the contract signed on 7th February 2023 omitted GCC 61.1 on submission of a 10% performance security and this was contrary to GCC 61.1 of the bidding document which stated that "<i>A performance security shall be required. The performance security shall be 10 % of the Contract Price.</i>"</p> <p><u>Management response</u> <i>This was an oversight.</i></p>
7.	Low cost sealing of 0.5km of the road to Kwanja district headquarters	239,685,140	<p>• Delay to award contract Whereas the Administrative Review report was dated 10th November 2022, the Authority found that the Contracts Committee delayed by 29 working days to award contract which was done on 21st December 2022.</p>

No	Subject of procurement	Contract value (UGX)	Finding				
			<p><u>Management response</u> <i>This was an oversight.</i></p> <ul style="list-style-type: none"> • Failure to incorporate the solicitor general's comments before signing the contract This is as detailed below: <table border="1" data-bbox="778 573 1321 1639"> <thead> <tr> <th data-bbox="778 573 1075 712">SG's comment for incorporation in signed contract</th> <th data-bbox="1075 573 1321 712">Signed contract details without SG's comments</th> </tr> </thead> <tbody> <tr> <td data-bbox="778 712 1075 1639"> <p>GCC 34.3: The current provisions should be maintained but the second sentence should be amended to read: <i>"Whatever decision is reached by the adjudicator, either party may refer the dispute to a court of competent jurisdiction within Uganda within 28 days of the adjudicator's written decision. If neither party refers the dispute to a court of competent jurisdiction the adjudicator's decision will be final and binding."</i></p> </td> <td data-bbox="1075 712 1321 1639"> <p>The Entity did not incorporate the last sentence in the signed contract i.e <i>If neither party refers the dispute to a court of competent jurisdiction the adjudicator's decision will be final and binding.</i></p> </td> </tr> </tbody> </table> <p><u>Management response</u> <i>This was an oversight.</i></p> <ul style="list-style-type: none"> • Signing a contract based on an expired bid The Authority found that the bid validity period was 31st December 2022 and Rhino Engineering Works Ltd(best evaluated bidder) extended the 	SG's comment for incorporation in signed contract	Signed contract details without SG's comments	<p>GCC 34.3: The current provisions should be maintained but the second sentence should be amended to read: <i>"Whatever decision is reached by the adjudicator, either party may refer the dispute to a court of competent jurisdiction within Uganda within 28 days of the adjudicator's written decision. If neither party refers the dispute to a court of competent jurisdiction the adjudicator's decision will be final and binding."</i></p>	<p>The Entity did not incorporate the last sentence in the signed contract i.e <i>If neither party refers the dispute to a court of competent jurisdiction the adjudicator's decision will be final and binding.</i></p>
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<p>GCC 34.3: The current provisions should be maintained but the second sentence should be amended to read: <i>"Whatever decision is reached by the adjudicator, either party may refer the dispute to a court of competent jurisdiction within Uganda within 28 days of the adjudicator's written decision. If neither party refers the dispute to a court of competent jurisdiction the adjudicator's decision will be final and binding."</i></p>	<p>The Entity did not incorporate the last sentence in the signed contract i.e <i>If neither party refers the dispute to a court of competent jurisdiction the adjudicator's decision will be final and binding.</i></p>						

No	Subject of procurement	Contract value (UGX)	Finding
			bid validity up to 31 st January 2023. However, the contract was signed on 24 th February 2023 after expiry of the bid on 31 st January 2023. <u>Management response</u> <i>This was an oversight.</i>
Total		1,250,224,634	

Implications

- Irregularities in the signed contracts exposed the Entity to the risk of contract disputes between the Entity and the contractors or entering into contracts with conditions that are unfavourable to the Entity.
- Failure to send notices of best evaluated bidder to all bidders denied aggrieved bidders the right to appeal the contract award decision and therefore undermines the principle of transparency.
- Failure to provide for Performance Security requirement in the contracts exposes the Entity to risks associated with non-performance of the contracts.

Recommendations

The Accounting Officer should:

1. Sign contract documents after satisfying himself on removal or correction of any ambiguity that may be contained therein and that the contracts are complete.
2. Issue the notice of best evaluated bidder at the time it is displayed, to all bidders who participated in the procurement in accordance with Regulation 3 (4) of the PPDA (Contracts) Regulations, 2023.
3. Only sign a contract with a bidder whose bid validity period is valid. Where an extension to the bid validity period becomes necessary, the bidder should be requested in writing, before the expiry of validity of their bid, to extend the validity for a specified period in accordance with Regulation 62 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
4. Ensure that negotiations are conducted with bidders in accordance with Regulations (2), (3) and (4) of the Public Procurement and Disposal of Public Assets (Negotiations) Regulations, 2023.
5. Require providers to submit Performance Securities in accordance with Regulation 11 of the PPDA (Contracts) Regulations, 2023 and Guideline 2.0 of the PPDA (Bid and Performance Securities) Guidelines, 2024.

2.1.11. Delays in signing contracts after contract award by the Contracts Committee (CC)

In six procurements worth UGX 358,141,310, the Authority found significant delays between the date of contract award by the Contracts Committee and the dates of contract signature as detailed in Table 9 below:

Table 9: Delays to sign contracts after contract award by the Contracts Committee

No	Subject of procurement	Contract value (UGX)	Date of Contract award by the CC	Actual date of contract signature	Delay in working days
1.	Supply of 250 school desks for distribution to primary schools	43,763,250	27 th October 2022	6 th January 2023	52
2.	Supply of 192 school desks for distribution to primary schools	33,737,920	27 th October 2022	23 rd November 2022	19
3.	Supply of 250 school desks for distribution to primary schools	42,332,500	27 th October 2022	6 th January 2023	52
4.	Supply of 250 school desks for distribution to primary schools (Lot 2)	43,512,500	27 th October 2022	23 rd November 2022	19
5.	Supply of 250 school desks for distribution to primary schools (Lot 1)	41,250,000	27 th October 2022	23 rd November 2022	19
6.	Sitting, drilling, test pumping and installation of 07 deep wells	153,545,140	27 th October 2022	6 th January 2023	52
Total		358,141,310			35.5

Implication

Delay to sign contracts delays service delivery to the targeted beneficiaries and further contributes to haphazard contract execution towards the end of the financial year. There is also a risk of failure to fully utilize appropriated funds hence affecting the performance of the Government of Uganda.

Management response

Procurements were processed before receiving all the funds and therefore contract signing was done in bits as per the funds received.

Authority's comment

The Entity did not submit any documentary evidence to support its management response.

Recommendation

The Accounting Officer should take responsibility for the delays in signing the above contracts after Contracts Committee award decisions were made.

2.1.12. Incomplete procurement files

Six procurement action files worth UGX 1,159,629,494 lacked records relating to the procurements as detailed in Table 10, contrary to Regulation 46 of the Local Governments (PPDA) Regulations, 2006.

Table 10: Procurements with incomplete files

No	Subject of Procurement	Contract Value (UGX)	Missing record
1.	Construction of a semi-detached staff house with a two stance drainable latrine under UgIFT at Akali Health Centre III in Akali Sub County	151,000,000	<ul style="list-style-type: none"> • Record of bid opening • Contract implementation plan • Monthly progress reports/Contract management reports • Program for the works • Performance Security 7% of the contract price • ES Performance Security 3% of the contract price • Contract completion report • Contract completion certificate <p><u>Management response</u></p> <ul style="list-style-type: none"> ➤ Record of bid opening is available ➤ There was incapacity to prepare a contract implementation plan ➤ Monthly progress reports are available. ➤ Performance Security was an oversight. ➤ E.S security was provided for as a percentage of the contract sum. ➤ Completion report and completion certificates are available. <p><u>Authority's comment</u></p> <p>The Entity did not submit documentary evidence to support its management response.</p>
2.	Construction of a semi-detached staff house with a two stance drainable latrine under UgIFT at Owiny Health Centre III at Ayabi Sub County	151,000,000	<ul style="list-style-type: none"> • Record of bid opening • Rovaco Company Ltd's bid • Contract implementation plan • Monthly progress reports/Contract management reports • Program for the works • Performance security 7% of the contract price • ES Performance Security 3% of the contract price • Contract completion report • Contract completion certificate <p><u>Management response</u></p> <ul style="list-style-type: none"> ➤ Record of bid opening is available ➤ There was incapacity to prepare a contract implementation plan ➤ Monthly progress reports are available.

No	Subject of Procurement	Contract Value (UGX)	Missing record
			<ul style="list-style-type: none"> ➤ Performance Security was an oversight. ➤ E.S security was provided for as a percentage of the contract sum. ➤ Completion report and completion certificates are available. <p>Authority's comment The Entity did not submit documentary evidence to support its management response.</p>
3.	Construction of Main Administration Block Phase V	289,991,354	<ul style="list-style-type: none"> • Solicitor General's clearance of the contract <p><u>Management response</u> <i>The contract was cleared but attempts to retrieve another copy of the approval letter from the Office of the Solicitor General were not a success.</i></p> <ul style="list-style-type: none"> • Contract implementation plan <p><u>Management response</u> <i>There was incapacity to prepare a contract implementation plan.</i></p> <ul style="list-style-type: none"> • Monthly progress reports/Contract management reports <p><u>Management response</u> <i>Availed.</i></p> <p>Authority's comment The Entity did not submit documentary evidence to the Authority for verification.</p> <ul style="list-style-type: none"> • Program for the works <p><u>Management response</u> <i>This is available.</i></p> <p>Authority's comment The Entity did not submit documentary evidence to the Authority for verification.</p> <ul style="list-style-type: none"> • Performance Security worth 7% of the contract price.

No	Subject of Procurement	Contract Value (UGX)	Missing record
			<p><u>Management response</u> <i>The Performance Security was an oversight.</i></p> <ul style="list-style-type: none"> • ES Performance Security 3% of the contract price. <p><u>Management response</u> <i>The ES security was provided as a percentage of the contract sum.</i></p> <p>Authority's comment The Entity did not submit the ES Performance Security to the Authority for verification.</p> <ul style="list-style-type: none"> • Contract completion report • Contract completion certificate <p><u>Management response</u> <i>The completion report and completion certificate are available.</i></p> <p>Authority's comment The Entity did not submit the completion report and completion certificate to the Authority for verification.</p>
4.	Design and construction of Alido Trading Centre solar pipe water system	239,953,000	<ul style="list-style-type: none"> • Commencement order • Completion certificate <p><u>Management response</u> <i>Completion certificate is available.</i></p> <p>Authority's comment The Entity did not submit the completion report and completion certificate to the Authority for verification.</p>
5.	Low cost sealing of 0.5km of the road to Kwania district headquarters	239,685,140	<ul style="list-style-type: none"> • Contract implementation plan • Monthly progress reports/Contract management reports • Contract completion report • Contract completion certificate <p><u>Management response</u> <i>The documents were prepared by the District Engineer.</i></p>

No	Subject of Procurement	Contract Value (UGX)	Missing record
			<p>Authority's comment The Entity did not submit the documentary evidence to the Authority for verification.</p>
6.	Sitting, drilling and installation of 04 deep wells	88,000,000	<ul style="list-style-type: none"> • Bidding document <p><u>Management response</u> <i>The bidding document was misplaced.</i></p> <ul style="list-style-type: none"> • Bills of quantities and specifications. <p><u>Management response</u> <i>The copy of BOQs and specifications are available at the Water Department.</i></p> <p>Authority's comment The Entity did not submit documentary evidence to the Authority for verification.</p> <ul style="list-style-type: none"> • Contract implementation plan <p><u>Management response</u> <i>There was no contract implementation plan.</i></p> <ul style="list-style-type: none"> • Evaluation report. • Monthly progress reports/Contract management reports • Program for the works • Performance Security 7% of the contract price • ES Performance Security 3% of the contract price <p><u>Management response</u> <i>The Entity did not respond to the queries above.</i></p> <ul style="list-style-type: none"> • Payment records <p><u>Management response</u> <i>The payment record is available.</i></p> <p>Authority's comment The Entity did not submit the documentary evidence to the Authority for verification.</p> <ul style="list-style-type: none"> • Contract completion certificate

No	Subject of Procurement	Contract Value (UGX)	Missing record
			<p>Management response <i>The contract completion certificate is available.</i></p> <p>Authority's comment The Entity did not submit the documentary evidence to the Authority for verification.</p>
Total		1,159,629,494	

Implication

Missing records are a red flag for an ineffective accountability system within the Entity.

Recommendations

1. The Accounting Officer should:
 - i) Prevail over Contract Managers to ensure that reports on contract implementation are prepared and forwarded to the Procurement and Disposal Unit in accordance to Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.
 - ii) Direct the Finance Department to always share copies of payment records with the Procurement and Disposal Unit in order for procurement action files to be closed off.
2. The Head Procurement and Disposal Unit should ensure that procurement action files are complete with all documents in accordance with Section 31 (o) of the PPDA Act, 2003.

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

2.2.1 Failure to dispose of obsolete assets

The Board of Survey report for 2021-2022 identified several items for boarding off, however, the Entity did not make any efforts to dispose of these items. Some of the items are listed in Table 11 below:

Table 11: Items due for disposal according to the 2021-2022 Board of Survey Report

S/N	Item	Unique identifier (Tag/Registration Number)	Location
1	Motor Cycles	LG-02-171	Nambiesco S/C
2	Vehicle (ambulance)	UG 3521 M	Nambiesco S/C
3	Yamaha DT	UDX 387 Y	Aduku S/C
4	Honda Motor Cycle	UG 0461Y	Aduku S/C
5	Old Mitsubishi Double Cabin Engine	Not Tagged	District store
6	Temperature Gun	Not Tagged	Inomo HC III
7	5 Weighing Scale	Not Tagged	Inomo HC III
8	1 Sterilization Drum	Not Tagged	Inomo HC III
9	BP Machine	Not Tagged	Inomo HC III
10	Solar Batteries & Inverter	2,000 W Samlex	Inomo HC III
11	3 Borehole pipes & 1 Borehole Rod	Not Tagged	Inomo HC III
12	Manual Centrifuge	Not Tagged	Inomo HC III
13	Solar Panel & Accessories	PS-C3024	Abangomola SC
14	Ling Ken Motor Cycle	LG 0027-009	Abangomola SC
15	1 Wooden Cupboard	Not Tagged	Akali HC III
16	1 Delivery bed	Not Tagged	Akali HC III
17	1 Microscope Binocular	Not Tagged	Akali HC III
18	1 Adult Weighing Scale	Not Tagged	Abwong HC II
19	1 Plastic Tank	Not Tagged	Abwong HC II
20	2 BP Machines	Not Tagged	Abwong HC II
21	1 Solar Plate	Not Tagged	Aninolal P/S
22	1 Lawn Mower	Not Tagged	Inomo SC
23	4 Door Wooden Door shutters	Not Tagged	Aduku TC
24	9 windows	Not Tagged	Aduku TC
25	37 Old iron sheets	Not Tagged	Aduku TC
26	3 Ridges	Not Tagged	Aduku TC
27	1 Glass door	Not Tagged	Aduku TC
28	1 HP Desktop Computer	Not Tagged	Aduku TC
29	1 Photocopier	Not Tagged	Aduku TC

Implications

- Failure to dispose of assets whose use ceased inhibits achievement of value for money as funds are held up in assets which are not in use.
- Assets also lost value through depreciation and are further exposed to the risk of loss through vandalism.

Management Response

The Board of Survey Report was submitted to Ministry of Finance, Planning and Economic Development for approval but no feedback has been communicated to the District. The Accounting Officer shall follow up on the approval status of the submitted report and necessary action shall follow.

Recommendation

The Accounting Officer should dispose of all obsolete assets of the District in the FY 2023/2024 in accordance with Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023.

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

2.3.1 Failure to prepare contract implementation plans

The Authority found that contract implementation plans were not prepared in 14 procurements worth UGX 1,668,625,324 contrary to Regulation 119 (3) of the Local Governments (PPDA) Regulations, 2006. The procurements are listed in Table 12 below:

Table 12: Procurements without contract implementation plans

No	Subject of procurement	Contract value (UGX)
1.	Construction of a semi-detached staff house with a two-stance drainable latrine under UgIFT at Akali Health Centre III in Akali Sub County	151,000,000
2.	Construction of a semi-detached staff house with a two-stance drainable latrine under UgIFT at Owiny Health Centre III at Ayabi Sub County	151,000,000
3.	Siting, drilling and installation of 6 deep wells	125,804,520
4.	Construction of Main Administration Block Phase V	289,991,354
5.	Supply of 250 school desks for distribution to primary schools	43,763,250
6.	Supply of 192 school desks for distribution to primary schools	33,737,920
7.	Supply of 250 school desks for distribution to primary schools	42,332,500
8.	Supply of 250 school desks for distribution to primary schools (Lot 2)	43,512,500
9.	Supply of 250 school desks for distribution to primary schools (Lot 1)	41,250,000
10.	Procurement of 167 local female goats	25,050,000
11.	Sitting, drilling, test pumping and installation of 07 deep wells	153,545,140

No	Subject of procurement	Contract value (UGX)
12.	Design and construction of Alido Trading Centre solar pipe water system	239,953,000
13.	Low cost sealing of 0.5km of the road to Kwania district headquarters	239,685,140
14.	Sitting, drilling and installation of 04 deep wells	88,000,000
Total		1,668,625,324

Implication

Failure by the contract supervisors to prepare contract implementation plans, hinders the Entity from effectively monitoring, tracking of key milestones and supervising the contractor to meet the contractual obligations.

Management response.

This is noted. Going forward, all projects shall have contract implementation plans.

Recommendation

Contract Managers should prepare contract implementation plans in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023 and also closely monitor the execution of contracts.

2.3.2 Failure to obtain Performance Securities

The Authority found that the Entity did not obtain Performance Securities from the contractors in seven procurements worth UGX 1,199,026,154 as detailed in Table 13 below:

Table 13: Contracts without Performance Securities

No.	Subject of procurement	Contract value (UGX)	Conditions of Contract breached
1.	Construction of a semi-detached staff house with a two-stance drainable latrine under UgIFT at Akali Health Centre III in Akali Sub County	151,000,000	GCC 61.1 required the provider to submit a 7% Performance Security and 3% ES Performance Security of the contract price in the form of an unconditional bank guarantee from a reputable bank, but this was not submitted.
2.	Construction of a semi-detached staff house with a two-stance drainable latrine under UgIFT at Owiny Health Centre III at Ayabi Sub County	151,000,000	
3.	Construction of Main Administration Block Phase V	289,991,354	
4.	Sitting, drilling and installation of 04 deep wells	88,000,000	
5.	Siting, drilling and installation of 6 deep wells	125,804,520	

No.	Subject of procurement	Contract value (UGX)	Conditions of Contract breached
			Security of the contract price in the form of an unconditional bank guarantee from a reputable bank, but this was not submitted.
6.	Sitting, drilling, test pumping and installation of 07 deep wells	153,545,140	• GCC 61.1 required the provider to submit a 10% Performance Security of the contract price in the form of an unconditional bank guarantee from a reputable bank, but this was not submitted.
7.	Low cost sealing of 0.5km of the road to Kwanja district headquarters	239,685,140	• GCC 61.1 required the provider to submit a 10% Performance Security of the contract price in the form of an unconditional bank guarantee from a reputable bank, but this was not submitted.
	Total	1,199,026,154	

Implication

Failure to obtain Performance Securities exposes the Entity to risks associated with non-performance of the contracts.

Management responses

This was an oversight by the Entity and shall not be repeated for contracts that require Performance Securities. The office of the Chief Administrative Officer is closely following up with those contractors who are supposed to provide Performance Securities for the current financial year to ensure that they comply.

Recommendations

The Accounting Officer should:

1. Task contractors to fulfil conditions of contract effectiveness, by obtaining the required Performance Securities from contractors, before they are allowed access to the sites in accordance with Regulation 12 (1) (a) of the PPDA (Contracts) Regulations, 2023.
2. Terminate a contract where the provider fails to provide the required Performance Security within the specified time in accordance with Regulation 12 (2) of the PPDA (Contracts) Regulations, 2023.

2.3.3 Anomalies in contract management

The Authority found anomalies in contract management of nine contracts worth UGX 1,371,279,014 which casts doubt on the effectiveness of the Entity in supervision of contracts and also contravened Regulation 119 of the Local Governments (PPDA) Regulations, 2006 as detailed in Table 14 below:

Table 14: Procurements with irregularities in contract management

No	Subject of Procurement	Contract Value (UGX)	Findings
1.	Construction of a semi-detached staff house with a two-stance drainable latrine under UgIFT at Akali Health Centre III in Akali Sub County	151,000,000	<ul style="list-style-type: none"> • GCC 36.1 required the contractor to submit program for the works within 14 days of contract signature, however, there was no evidence that this was done by the contractor. <p><u>Management response</u> <i>This is noted.</i></p> <ul style="list-style-type: none"> • GCC 36.3 stated that the period between program updates is 30 days and the amount to be withheld for late submission of an updated program is UGX 50,000. There was no evidence of submission of updated programs. <p><u>Management response</u> <i>This is noted.</i></p> <ul style="list-style-type: none"> • The contract was signed on 16th March 2023, however, only one progress report dated 16th May 2023 was prepared. <p><u>Management response</u> <i>This is noted.</i></p> <ul style="list-style-type: none"> • The contract was completed on 28th June 2023 and the DLP was 6 months, however, the contractor has not yet been paid retention worth UGX 7,550,000. <p><u>Management response</u> <i>The retention was used to fix the defects of the works not done by the contractor.</i></p> <p>Authority's comment The Entity did not submit documentary and pictorial evidence to the Authority to show that UGX 7,550,000 was used to fix the works that were not done by the contractor.</p> <ul style="list-style-type: none"> • No evidence in form of contract completion report to show that the works were completed.

No	Subject of Procurement	Contract Value (UGX)	Findings
			<p><u>Management response</u> <i>The Entity did not respond to the query.</i></p> <ul style="list-style-type: none"> No evidence in terms of reports to show that environment, health and social safeguarding measures were undertaken such as signage, HIV/AIDS awareness and sensitization, provision of PPEs and revegetation of the site. <p><u>Management response</u> <i>The Entity did not respond to the query.</i></p> <ul style="list-style-type: none"> The contract completion certificate was not prepared and issued to the contractor. <p><u>Management response</u> <i>The completion certificate is available.</i></p> <p>Authority's comment The Entity did not submit the completion certificate to the Authority for verification.</p>
2.	Construction of a semi-detached staff house with a two-stance drainable latrine under UgIFT at Owiny Health Centre III at Ayabi Sub County	151,000,000	<ul style="list-style-type: none"> GCC 36.1 required the contractor to submit program for the works within 14 days of contract signature, however, there was no evidence that this was done by the contractor. <p><u>Management response</u> <i>This is noted.</i></p> <ul style="list-style-type: none"> GCC 36.3 stated that the period between program updates is 30 days and the amount to be withheld for late submission of an updated program is UGX 50,000. There was no evidence of submission of updated programs. <p><u>Management response</u> <i>This is noted.</i></p> <ul style="list-style-type: none"> Failure to enforce adherence to the social safeguarding measures. The progress report dated 12th June 2023 stated that the PPEs were not being fully used. <p><u>Management response</u> <i>The Entity did not respond to the query.</i></p>

No	Subject of Procurement	Contract Value (UGX)	Findings
			<ul style="list-style-type: none"> • The contract was signed on 16th March 2023, however, only one progress report dated 16th May 2023 was prepared. <p><u>Management response</u> <i>This is noted.</i></p> <ul style="list-style-type: none"> • The contract was completed on 28th June 2023 and the DLP was 6 months, however, the contractor has not yet been paid retention worth UGX 7,550,000. <p><u>Management response</u> <i>The retention was used to fix the defects of the works not done by the contractor.</i></p> <p>Authority's comment The Entity did not submit documentary and pictorial evidence to the Authority to show that UGX 7,550,000 was used to fix the works that were not done by the contractor.</p> <ul style="list-style-type: none"> • No evidence in form of contract completion report to show that the works were completed. <p><u>Management response</u> <i>The Entity did not respond to the query.</i></p> <ul style="list-style-type: none"> • No evidence in terms of reports to show that environment, health and social safeguarding measures were undertaken such as signage, HIV/AIDS awareness and sensitization, provision of PPEs and revegetation of the site. <p><u>Management response</u> <i>The Entity did not respond to the query.</i></p> <ul style="list-style-type: none"> • The contract completion certificate was not prepared and issued to the contractor. <p><u>Management response</u> <i>The completion certificate is available.</i></p>

No	Subject of Procurement	Contract Value (UGX)	Findings
			<p>Authority's comment The Entity did not submit the completion certificate to the Authority for verification.</p>
3.	Construction of Main Administration Block Phase V	289,991,354	<ul style="list-style-type: none"> • GCC 36.1 required the contractor to submit program for the works within 14 days of contract signature, however, there is no evidence that this was done by the contractor. <p><u>Management response</u> <i>The Entity did not respond to the query.</i></p> <ul style="list-style-type: none"> • GCC 36.3 stated that the period between program updates was 30 days and the amount to be withheld for late submission of an updated program is UGX 50,000. There was no evidence of submission of updated programs. <p><u>Management response</u> <i>The Entity did not respond to the query.</i></p> <ul style="list-style-type: none"> • The contract was signed on 6th January 2023, however, only one progress report dated 31st March 2023 was prepared. <p><u>Management response</u> <i>The Entity did not respond to the query.</i></p> <ul style="list-style-type: none"> • Failure to apply 18% VAT on payment. The signed contract indicated that the contract price of UGX 261,603,669 was inclusive of 6% WHT and 18% VAT, however, at the time of payment the Entity did not apply the 18% VAT i.e VAT worth UGX 39,905,644.5 was not applied at payment. <p><u>Management response</u> <i>VAT is paid by the contractors. The Local Government does not deduct the 18% VAT during payment.</i></p> <p>Authority's comment The Entity should apply 18% VAT during computation of payment certificate so as not to</p>

No	Subject of Procurement	Contract Value (UGX)	Findings
			<p>charge With Holding Tax of 6% on an amount that includes 18% VAT.</p> <p>The Entity should deduct the percentage of retention, then deduct 18% VAT from the total value of works executed, less the 6% WHT. After that, the Entity should add back the 18% VAT to get the total net amount payable to the contractor.</p> <ul style="list-style-type: none"> • Failure to remit With Holding Tax (WHT) to URA. The payment records indicated that WHT worth UGX 14,911,409 was deducted, however, there was no evidence on file to show that the WHT was remitted to URA. <p><u>Management response</u> <i>Remittance to URA was done and evidence shall be provided later.</i></p> <p>Authority's comment The Entity did not submit evidence to the Authority to show that the 6% WHT was remitted to URA.</p> <ul style="list-style-type: none"> • Failure to pay retention. The contract was completed on 31st March 2023 and the defects liability period (DLP) was six months, however, the contractor had not yet been paid retention worth UGX 13,080,183 yet the DLP lapsed. <p><u>Management response</u> <i>This is due to delay by the contractor to request for payment of retention.</i></p> <p>Authority's comment The Entity should always pay the contractor's retention after expiry of the defects liability period.</p> <ul style="list-style-type: none"> • No evidence in form of a contract completion report to prove that the works were satisfactorily completed <p><u>Management response</u> <i>The Entity did not respond to the query.</i></p>

No	Subject of Procurement	Contract Value (UGX)	Findings
			<ul style="list-style-type: none"> No evidence in terms of reports to prove that environment, health and social safeguarding measures were undertaken such as signage, HIV/AIDS awareness and sensitization and revegetation of the site. <p><u>Management response</u> <i>The Entity did not respond to the query.</i></p> <ul style="list-style-type: none"> The contract completion certificate was not prepared and issued to the contractor. <p><u>Management response</u> The completion certificate is with the payment voucher</p> <p><u>Authority's comment</u> The Entity did not submit the completion certificate to the Authority for verification.</p>
4.	Siting, drilling and installation of 6 deep wells	125,804,520	<ul style="list-style-type: none"> Delayed completion of the works by the contractor. The contract duration was from 23rd November 2022 to 23rd February 2023, however, the progress report dated 22nd May 2023 indicated that the contractor (Wako Construction Ltd) had only drilled 2 deep wells out of the 6 wells that they were contracted to do. <p><u>Management response</u> <i>Work was delayed and the contract was terminated and awarded to another firm.</i></p> <ul style="list-style-type: none"> Potential financial loss to the Entity due to failure to obtain Performance Security worth UGX 12,580,452. The Entity could have cashed the Performance Security worth UGX 12,580,452 due to non-performance of the contractor (Wako Construction Ltd). The contractor on many occasions abandoned the sites and hence failed to complete the works. <p><u>Management response</u> <i>This is noted.</i></p>

No	Subject of Procurement	Contract Value (UGX)	Findings
			<ul style="list-style-type: none"> Irregular termination of the contract on 30th May 2023 yet the contract had expired on 23rd February 2023. The letter dated 6th June 2023 signed by the Accounting Officer notified the contractor that their contract had been terminated by the Contracts Committee on 30th May 2023 due to non-performance. The audit team, however, noted that whereas the contract expired on 23rd February 2023, the Entity took over two months to adjudicate on the matter thereby delaying service delivery to the intended beneficiaries. <p><u>Management response</u> <i>The Entity did not respond to the query.</i></p> <ul style="list-style-type: none"> GCC 36.1 required the contractor to submit a program for the works within 14 days of contract signature, however, there is no evidence to prove that it was submitted. <p><u>Management response</u> <i>The Entity did not respond to the query.</i></p> <ul style="list-style-type: none"> GCC 36.3 stated that the period between program updates was 30 days and the amount to be withheld for late submission of an updated program was UGX 50,000. There was no evidence of submission of updated programs or invoking GCC 36.3. <p><u>Management response</u> <i>The Entity did not respond to the query.</i></p> <ul style="list-style-type: none"> There were no payment records such as payment certificates, payment vouchers and payment invoices on the procurement action file. <p><u>Management response</u> <i>The Entity did not respond to the query.</i></p>
5.	Supply of 250 school desks for	42,332,500	Failure to prepare and issue a change order for the contract extension. The contractual period was extended from 6 th April 2023 to 6 th May 2023;

No	Subject of Procurement	Contract Value (UGX)	Findings
	distribution to primary schools		<p>however, the Authority found that the Entity did not prepare and issue a change order to that effect.</p> <p><u>Management response</u> <i>This was an oversight.</i></p>
6.	Supply of 250 school desks for distribution to primary schools (Lot 2)	43,512,500	<p>Extension of an expired contract The Authority observed the following:</p> <ul style="list-style-type: none"> • Initial contractual completion date: 23rd February 2023. • Date provider requested for extension: 20th February 2023. • Contract Committee approval date of contractual period extension: 3rd April 2023. • Actual contract extension date (Letter from CAO notifying provider about contract extension): 8th May 2023. <p>Therefore, the contractual period was extended on 3rd April 2023 after expiry of the contract on 23rd February 2023.</p> <p><u>Management response</u> <i>This was an oversight.</i></p>
7.	Design and construction of Alido Trading Centre solar pipe water system	239,953,000	<ul style="list-style-type: none"> • Failure to fully pay the contractor On 20th June 2023, the Entity only paid UGX 177,391,771 out of the total contract value of 239,953,000 i.e. UGX 62,561,229 was not paid to the contractor Allianz Limited. <p><u>Management response</u> <i>The contractor was fully paid, but not paid at once.</i></p> <p>Authority's comment The Entity did not submit a payment certificate and voucher to show that UGX 62,561,229 was paid to the contractor.</p> <ul style="list-style-type: none"> • No evidence in form of a contract completion certificate/report to show that the works were completed <p><u>Management response</u> <i>The completion certificate is available.</i></p>

No	Subject of Procurement	Contract Value (UGX)	Findings
			<p>Authority's comment The Entity did not submit the completion certificate to the Authority for verification.</p>
8.	Low cost sealing of 0.5km of the road to Kwanja district headquarters	239,685,140	<p>• Failure to prepare a contract implementation plan The Accounting Officer appointed a contract management team on 1st March 2023 and Mr. Edward Odongo Eyak- District Engineer was responsible for preparing a detailed contract implementation plan; however, he did not prepare one.</p> <p>Management response <i>This was an oversight.</i></p> <p>• Failure to plant trees (Environmental mitigation) There was no evidence that the contractor put in place environmental mitigation measures quoted for at UGX 200,000 under item 6.8 of the BOQs yet the monies were paid on 15th June 2023.</p> <p>Management response <i>Trees have been planted several times but get stolen by locals or destroyed by weather.</i></p> <p>Authority's comment The Entity should instruct contractors to plant trees and ensure that the trees are well maintained and protected.</p> <p>• No evidence that that site meetings with local communities including HIV/AIDS awareness held/undertaken There was no evidence that the contractor undertook the above activities as quoted for at UGX 300,000 under item 6.7 of the BOQs yet the monies were paid on 15th June 2023.</p> <p>Management response <i>The Entity did not respond to the query.</i></p>
9.	Sitting, drilling and installation of 04 deep wells	88,000,000	<p>• GCC 36.1 required the contractor to submit a program for the works within 14 days of contract signature, however, there was no</p>

No	Subject of Procurement	Contract Value (UGX)	Findings
			<p>evidence to prove that this was done by the contractor.</p> <ul style="list-style-type: none"> • GCC 36.3 stated that the period between program updates is 30days and the amount to be withheld for late submission of an updated program is UGX 50,000. There was no evidence of submission of updated programs. • Failure to prepare monthly progress reports. The Contract Supervisor was required to prepare monthly progress reports however there were no progress reports in the file. • No payment records such as interim payment certificate and payment vouchers were in the file. <p><u>Management response</u> <i>This is noted.</i></p> <ul style="list-style-type: none"> • No evidence in form of a contract completion report to show that the works were completed • No evidence in terms of reports to show that the environment, health and social safeguarding measures were undertaken such as signage, HIV/AIDS awareness and sensitization and revegetation of the site. <p><u>Management response</u> <i>The Entity did not respond to the queries.</i></p>
Total		1,371,279,014	

Implications

- Ineffective contract monitoring and supervision, potentially increased the risk of contract breaches going unnoticed without any backstopping.
- There is a potential risk that some of the terms and conditions of contract were breached and others not detected thus compromising the quality of deliverables.
- Failure to fully pay providers as stipulated in the contract could in future lead to lack of interest by bidders in the bidding processes of the Entity hence leading to low bidder response.

Recommendations

1. Contract managers should:
 - i) Strictly supervise contracted firms to fulfil all contractual obligations specified within the terms and conditions of the contract.
 - ii) Submit regular progress /contract management reports to the Procurement and Disposal Unit as required under Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.

2. The Accounting Officer should:

- i) Ensure timely payment to providers in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023.
- ii) Emphasize training of contract managers on contract management procedures and preparation of reports to ensure that supplies, works and services are delivered in accordance with the technical specifications laid down in the contract.

2.3.4 Irregularities in the procurement process for sitting, drilling and installation of 04 deep wells

The Authority found irregularities in the procurement process and contract management for the sitting, drilling and installation of 04 deep wells worth UGX 88,000,000 by Sri Balaji Industries E.A Limited. The irregularities are detailed below:

i) Failure by the Entity to follow the procurement process in accordance with the Local Governments (PPDA) Regulations, 2006

- a) The Accounting Officer did not confirm funding. The procurement requisition (LG PP Form 1) that was used to initiate the procurement was not signed by the Accounting Officer.
- b) The Procurement and Disposal Unit did not seek the Contracts Committee's approval of the procurement method, bidding document, shortlist and the Evaluation Committee.
- c) There were no evidence of Contracts Committee minutes approving the procurement method, bidding document, shortlist and the Evaluation Committee.
- d) There was no bidding document was not prepared.
- e) The Entity unjustifiably used the direct procurement method. Only Sri Balaji Industries (EA) Limited was invited to bid based on the bid invitation notice signed by the Accounting Officer Mr. Benard Apollo Opolot.
- f) There were no record of bid receipt and record of bid opening.
- g) There was no evidence of evaluation of the bid.
- h) There was Contracts Committee minutes to show that the Contracts Committee awarded the contract based on a recommendation from the Evaluation Committee.
- i) There was no Contract Supervisor appointed.
- j) There was no contract implementation plan and contract management reports prepared.
- k) There were no payment records.

Implication

Conducting a procurement without following the procurement procedures as enshrined in the PPDA Act, 2003 and Local Governments (PPDA) Regulations, 2006 is a red flag of potential collusion with an intention to create unfair financial advantage and compromise the integrity of the procurement function which hinders the Entity from achieving value for money in its procurements.

Management response

This is noted.

Recommendations

The Accounting Officer should:

1. Take responsibility for the irregularities noted in the above procurement.
2. Caution the Contracts Committee members and the Head Procurement and Disposal Unit for failure to adhere to the procurement procedures provided in the PPDA Act, 2003 and Local Governments (PPDA) Regulations, 2006.

2.3.5 PHYSICAL VERIFICATION OF PROJECTS IMPLEMENTED BY KWANIA DISTRICT LOCAL GOVERNMENT

The Authority found physical verification anomalies as detailed in Table 15:

Table 15: Physical verification anomalies of implemented projects

- | |
|--|
| <p>1. Project: Construction of a semi-detached/twin staff house with a two-stance drainable latrine under UgIFT at Akali Health Centre III in Akali Sub County
Contract value: UGX 151,000,000
Contractor: Ailwar General Works (U) Ltd
Contract start date: 16th March 2023
Contract end date: 216th July 2023</p> |
|--|



The project was not labelled and paspalum was not planted around the building



The copper wire of the lightning arrester was left exposed

Status of works: The project was completed

Exceptions noted

- The project was not labelled by the contractor, it was difficult to tell whether the project was implemented by Kwanja DLG.

Management response

The labelling has been done.

Authority's comment

The Entity did not submit pictorial evidence to the Authority to show that labelling of the project was done.

- The installed copper wire for the lightning arrester was left exposed. This could endanger the lives of people in the event of lightning strikes. The exposed copper wire can also be stolen by thieves.

Management response

The copper wire has been covered using the 5% retention

Authority's comment

The Entity did not submit pictorial evidence to the Authority to show that the copper wire was covered.

- There was no evidence to show that the Entity processed the land title for the land where the project was constructed.

Management response

By then there was no Land Board to guide on the ownership of land and since the facilities were being upgraded from Health Centre II to Health Centre III, the work had to be executed, but now the processing of land titles for the facility is in process.

Authority's comment

The Entity did not submit evidence to the Authority to show that there is an ongoing process of processing the land title.

- Environmental restoration of the project site was not done by the contractor. As seen in the pictures above, grass and trees were not planted.

Management response

The Entity diid not respond to the query.

- There was no project sign post.

Management response

The Entity did not respond to the query.

2. **Project:** Construction of a semi-detached/twin staff house with a two-stance drainable latrine under UglIFT at Owiny Health Centre III in Ayabi Sub County

Contract value: UGX 151,000,000

Contractor: Roovaco (U) Ltd

Contract start date: 16th March 2023

Contract end date: 16th July 2023



The project was not labeled.



The project was not labeled.



The two stance VIP latrine was not labeled.

Status of works: The project was completed

Exceptions noted

- The project was not labelled by the contractor. It was difficult to tell whether the project was implemented by Kwania DLG.

Management response

The labelling has been done.

Authority's comment

The Entity did not submit pictorial evidence to the Authority to show that labelling of the project was done.

- There was no evidence to show that the Entity processed the land title for the land where the project was constructed.

Management response

By then there was no Land Board to guide on the ownership of land and since the facilities were being upgraded from Health Centre II to Health Centre III, the work had to be executed, but now the processing of land titles for the facility is in process.

Authority's comment

The Entity did not submit evidence to the Authority to show that there is an ongoing process of processing the land title.

- Environmental restoration of the project site was not done by the contractor. As seen in the pictures above, grass and trees were not planted.

Management response

The Entity did not respond to the query.

- There was no project sign post.

Management response

The Entity diid not respond to the query.

3. **Project:** Design and construction of Alido Trading Center Solar Pipe Water System
Contract value: UGX 239,953,000
Contractor: Allianz Ltd
Contract start date: 9th February 2023
Contract end date: 9th August 2023



The project was not labeled.



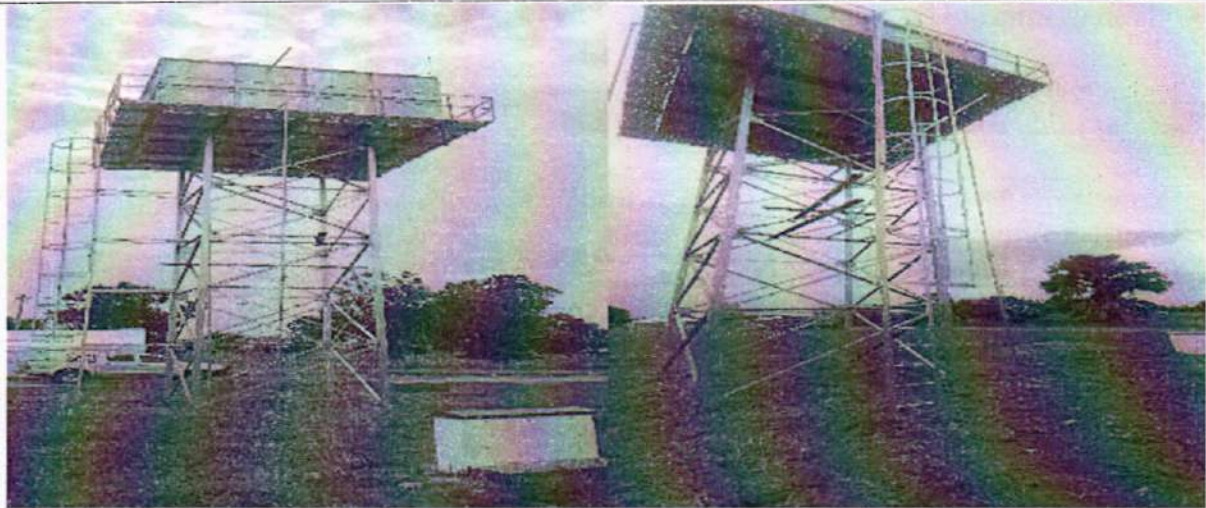
The project was not labeled



The project was not labeled



The project was not labeled



The water tank was not fenced

The water tank was not fenced

Status of works: The project was completed

Exceptions noted

- The project was not labelled by the contractor. It was difficult to tell whether the project was implemented by Kwanja DLG

Management response

The labelling has been done.

Authority's comment

The Entity did not submit pictorial evidence to the Authority to show that labelling of the project was done.

- The water tank was not fenced which could pose a threat to children who may climb up on the tank using the ladders fixed on the tank stand.

Management response

Fencing of the water tank is in the budget of next financial year 2024/2025.

Authority's comment

The Entity should ensure that the water tank is fenced off to keep away children and unscrupulous people from accessing the tank.

- Environmental restoration of the project site was not done by the contractor. As seen in the pictures above, grass and trees were not planted.

Management response

The Entity did not respond to the query.

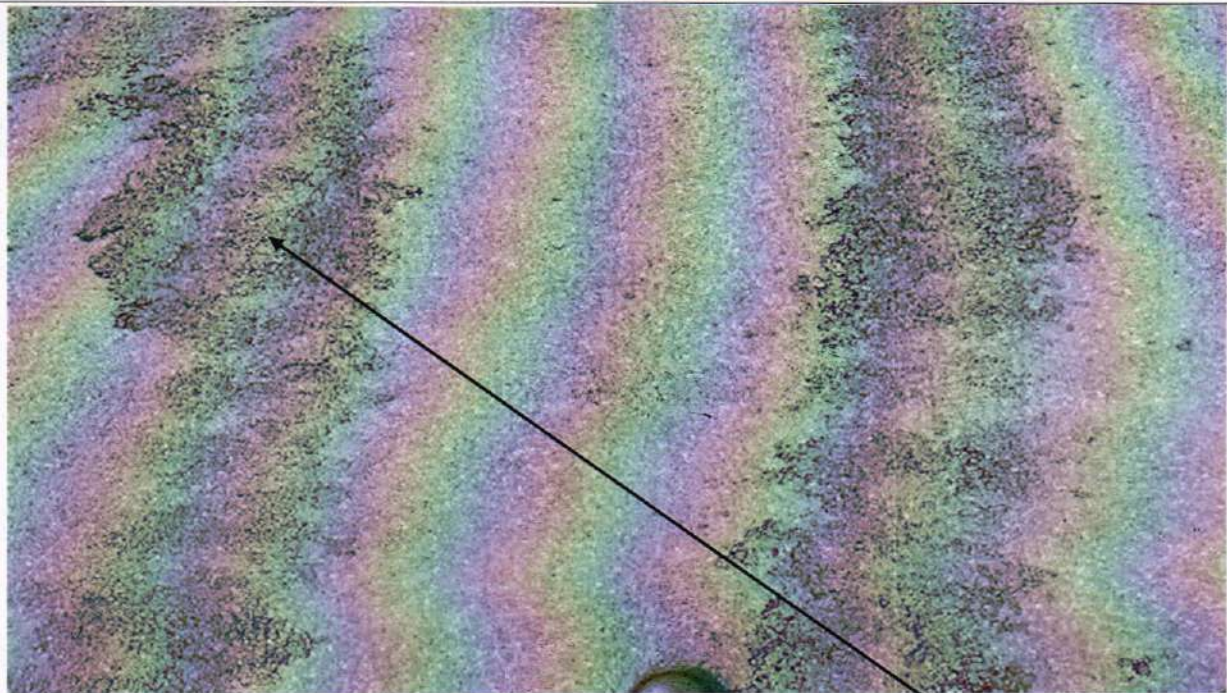
4. **Project:** Low cost sealing of Road to Wipolo District Headquarters

Contract value: UGX 239,685,140

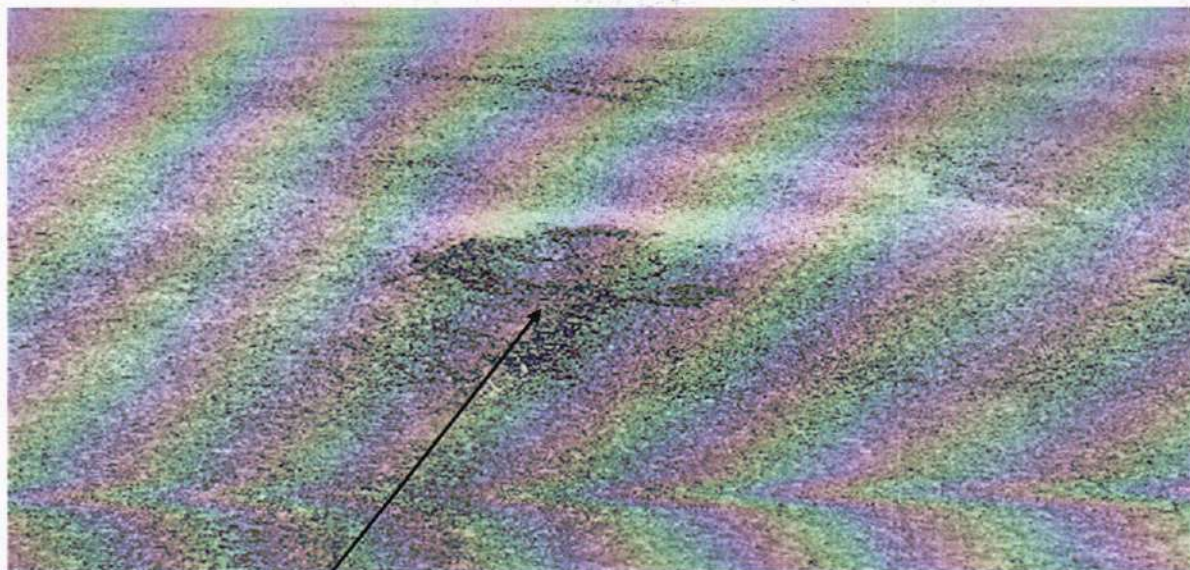
Contractor: Rhino Engineering Works Ltd

Contract start date: 24th February 2023

Contract end date: 24th May 2023



One of the District staff drove a grader on the wet tarmac as seen in the picture



Defects seen on the tarmac

Status of works: The project was completed

Exceptions noted

- One of the staff of the Entity drove a motor grader on the wet tarmac. Therefore, there was visible damage on the surface of the newly sealed tarmac.

Management response

The low-cost sealing of the road is being done in phases and this is the only road that leads to the District Headquarters making it inhabitable to avoid moving the grader on it.

Authority's comment

The driver of the motor grader should have waited for the road to dry before driving the motor grader on it instead of damaging it.

- Environmental restoration of the project site was not done by the contractor. As seen in the pictures above, trees were not planted on the side of the road.

Management response

The trees were all planted but the community keeps stealing them and the school children who use the same road often uproot them when replaced.

Authority's comment

The Entity should instruct the contractor to plant trees and ensure that they are well maintained and protected.

- There was no project sign post.

Management response

The Entity diid not respond to the query.

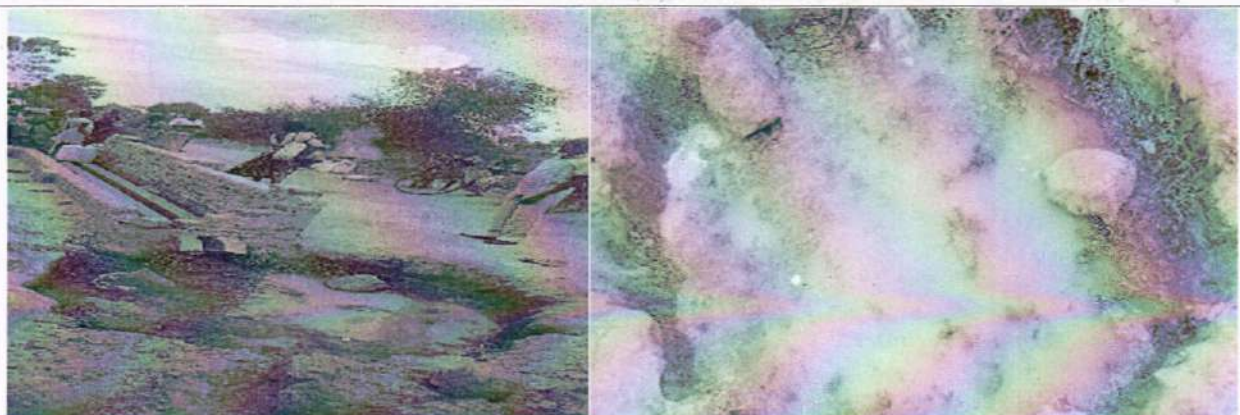
5. Project: Sitting, drilling and installation of 06 deep wells (Borehole at Oyima Village)

Contract value: UGX 125,804,520

Contractor: Loftus Wako Construction Ltd

Contract start date: 23rd November 2022

Contract end date: 23rd February 2023



The soak pit for the borehole at Oyima village was not covered.

Status of works: The works were complete.

Exceptions noted

- The soak pit for the borehole at Oyima Village was left open and this poses a health hazard to the people in that village. It could also be a danger to the children since they may fall and drown in that soak pit.

Management response

The sock pit has been rectified by the Water User Committee.

Authority's comment

The Entity did not submit pictorial evidence to the Authority to show that the soak pit was covered.

- Environmental restoration of the project site was not done by the contractor. As seen in the pictures above, grass and trees were not planted.

Management response

The Entity diid not respond to the query.

- There was no project sign post.

Management response

Sign posts have been put in place.

Authority's comment

The Entity did not submit pictorial evidence to the Authority to show that the sign post was put in place.

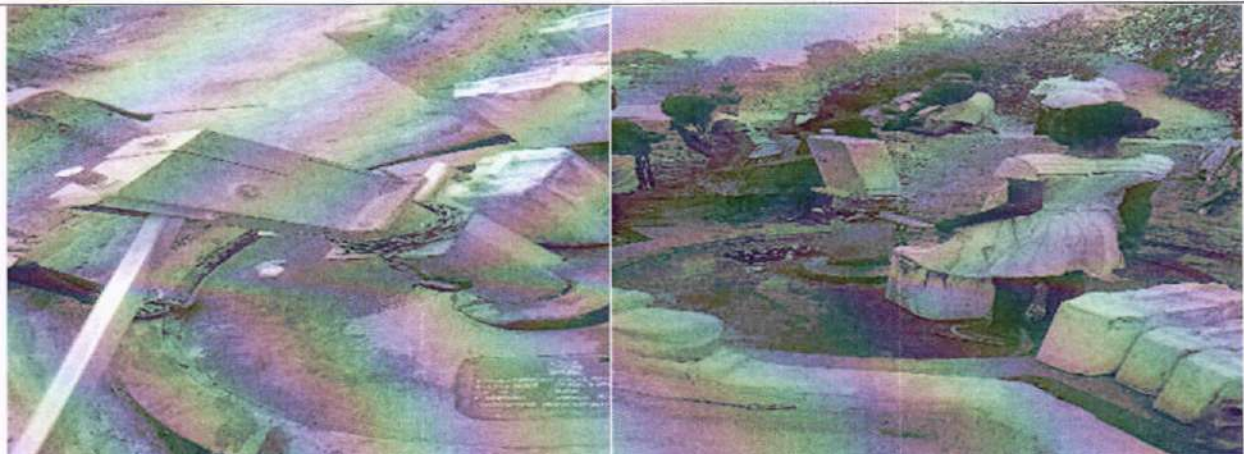
6. Project: Sitting, drilling and installation of 07 deep wells (Borehole at Aporwegi Village)

Contract value: UGX 153,545,140

Contractor: Loftus Ebowa Investment Ltd

Contract start date: 6th January 2023

Contract end date: 6th April 2023



Borehole at Aporwegi Village

Status of works: The project was completed

Exceptions noted

- Environmental restoration of the project site was not done by the contractor. As seen in the pictures, grass and trees were not planted

Management response

The Entity diid not respond to the query.

- There was no project sign post.

Management response

Sign posts have been put in place.

Authority's comment

The Entity did not submit pictorial evidence to the Authority to show that the sign post was put in place.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

3.1. Overall Audit Conclusion

The performance of Kwania District Local Government for the Financial Year 2022/23 was **unsatisfactory** with overall weighted average risk rating of **75%**.

The risk rating is as follows:

Table 16: Risk rating table

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

Entity's Performance

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

Table 17: Weighted score of Kwania District Local Government

Risk Rating	No.	%No	Weights	Weighted score by No.	Value	% Value	Weights	Weighted score by value
High Risk	6	40	0.6	24	995,442,660	60	0.6	36
Medium Risk	9	60	0.3	18	666,294,979	40	0.3	12
Low Risk	-	-	0.1	-	-	-	0.1	-
Satisfactory	-	-	0	-	-	-	0	-
Total	15	100	1	42	1,661,737,639	100	1	48

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{42}{60} \times 100 = 70\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{48}{60} \times 100 = 80\%$$

$$\text{Combined Weighted Average} = \frac{70 + 80}{2} = 75\%$$

Figure 1: Risk Rating by Number

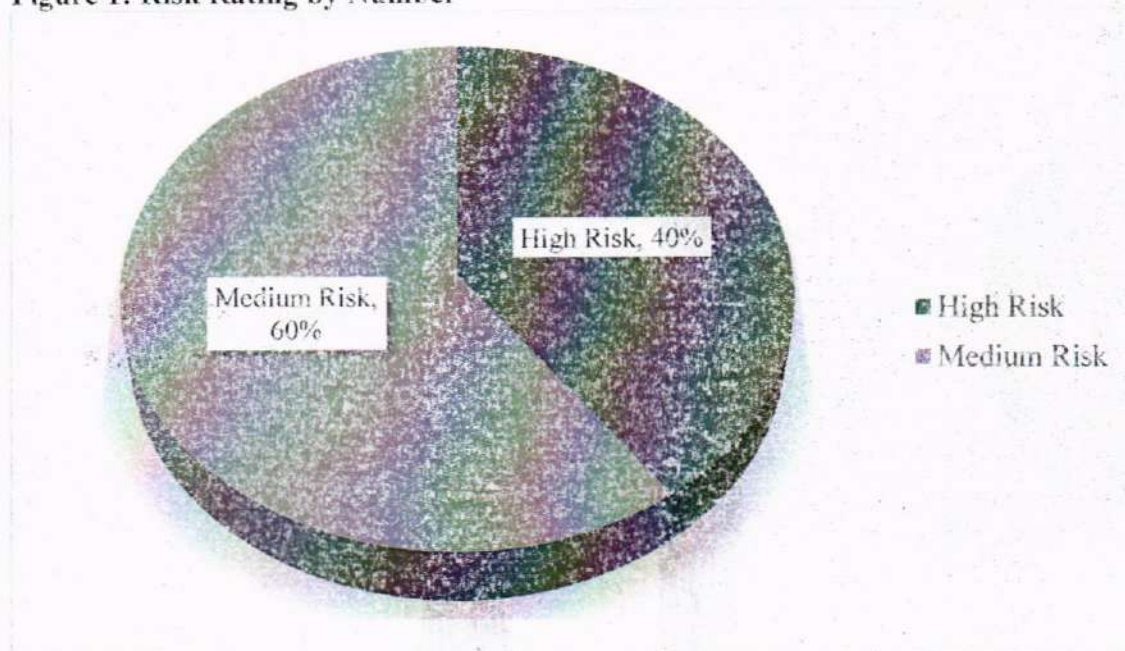
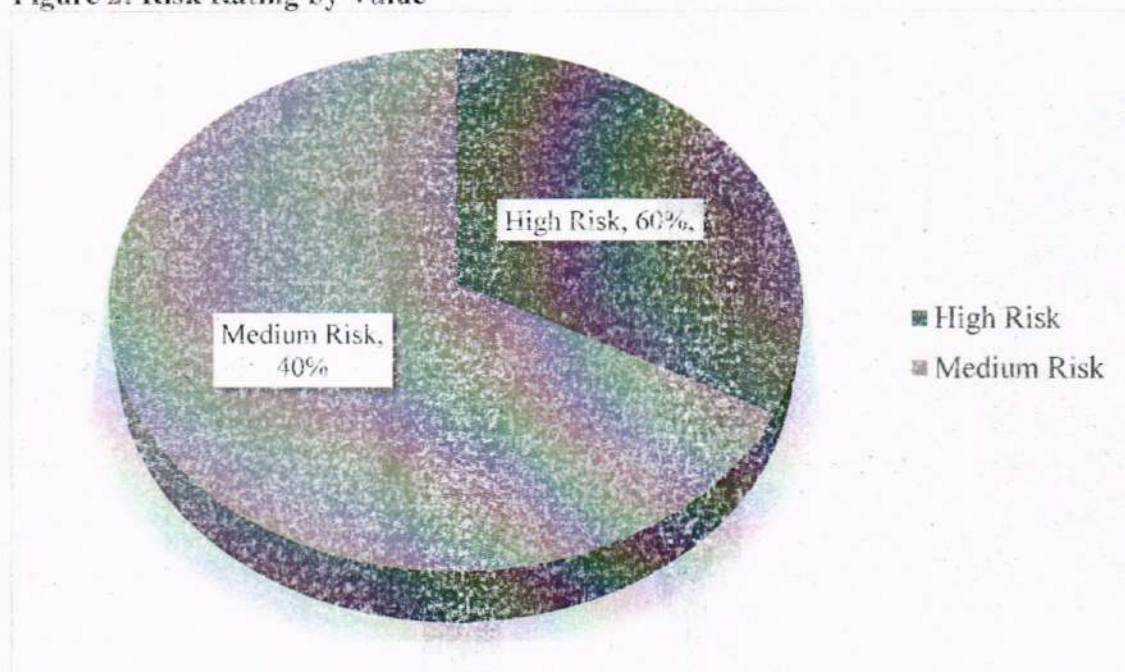


Figure 2: Risk Rating by Value



3.2. Recommended Action Plan

Kwania District Local Government should implement the following recommendations within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 18: Action Plan

Origin	Recommended Action	Target Date
Accounting Officer	<ol style="list-style-type: none"> 1. The Accounting Officer should instruct the Head Procurement and Disposal Unit to regularly (at least quarterly) review the implementation of the procurement plan and have it updated whenever necessary in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023. 2. The Accounting Officer should implement all the Authority's procurement audit recommendations in accordance with Regulation 3 (1) and (2) of the Public Procurement and Disposal of Public Assets Regulations, 2014. Where management finds challenges in implementation of any recommendation, this should be brought to the attention of the Authority. 3. The Accounting Officer should issue the notice of best evaluated bidder at the time it is displayed, to all bidders who participated in the procurement in accordance with Regulation 3 (4) of the PPDA (Contracts) Regulations, 2023 4. The Accounting Officer should direct the Finance Department to always share copies of payment records with the Procurement and Disposal Unit in order for procurement action files to be closed off. 5. The Accounting Officer should prevail over Contract Managers to ensure that reports on contract implementation are prepared and forwarded to the Procurement and Disposal Unit in accordance to Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023. 6. The Accounting Officer should emphasize on training of contract managers on contract management procedures and preparation of reports to ensure that supplies, works and services are actually delivered in accordance with the technical specifications laid down in the contract. 7. The Accounting Officer should dispose all obsolete assets of the Council in accordance with Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023. 8. The Accounting Officer should task the Head of Procurement and Disposal Unit to maintain accountability records such as payment receipts and 	October 2024

Origin	Recommended Action	Target Date
	progress reports for all revenue sources managed by the Entity.	
Procurement and Disposal Unit	<ol style="list-style-type: none"> 1. The Head Procurement and Disposal Unit should prepare solicitation documents that define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. 2. The Head Procurement and Disposal Unit should set evaluation criteria that is appropriate and suits the objectives of the procurement in accordance with Regulation 42 (b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. 3. The Head, Procurement and Disposal Unit should maintain all procurement records on their respective procurement action files in accordance with Section 31(o) and 41 of the PPDA Act, 2003. 	October 2024
Contracts Committee	The Contracts Committee should scrutinize the statement of requirements, evaluation criteria and contract terms in the bidding documents to ensure that they are complete, appropriate, fair, minimize risk for the Entity, and maximize achievement of value for money before approval.	October 2024
User Departments	<ol style="list-style-type: none"> 1. The Heads of User Departments should nominate Contract Managers for appointment by the Accounting Officer in accordance with Regulation 51 (1) of the PPDA (Contract) Regulations, 2023. 2. Contract Managers should prepare contract implementation plans in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023 and also closely monitor the execution of contracts. 	October 2024
Evaluation Committee	Evaluation Committees should adhere to the evaluation criteria stated in the bidding document while conducting evaluations in accordance with Section 71 (3) of the PPDA Act, 2003.	October 2024

Annex A: Summary case by case (High Risk)

No	Contract Description	Contract Amount (UGX)	Reason for High Risk
1.	Construction of a semi-detached/twin staff house with a two-stance drainable latrine under UgIFT at Owiny Health Centre III in Ayabi Sub County	151,000,000	<ul style="list-style-type: none"> • The bid of Roovaco Company Ltd (only bidder) was missing • Failure to conduct post qualification • Irregular conduct of negotiations with the bidder • No contract management plan prepared • Lack of monthly progress reports/Contract management reports • No Program for the works • No Performance Security 7% of the contract price • No ES performance security 3% of the contract price • No contract completion certificate prepared
2.	Construction of a semidetached staff house with a two-stance drainable latrine under UgIFT at Akali Health Centre III in Akali Sub County	151,000,000	<ul style="list-style-type: none"> • Suspected forged tax clearance certificate at evaluation; Roovaco (U) Ltd submitted a TCC whose Ref No. UGND230012345 belonged to Steep Entertainment Ltd. • Failure to evaluate all evaluation criteria stated in the bidding document. • Irregular recommendation of contract award by the Evaluation Committee. • Failure to conduct post qualification • Irregular conduct of negotiations with the bidder • No contract management plan prepared • Lack of monthly progress reports/Contract management reports • No Program for the works • No Performance Security 7% of the contract price • No ES Performance Security 3% of the contract price • No contract completion certificate prepared
3.	Sitting, drilling and installation of 06 deep wells	125,804,520	<ul style="list-style-type: none"> • Frequent abandonment of site that led to non-performance of the contract • Inadequate evaluation requirements in the bidding document • Failure to obtain Performance Security and ES Performance Security as required in the contract • Delay to terminate the contract

No	Contract Description	Contract Amount (UGX)	Reason for High Risk
4.	Sitting, drilling and installation of 04 deep wells	88,000,000	<ul style="list-style-type: none"> • No contract management plan prepared • Inadequate preparation of contract management reports prepared • Delay to complete the works • No contract completion certificate prepared
			<ul style="list-style-type: none"> • Irregular use of direct procurement • No bidding document on file • No evaluation report on file • No evidence of Contracts Committee approval of bidding document • No evidence of Contracts Committee award of contract • Failure to obtain Performance Security and ES Performance Security as required in the contract • No contract management plan prepared • No payment records on file • No contract management reports prepared • No contract completion certificate prepared
5.	Low cost sealing of 0.5km of the road to Kwanja district headquarters	239,685,140	<ul style="list-style-type: none"> • Irregular evaluation criteria in the bidding document i.e. inclusion of unnecessary costs in the bills of quantities. • Irregular evaluation of bids • No contract management plan prepared • Signing contract based on an expired bid • Irregularities at contracting i.e. delay to award contract, failure to incorporate Solicitor's General's comments before signing the contract • Failure to obtain Performance Security and ES Performance Security as required in the contract • Failure to prepare monthly progress reports • No evidence that environment, health and social safeguarding measures were undertaken such as signage, HIV/AIDS awareness and sensitization, provision of PPEs and revegetation of the site. • No contract completion certificate prepared

No	Contract Description	Contract Amount (UGX)	Reason for High Risk
6.	Design and construction of Alido Trading Centre solar pipe water system	239,953,000	<ul style="list-style-type: none"> Irregular evaluation criteria in the bidding document i.e. inclusion of unnecessary costs in the bills of quantities. Irregular evaluation of bids No contract management plan prepared Failure to require Performance Security and ES Performance Security in the contract Irregularities at contracting i.e. signing a contract against an expired bid, irregular change of contract terms Failure to prepare monthly progress reports No evidence that environment, health and social safeguarding measures were undertaken such as signage, HIV/AIDS awareness and sensitization, provision of PPEs and revegetation of the site. No contract completion certificate prepared
Total		995,442,660	

Annex B: List of the sample with risk rating

No	Reference No.	Subject of Procurement	Procurement method	Provider	Contract Value (UGX)	Risk Rating
1.	Kwania873/Wrks/22-23/00001	Construction of Main Administration Block Phase V at Wipolo District Headquarters	Open Domestic Bidding	Ailwar General Works (U) Ltd	261,603,669	Medium Risk
2.	Kwania873/Wrks/22-23/00003	Sitting, drilling and installation of 07 deep wells	Open Domestic Bidding	Ebowa Investment Ltd	153,545,140	Medium Risk
3.	Kwania873/Wrks/22-23/00004	Sitting, drilling and installation of 06 deep wells	Open Domestic Bidding	Wako Construction Ltd	125,804,520	High Risk
4.	Kwania873/Wrks/22-23/00002	Low cost sealing of Road to Wipolo District Headquarters	Open Domestic Bidding	Rhino Engineering Works Ltd	239,685,140	High Risk

No	Reference No.	Subject of Procurement	Procurement method	Provider	Contract Value (UGX)	Risk Rating
5.	Kwania873/Wrks/22-23/00006	Design and construction of Alido Trading Center Solar Pipe Water System	Open Domestic Bidding	Allianz Ltd	239,953,000	High Risk
6.	Kwania873/Wrks/22-23/00009	Construction of a semi-detached/twin staff house with a two-stance drainable latrine under UgIFT at Akali Health Centre III in Akali Sub County	Open Domestic Bidding	Ailwar General Works (U) Ltd	151,000,000	High Risk
7.	Kwania873/Wrks/22-23/00010	Construction of a semi-detached/twin staff house with a two-stance drainable latrine under UgIFT at Owiny Health Centre III in Ayabi Sub County	Open Domestic Bidding	Roovaco (U) Ltd	151,000,000	High Risk
8.	Kwania873/Wrks/22-23/00013	Sitting, drilling and installation of 04 deep wells	Direct Procurement	Sri Balaji Industries E.A Limited	88,000,000	High Risk
9.	Kwania873/Wrks/22-23/00005	Procurement of 250 School desks for distribution to Primary Schools Lot 1	Open Domestic Bidding	Robling Enterprises Ltd	41,250,000	Medium Risk
10.	Kwania873/Wrks/22-23/00006	Procurement of 250 School desks for distribution to Primary Schools Lot 2	Open Domestic Bidding	Ojalokome Company Ltd	43,512,500	Medium Risk
11.	Kwania873/Wrks/22-23/00007	Procurement of 250 School desks for distribution to Primary Schools Lot 3	Open Domestic Bidding	Ilee Traders Company Ltd	43,763,250	Medium Risk
12.	Kwania873/Wrks/22-23/00008	Procurement of 250 School desks for distribution to Primary Schools Lot 4	Open Domestic Bidding	Bakatola Enterprises Ltd	42,332,500	Medium Risk
13.	Kwania873/Wrks/22-23/00009	Procurement of 250 School desks for distribution to Primary Schools Lot 5	Open Domestic Bidding	Aden Company Ltd	32,737,920	Medium Risk

No	Reference No.	Subject of Procurement	Procurement method	Provider	Contract Value (UGX)	Risk Rating
14.	Kwania873/Supls/22-23/00004	Procurement of 167 female goats for Production Department	Selective Bidding	Ojalokome Company Limited	25,050,000	Medium Risk
15.	Kwania873/Supls/22-23/00014	Procurement of 03 Motorecycles for Production & Water Departments and Aduku Sub County	Selective Bidding	Mantra Motor Bike E.A Limited	22,500,000	Medium Risk
Total					1,661,737,639	

Annex C: Risk Rating Criteria

RISK	DESCRIPTION
HIGH	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry risk for the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.

SATISFACTORY

Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time.

Annex D: User Departments, Contracts Committee and Procurement and Disposal Unit Composition

i) List of User Departments

No	User Department	Job Title	Head of Department
1.	Education	District Education Officer	Mr. Andrew Omuu
2.	Health	District Health Officer	Dr. David Okino
3.	Works and Engineering	Ag District Engineer	Mr. Edward Eyak Odongo
4.	Community Based Services	District Community Development Officer	Ms. Ruth Beatrice Koli
5.	Production and marketing	District Production and Marketing Officer	Mr. George Ojok
6.	Finance	Chief Finance Officer	Mr. Nelson Odule
7.	Planning	Senior Planner	Mr. James Oling
8.	Water	District Water Officer	Ms. Alex George Ongora
9.	Administration	Principal Assistant Secretary	Mr. Nicholas Akwang
10.	Natural Resources	Environment Officer	Mr. Emmanuel Okalang

ii) Contracts Committee Composition

No.	Name	Position on the Contracts Committee	Job Title	Date of Appointment
1.	Mr. Andrew Omuu	Chairperson	DEO	4 th November 2021
2.	Mr. Moses Mgura	Member	Assistant DHO-Environmental Health	
3.	Mr. James Oling	Member	District Planner	4 th November 2021
4.	Ms. Betty Acio Akejo	Member	Senior Agricultural Officer	4 th November 2021

iii) Procurement and Disposal Unit Composition

No.	Name	Title	Academic Qualifications	Years of Experience
1.	Ms. Lydia Aduni Adem	Senior Procurement Officer	<ul style="list-style-type: none"> Bachelors Degree in Procurement and Logistics Management Post Graduate Diploma In Procurement and Supply Chain Management 	5