



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

**Our Ref: PPDA/UNOC/311**

10<sup>th</sup> September 2025

The Chief Executive Officer  
Uganda National Oil Company  
P.O. Box 36316  
**KAMPALA**

**BID PREPARATORY AUDIT EXERCISE FOR VARIOUS PROCUREMENTS AT  
UGANDA NATIONAL OIL COMPANY**

Reference is made to the above subject.

The Public Procurement and Disposal of Public Assets Authority (PPDA) instituted a bid preparatory audit in the procurement transactions listed in Table 1 below:

**Table 1: List of advertised transactions**

No.	Procurement Reference Number	Subject of Procurement
1.	UNOC/CONS/2025-26/00006	Provision of joint venture audit consultancy services for EAI & License Area 2 North (LA-2N)
2.	UNOC/SUPLS/2025-26/00007	Acquisition of land (2 Acres and above) for Uganda National Oil Company Limited within a radius of 5km from the central business district

The audit was conducted in accordance with Section 8 (1) (j) (i) of the Public Procurement and Disposal of Assets Act Cap 205 and involved a review of the bidding process and the solicitation document issued to bidders.

The objective of the audit was to:

1. Identify gaps, if any, in the preparation of the solicitation documents and advise on appropriate improvements; and
2. Establish whether the advertised procurement is on the plan and approved by all the necessary stakeholders.

The Authority identified some exceptions for the attention of Management as detailed below:

**Discrepancy between planned and actual budget**

Section 60 (2) (d) of the PPDA Act Cap 205 states that a Procuring and Disposing Entity shall plan its procurement and disposal in a rational manner and in particular shall integrate its procurement budget with its expenditure programme.

Page 1 of 2

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The Authority found that the procurement plan for FY 2025-2026 recorded the acquisition of land (2 acres and above) for Uganda National Oil Company Limited at a planned value of UGX 20 billion. However, the approved development budget only made a provision for UGX 10 billion. Additionally, the UGX 10 billion was marked as “unfunded” within the development budget.

Regulation 4 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-consultancy Services), 2023 outlines the exceptions where a procurement may be initiated even if funds are not yet available. These exceptions include cases where delivery and payment will occur in the subsequent years, for framework contracts or where the Secretary to the Treasury confirms in writing that the required funding will be made available. However, none of these conditions were met by the Entity.

This indicates that the Entity failed to integrate the procurement budget with the expenditure program. The procurement plan is not aligned with the available funding and the plan includes transactions where full funding has not been secured, which exposes the Entity to potential domestic arrears.

Management should resolve the budgeting gap before signing of the contract with the best evaluated bidder in accordance with the Circular on initiation of procurements from the Ministry of Finance and Economic Development of 2010.

The purpose of this letter is to forward the findings of the bid preparatory audit exercise for implementation.



Dr. Aloysius M. Byaruhanga

**FOR: EXECUTIVE DIRECTOR**

cc: The Chairman, Contracts Committee  
cc: The Head, Procurement and Disposal Unit