



**PUBLIC PROCUREMENT AND DISPOSAL  
OF PUBLIC ASSETS AUTHORITY**  
*"Regulating for Results"*

**COMPLIANCE INSPECTION REPORT FOR FINANCIAL YEAR  
2024/2025**

**NAMAYINGO DISTRICT LOCAL GOVERNMENT**

**MAY 2026**

## TABLE OF CONTENTS

ACRONYMS .....	iii
CHAPTER ONE: INTRODUCTION .....	1
1.1. Background .....	1
1.2 Objective of the compliance inspection .....	1
1.3. Scope of the compliance inspection .....	1
1.4. Methodology .....	1
CHAPTER TWO: FINDINGS OF THE AUTHORITY .....	3
CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY .....	18
3.1 Overall Procurement and Disposal Audit Conclusion .....	18
3.2 Entity's Performance .....	18
3.3 Recommended Action Plan .....	20
ANNEX 1: Reason for Risk Rating .....	22
ANNEX 3: Risk Rating Criteria .....	24

**List of tables**

Table 1: List of Contracts Committee Members ..... 3  
Table 2: Details of the staff in Procurement and Disposal Unit ..... 4  
Table 3: Implementation of previous audit recommendations ..... 4  
Table 4: Procurement Plan Implementation ..... 8  
Table 5: Procurements with inadequacies in the bidding documents ..... 10  
Table 6: Procurements for which the ESHS issues were not clearly stipulated ..... 16  
Table 7: Risk score ..... 18  
Table 8: Risk Rating ..... 18  
Table 9: Recommended Action Plan ..... 20

## ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
BOQs	Bill of quantities
CC	Contracts Committee
CIPS	Chartered Institute of Purchasing and Supply
EC	Evaluation Committee
ESHS	Environment, Social, Health and Safety
FY	Financial Year
LPO	Local Purchase Order
LTD	Limited
ODB	Open Domestic Bidding
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PGD	Post Graduate Diploma
PPDA	Public Procurement and Disposal of Public Assets Authority
RFQ	Request for Quotation
SOR	Statement of requirements
TCC	Tax Clearance Certificate
UGX	Uganda Shillings

## EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority conducted a compliance inspection of your Entity that covered three sampled procurement transactions worth UGX 611,440,665 under the Financial Year 2024/2025.

The overall objective of the compliance inspection was to assess and establish the degree of compliance of Namayingo District Local Government's procurement and disposal system and processes with the provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations and assess the level of procurement and disposal performance over the audit period.

From the findings of the compliance inspection exercise, the performance of Namayingo District Local Government for the Financial Year 2024/25 was **Moderately Satisfactory** with an overall weighted average risk rating of **64.6%** as detailed in Chapter 3 of the report.

**Despite the Moderately Satisfactory performance, the following exceptions were noted:**

1. **Failure to fully implement 100% of the previous audit recommendations.** Section 10 of the PPDA Act, Cap. 205 requires entities to take corrective action on the recommendations issued by the Authority. The Audit revealed that the Entity failed to fully implement 70% of the previous audit recommendations. This was attributed to weak internal follow-up and accountability mechanisms. Failure to fully implement audit recommendations affects performance of the procurement function and is an indicator of a weak implementation mechanism by the Entity.
2. **Failure to fully implement the Procurement Plan.** Section 60 (7) of the PPDA Act, Cap. 205 states that, "*A procuring and disposing entity shall, on a quarterly basis and in any other case, wherever necessary, review and update its procurement plan.*" The inspection revealed that the Entity's procurement plan absorption rate was 45.4% with a variance of UGX 2,041,581,765 representing 54.6% of the procurement plan not implemented. This denies delivery of services worth UGX 2,041,581,765 to the intended beneficiaries and also exposes the Entity to risks of budgetary cuts for subsequent periods due to non-performance.
3. **Poor needs assessment.** Section 60 (2) of the PPDA Act, Cap. 205 requires entities to plan procurements in a rational manner. In the procurement for the supply and delivery of ICT equipment to Buhemba Seed School under the UGIFT program, valued at UGX 158,900,000, the Authority noted that adequate needs assessment was not conducted. A report dated 2nd May 2025, the contractor, Eurasia Business Systems highlighted a critical oversight: the newly installed equipment, including laptops, air conditioners, and printers, could not be utilized due to the absence of a power source at the school. Idle equipment, particularly in environments with dust, high humidity, or temperature fluctuations, is prone to rapid deterioration and malfunction, leading to wastage of resources
4. **Failure to submit monthly reports to the Authority.** Regulation 20 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 requires an Entity to submit to the Authority their monthly procurement transactions. The Authority noted that the Entity did not submit monthly procurement reports for the months of September 2024, October 2024 and March 2025. This

reflects a lack of transparency and weak compliance with reporting requirements, undermining the Authority's oversight role in monitoring the Entity's adherence

5. **Inadequately prepared bidding documents.** Section 42(a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 requires Procuring and disposing entity to define the requirement precisely and in a manner that leaves no doubt or assumption by a bidder. The Authority noted that in two procurements worth UGX 312,879,262, there were weaknesses in the bidding documents such as unclear requirements in the bills of quantities, lack of bills of quantities, unclear completion durations. This may lead to bidders misunderstanding the Entity's requirements and thereafter submitting poorly prepared and nonresponsive bids. Similarly, it may lead to low bidder participation
6. **Disguised direct procurement.** Section 51 of the PPDA Act, Cap. 205 provides that all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money. The Authority noted that in the procurement of Drilling, installation and casting of three deep boreholes in Banda and Sigulu Sub-counties, and mud drilling, installation and casting of two boreholes in Lolwe subcounty, Lot 4 worth UGX 153,979,262, the Procurement and Disposing Unit unjustifiably invited only one bidder, i.e Icon Projects Limited despite Contracts Committee approving five firms. Inadequate competition inhibits achievement of value for money.
7. **Poorly drafted contract.** Whereas GCC 21.1 stated that site possession will be immediately after contract signing, GCC 6.2, indicated that site possession will be within one week after contract signing. In addition, the SCC of the bidding document and those in the contract were misaligned in the procurement of drilling, installation and casting of three deep boreholes in Banda and Sigulu Sub-counties, and mud drilling, installation and casting of two boreholes in Lolwe subcounty, Lot 4 worth UGX 153,979,262. This may result into unnecessary conflicts between the service provider and the Entity, which may ultimately lead to litigation.
8. **Failure to avail accountability for works carried out under Force on Account Mechanism.** Section 130 (5) (e) of the PPDA Act, Cap. 2025 requires the Accounting Officer to maintain and manage the records, equipment and supplies of the works used in Force on Account Mechanism in accordance with the Public Finance Management Act. The Authority noted that despite a fully staffed Engineering Department, there were no records presented for works undertaken using Force on Account mechanism and as such, the Authority could not ascertain how the total release from Uganda Road Fund was spent by the Entity which inhibits accountability and thus a risk of fraud and embezzlement. This casts doubt on the transparency and accountability for works undertaken using Force Account Mechanism.
9. **Failure to dispose obsolete items.** Regulation 2(1) of the PPDA (Disposal of Public Assets) Regulations 2023 requires an Accounting Officer in each financial year, to cause the public assets of a Procuring and Disposing Entity to be reviewed, to identify the public assets to be disposed of in the following financial year. There was no disposal plan generated by the Entity for the financial year 2024-2025, consequently the Entity did not conduct disposal of obsolete assets. This exposes the assets to possible theft, destruction or vandalism.

10. **Poor contract Management.** Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023 requires the contract manager to prepare a contract management plan using form 49. The Authority noted that the Entity did not prepare a contract management plan and no program of works were submitted by the contractor for the procurement of Drilling, installation and casting of three deep boreholes in Banda and Sigulu Sub-counties, and mud drilling, installation and casting of two boreholes in Lolwe subcounty Lot 4 worth UGX 153,979,262. This may lead to shoddy works and may potentially cause financial loss to government.
11. **Failure to have clear provisions regarding Environment, Social, Health and Safety issues including Gender issues in the Bills of Quantities.** Section 66 of the PPDA Act, Cap. 205 states that *“A procuring and disposing entity shall for each procurement take into account environmental protection, social inclusion and stimulating innovation as may be prescribed by regulations made under this Act.”* The Authority found that in two procurement transactions worth UGX 457,461,403 Environmental, Social, Health and Safety issues were not clearly captured in the bidding document and contracts. This can potentially lead to environmental harm, worker and public health risks, delays in contract implementation and may result into outcomes which do not meet the end user requirements.

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

1. **The Accounting Officer should:**

- i. Appoint a taskforce to establish and operationalize a robust mechanism for tracking, monitoring, and ensuring timely implementation of all audit recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205.
- ii. Regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205 to ensure improved performance.
- iii. Task the Heads of User Departments to ensure that thorough needs assessment and estimation of procurement requirements is done in line with Regulation 3 (3) of the PPDA (Rules and Methods for procurement of supplies, works and non-Consultancy services) Regulations, 2023.
- iv. Task the Head, Procurement and Disposal Unit to show cause why disciplinary action should not be taken against him for failure to submit the reports to the Authority, in accordance with Regulation 15 (Procuring and Disposing Entities) Regulations, 2023.
- v. Implement the works undertaken using Force Account Mechanism in accordance with the PPDA (Force Account Mechanism) Regulations, 2014.
- vi. Conduct all procurements in a manner which promotes economy, efficiency and value for money in accordance with Section 48 of the PPDA Act, cap. 205.
- vii. Dispose of obsolete assets using appropriate disposal methods stipulated under Part II, Conditions and Rules for disposal of public assets, of the PPDA (Disposal of public assets) Regulations, 2023.

2. **The Head of Procurement and Disposal Unit should;**
  - i. Issue bidding documents that have all the relevant required information including adequate specifications in accordance with Regulations (33), (34), (35), (36), (37), (38) and 40 of the PPDA (Rules and Methods for procurement of supplies, works and non-Consultancy services) Regulations, 2023.
  - ii. Prepare contract documents that are comprehensive and clear on key contract deliverables in the special conditions of contract such as contract start, site possession and end in accordance with Regulation 9 of the PPDA (Contracts) Regulations, 2023;
3. **The Contracts Committee** should critically scrutinize all sections of the bidding documents for completeness and appropriateness before approval for issuance in accordance with Regulation 10 of the PPDA (PDEs) Regulations, 2023.
4. **The Heads of User Departments should;**
  - i) Initiate a process for disposal of public assets where the board of survey of the entity recommends for the disposal of a public asset in accordance with Regulation (3) (2) of the (Disposal of Public Assets) Regulations, 2023.
  - ii) Task Contract Managers to closely supervise and monitor contract implementation as per the contract terms and conditions on execution in accordance with Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulations, 2023.

A recommended action plan for Namayingo District Local Government is on pages **20 - 21** of this audit report

## **CHAPTER ONE: INTRODUCTION**

### **1.1. Background**

The Public Procurement and Disposal of Public Assets Authority conducted a compliance inspection of Namayingo District Local Government that covered six sampled procurement transactions worth UGX 611,440,665 under the Financial Year 2024/2025. The inspection involved a review of procurement and disposal structures, systems and processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act, Cap. 205 and the attendant PPDA Regulations, 2023.

### **1.2 Objective of the compliance inspection**

The overall objective of the compliance inspection was to assess and establish the degree of compliance of the Namayingo District Local Government's procurement and disposal systems and processes with the provisions of the PPDA Act, Cap. 205, attendant PPDA Regulations and assess the level of procurement performance over the audit period.

The specific objectives of the inspection were to:

- a) Establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap. 205 and PPDA Regulations 2014 and 2023 with regard to the performance of the procurement structures and conduct of procurement processes;
- b) Assess the degree of compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap. 205 and PPDA Regulations 2023; and
- c) Assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process.

### **1.3. Scope of the compliance inspection**

The Authority carried out the procurement and disposal compliance inspection from 7<sup>th</sup> to 9<sup>th</sup> July 2025. The exercise covered a sample of three procurement transactions worth UGX 611,440,665 conducted during the Financial Year 2024/2025, review of procurement structures and review of the procurement plan performance. The list of sampled transactions is contained under Appendix 2.

### **1.4. Methodology**

The Entity was notified about the exercise on 25<sup>th</sup> June 2025. A sample of three procurement transactions was selected from contract monitoring system. The exercise was conducted under the supervision of the Regional Manager.

During the exercise, the team reviewed the procurement plan for the Financial Year 2024/2025, examined records and documents for each of the three sampled procurement transactions.

During the inspection, the Authority held interviews with the staff from the Procurement and Disposal Unit and User Departments that were necessary in obtaining crucial qualitative information about the internal control systems and processes in place.

The Authority prepared the management letter, which was sent to the Entity on **14<sup>th</sup> October 2025** with a request to submit a management response by **20<sup>th</sup> October 2025**. The responses were submitted to the Authority on **28<sup>th</sup> October 2025** at the PPDA Eastern Regional Office.

## CHAPTER TWO: FINDINGS OF THE AUTHORITY

### 2.1 Compliance by the Entity with the general provisions of the PPDA Act, Cap. 205 and PPDA Regulations 2023 with regard to the performance of the procurement structures and conduct of procurement and disposal processes

#### 2.1.1 Procurement structures

The key players in the procurement structure at Namayingo District Local Government include the Chief Administrative Officer as Accounting Officer, the Contracts Committee, the Procurement and Disposal Unit and the User Departments.

The Authority noted the following regarding the Entity's procurement structures:

##### i. Accounting Officer

Section 28 (1) of the PPDA Act, Cap. 205 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. The Chief Administrative Officer; Mr. Friday Kyomya was designated as the Accounting Officer of the Entity during the Financial Year 2024/2025.

##### ii. Composition of the Contracts Committee

Schedule 4 of the PPDA Act, Cap. 205 requires Contracts committee to be comprised of five members that is; a chairperson, a maximum of three other members and a secretary. The Inspection revealed that the Entity's Contracts Committee was fully constituted. The composition of the Contracts Committee during the period is shown in Table 1 below:

**Table 1: List of Contracts Committee Members**

No	Name	Position	Date of appointment	Title
1.	Mr. Umar Wasswa Kyebagulo	Chairperson	2 <sup>nd</sup> August 2023	Principal Human Resource Officer
2.	Ms. Brenda Auma	Secretary	1 <sup>st</sup> February 2023	Physical planner
3.	Mr. Daniel Dembe	Member	1 <sup>st</sup> February 2023	Senior Agricultural Engineer
4.	Ms. Constance Mukyala	Member	1 <sup>st</sup> February 2023	Senior Assistant CAO
5.	Mr. Geoffrey Wandera	Member	1 <sup>st</sup> February 2023	Senior Community Development Officer

##### iii. Staffing of the Procurement and Disposal Unit

Section 32 of the PPDA Act, Cap. 205 provides that a Procuring and Disposing Entity shall cause to be established a Procurement and Disposal Unit staffed at an appropriate level. The Authority noted that the Entity's Procurement & Disposal Unit was staffed at an appropriate level as per the Entity's structure. Details of the Procurement and Disposal Unit staff are shown in Table 2 below:

**Table 2: Details of the staff in Procurement and Disposal Unit**

S/no	Name	Job Title	Academic Qualification
1.	Harriet Kakai	Senior Procurement Officer	Bachelors' Degree in Procurement and Logistics Management, Post Graduate Diploma in procurement and supply chain management (MCIPS)
2.	Foustine Ojiambo	Procurement Officer	Bachelors' Degree in Procurement and Logistics Management, Post Graduate Diploma in procurement and supply chain management (CIPS Level 5)

**2.1.2 Failure to fully implement 100% of the previous audit recommendations**

Section 10 (1) (a) of the PPDA Act, Cap. 205 obliges the entities to take corrective action on the Authority's recommendations. The Authority noted that the Entity had been issued its previous audit report for the Financial Year 2023/2024 in July 2025. Out of the 20 recommendations, eight (40%) were partially implemented, 12 (60%) remained unimplemented, while none was fully implemented as indicated in Table 3 below;

**Table 3: Implementation of previous audit recommendations**

No.	Recommendation	Implementation status
1.	The Accounting Officer should;	
	i. Ensure that a strong mechanism is put in place to implement recommendations made by the Authority so as to improve the Entity's performance in accordance with Section 10 of the PPDA Act, Cap. 205. This could include appointing a task force that will be responsible for ensuring full implementation of the Authority's recommendations.	Not implemented
	ii. Regularly conduct or designate persons to conduct a review of the procurement plan to harmonize it with the existing circumstances at the Entity in accordance with Section 60 (7) of the PPDA Act, Cap. 205.	Not implemented
	iii. Enforce separation of duties by assigning different officers to each stage of the procurement process and ensuring independence in the performance of functions as required by Section 40 of the PPDA Act, Cap. 205. This will enhance transparency, accountability, and reduce the risk of fraud.	Not implemented
	iv. Implement targeted measures to increase bidder participation, including conducting market surveys, widely publishing bid opportunities, engaging supplier associations, and organizing bidder sensitization sessions. These efforts will enhance transparency, promote competition, and ensure value for money in line with Sections 48 and 49 of the PPDA Act, Cap. 205.	Not implemented

No.	Recommendation	Implementation status
	<p>v. Task the following to show cause why appropriate disciplinary action should be taken against them for having accessioned unnecessary and unjustified delays in the procurement process and should ensure in future procurements processes are conducted more efficiently in line with Section 51 of the PPDA Act, Cap. 205.</p> <ul style="list-style-type: none"> <li>• The Procurement and Disposal which took two months to make submissions to the Contracts Committee and three months to publish bid adverts after Contracts Committee approval of the procurements.</li> <li>• The Evaluation Committee for the procurement of Consultancy services for a feasibility study and design of a mini solar powered water supply system for Lolwe sub county that delayed to conclude evaluation in time by seven days and there was no approval of the same by the Accounting Officer.</li> </ul> <p>vi. Task the Evaluation Committee members responsible for the five procurements to show cause why disciplinary action should not be taken against them for failing to adhere to the bid evaluation criteria set out in the bidding documents, contrary to Regulation 5 of the PPDA (Evaluation) Regulations, 2023; including recommending M/s Jopal Investments Ltd without a required work schedule; declaring M/s Hoyo Twins Ltd compliant without proof of equipment ownership and academic qualifications; considering M/s Rivaflo investment Ltd responsive despite missing an ESMP and key personnel list while another bidder was disqualified for the same; recommending M/s Rivaflo Ltd without the required bid security; and evaluating M/s Yoki General Enterprises as compliant despite submitting unauthenticated audit reports and lacking evidence of bid security.</p> <p>vii. Follow up with the Chief Mechanical Engineer (Ministry of Works and Transport) and the Government Valuer (Ministry of Lands, Housing, and Urban Development) to expedite the clearance and valuation process for assets identified for disposal. Where delays persist, the matter should be escalated to the respective Permanent Secretaries.</p> <p>viii. Ensure that all obsolete items in the Entity are reviewed and disposed of in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023.</p> <p>ix. Institute disciplinary proceedings against contract managers who failed to develop and maintain contract management plans, document progress or completion of contracts, and ensure timely reporting and compliance with contract timelines, as</p>	<p>Not implemented</p> <p>Not implemented</p> <p>Not implemented</p> <p>Not implemented</p> <p>Not implemented</p>

No.	Recommendation	Implementation status
	<p>required under Regulation 52 (1) &amp; (2) of the PPDA (Contracts) Regulations, 2023;</p> <p>x. Enforce the timely appointment of contract managers for all awarded procurements and ensure that contract files are maintained and accessible for audit and monitoring purposes.</p> <p>xi. Ensure that all outstanding works, including landscaping, tree and grass planting, and installation of lightning arrestors, are completed and verified before final payments are made. A report on the rectifications should be shared with the Authority by July 2025.</p> <p>xii. For environmental and safety issues, the Accounting Officer should task the Environmental and District Community Development Officers with ensuring compliance and reporting regularly on progress.</p>	<p>Partially implemented</p> <p>Not implemented</p> <p>Partially implemented</p>
2.	<p>The Contracts Committee should;</p> <p>i. Critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies that could lead to misunderstandings between the Entity and the bidders.</p> <p>ii. Ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 48 of the PPDA Act, Cap. 205 before approving the evaluation reports.</p>	<p>Partially implemented</p> <p>Partially implemented</p>
3.	<p>The Head of the Procurement and Disposal Unit should;</p> <p>i. Update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205.</p> <p>ii. Ensure that the statement of requirements in the bidding documents is clearly and precisely defined, leaving no room for doubt or assumptions by bidders, in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. Where clarifications or corrections are necessary, the Procurement and Disposal Unit should issue formal addenda in line with Regulations 59 (4) of the same regulations and;</p> <p>iii. Ensure that the Evaluation Committee members strictly adhere to the evaluation criteria in the bidding document in accordance with Section 76 (3) of the PPDA Act, Cap. 205.</p>	<p>Not implemented</p> <p>Partially implemented</p> <p>Partially implemented</p>
4.	<p>Heads of User Departments must ensure that:</p> <p>i. Contract supervisors prepare and submit contract implementation plans before contract execution begins.</p> <p>ii. Monthly progress reports are compiled and submitted to both the Accounting Officer and the Procurement and Disposal</p>	<p>Partially implemented</p> <p>Partially implemented</p>

No.	Recommendation	Implementation status
	<p>Unit, in accordance with Regulation 52 (3)(g) of the PPDA (Contracts) Regulations, 2023.</p> <p>iii. Ensure that contract managers for the projects below show cause why appropriate disciplinary action should not be taken against them for failure to execute their roles and responsibilities in accordance with Regulation 52 (1) &amp; (2) of the PPDA (Contracts) Regulations, 2023 specifically for:</p> <ul style="list-style-type: none"> <li>• Failing to prevent the contractor from abandoning the Dohwe Health Centre II site before completing landscaping, tree planting, and lightning arrestor installation and not obtaining documented proof of completed works.</li> <li>• Failing to verify and provide evidence of lightning arrestors installation and tree planting at Nasinu Primary School, and for inadequate supervision to ensure full compliance with contract specifications.</li> </ul>	Not implemented

### **Implication**

Failure to fully implement audit recommendations affects performance of the procurement function and is an indicator of a weak implementation mechanism by the Entity.

### **Management Response**

*The audit exercise was carried out on 3<sup>rd</sup> and 4<sup>th</sup> of July 2025 earlier before the previous audit report containing the recommendation was issued to the entity, the audit report was issued on 7<sup>th</sup> July 2025, however the entity is committed to ensuring that all the audit recommendations contained in the report are fully implemented in the current financial year.*

### **Authority's comment**

The Authority noted response and urges the Entity to submit to the Authority a status report on the implementation of the audit recommendations, indicating the specific actions taken, timelines for pending actions, responsible officers, and supporting evidence of implementation, within a period of 4 months from receipt of the report.

### **Recommendation**

The Accounting Officer should appoint a taskforce to establish and operationalize a robust mechanism for tracking, monitoring, and ensuring timely implementation of all audit recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205

### **2.1.3 Procurement plan implementation rate**

Section 60 (7) of the PPDA Act, Cap.205 mandates the Procuring and Disposing Entities to review and update their procurement plans quarterly, wherever necessary. The inspection revealed that the Entity's procurement plan absorption rate was 45.4% with a variance of UGX 2,041,581,765 representing 54.6% of the procurement plan not implemented. Table 4 below summarizes information about the procurement plan, budget and utilization of funds.

**Table 4: Procurement Plan Implementation**

<b>Analysis of procurement spend</b>	
Total procurement plan value inclusive of VAT (UGX)	3,736,994,009
Total procurement spend value inclusive of VAT (UGX)	1,695,412,244
Procurement plan implementation rate (%)	45.4
Implementation variance (UGX)	2,041,581,765
Implementation variance (%)	54.6

**Implication**

Failure to fully implement the procurement plan denies service delivery to the intended beneficiaries and also exposes the Entity to risks of budgetary cuts for subsequent periods due to non-performance.

**Management Response**

- *The entity implemented planned procurement up to 80%, the above findings exclude force account expenditures since the auditors did not have access to the records.*
- *The entity also did not pay the contractor for supply of medical equipment, who was unable to supply the equipment before end of the financial year due to delayed transit by manufacturer.*
- *The payment for construction of an OPD at Lugala Health Centre II was bounced by the bank on the closure day, however, Ministry of Finance has given guidance on all bounced payments to facilitate the re-processing of payments*
- *The District was unable to procure supply of irrigation equipment under micro-scale irrigation for some farmers due to failure by farmers to contribute the co-funding*

**Authority's comment**

The Authority noted the Entity's response regarding the factors that affected the implementation of the planned procurements. However, the Entity did not avail supporting documentation to substantiate the explanations provided. In the absence of verifiable evidence, the Authority could not confirm the circumstances cited or adequately validate the Entity's response.

Furthermore, the Entity indicated that implementation of the planned procurements stood at 80%, which still reflects partial implementation of the procurement plan, as the planned procurements were not fully executed during the financial year.

**Recommendations**

The Accounting Officer should:

- Provide explanation for all planned procurements that were not implemented/reported to the authority;
- Always execute all planned procurements in order to deliver services to the intended beneficiaries and avoid returning unspent balances to the consolidated fund and;
- Along with management, regularly carry out a review of the implementation of the procurement plan in the event that amendments are made to departmental workplans and have the procurement plan updated in accordance with Section 60 (7) of the PPDA Act, Cap. 205 and Regulation 4 of the PPDA (Procurement Planning) Regulations 2023 to ensure improved absorption of the Entity's Procurement Plan.

#### **2.1.4 Poor needs assessment**

Section 60 (2) of the PPDA Act, Cap. 2025 requires entities to plan procurements in a rational manner. In the procurement for the supply and delivery of ICT equipment to Buhemba Seed School under the UGIFT program, valued at UGX 158,900,000, the Authority found that adequate needs assessment was not conducted.

A report dated 2<sup>nd</sup> May 2025, the contractor, Eurasia Business Systems highlighted a critical oversight: the newly installed equipment, including laptops, air conditioners, and printers, could not be utilized due to the absence of a power source at the school. This issue should have been identified and addressed during the planning phase. Appropriate provisions such as installation of a generator, solar power system, or connection to the national electricity grid ought to have been made to ensure the functionality and sustainability of the procured equipment.

#### **Implications**

- Undermined Policy Goals. Initiatives like UGIFT aim to improve education infrastructure. Failing to ensure power access undermines the credibility and effectiveness of such programs.
- Idle equipment, particularly in environments with dust, high humidity, or temperature fluctuations, is prone to rapid deterioration and malfunction, leading to wastage of resources.

#### **Management Response**

*The district is in the rural setting where electricity coverage is about only 30% with over six sub counties having no power access, the above supply is a hybrid procurement where the needs assessment was carried out by Ministry of Education and Sports with recommendations that the Ministry shall engage UEDCL to provide power connection to the school.*

*On another note, the school has budgeted for the procurement of a solar system that will temporarily serve to provide power to the school.*

#### **Authority's comment**

The Authority noted the Entity's response. However, the Authority observed that the procurement of ICT equipment was undertaken despite the absence of an existing power connection at the school, a situation that was known prior to the procurement. This indicates inadequate procurement planning as the acquisition of ICT equipment was not aligned with the availability of the necessary supporting infrastructure required for its effective utilization.

Consequently, the procurement of the equipment before ensuring the availability of power risks rendering the items idle and undermines the principles of efficiency and value for money.

#### **Recommendation**

The Accounting Officer should task the Heads of User Departments to ensure that thorough needs assessment and estimation of procurement requirements is done in line with Regulation 3 (3) of the PPDA (Rules and Methods for procurement of supplies, works and non-Consultancy services) Regulations, 2023.

### 2.1.5 Failure to submit monthly reports to the Authority

Regulation 20 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 requires an Entity to submit to the Authority their monthly procurement transactions. The Authority noted that the Entity did not submit monthly procurement reports for the months of September 2024, October 2024 and March 2025.

#### **Implication**

This reflects a lack of transparency and weak compliance with reporting requirements, undermining the Authority's oversight role in monitoring the Entity's adherence.

#### **Management Response**

*We disagree with the auditors finding, the above monthly reports were submitted through email that was provided by the Authority and the evidence of submission is available for review.*

#### **Authority's comment**

The Authority noted the Entity's response. However, the information referred to by the Entity was not availed to the for verification. In addition, the Authority did not receive the reports in question through its official email as alleged by the Entity.

#### **Recommendation**

The Accounting Officer should task the Head, Procurement and Disposal to show cause why disciplinary action should not be taken against him for failure to submit the reports to the Authority, in accordance with Regulation 15 (Procuring and Disposing Entities) Regulations, 2023.

### 2.1.6 Inadequately prepared bidding documents

Section 42(a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 requires Procuring and disposing entity to define the requirement precisely and in a manner that leaves no doubt or assumption by a bidder. The Authority noted that in two procurements worth UGX 312,879,262, there were weaknesses in the bidding documents such as unclear requirements in the bills of quantities, lack of bills of quantities and unclear completion durations. Details of these procurements are shown in Table 5 below;

**Table 5: Procurements with inadequacies in the bidding documents**

No	Subject of Procurement	Contract Amount (UGX)	Observations
1.	Procurement of supply and delivery of ICT equipment for Buhemba seed school (UGIFT)	158,900,000	• Unclear requirements pertaining financial capacity. Bidders were required to provide audited books of accounts for the Financial Year 2022/2023 though the Entity did not indicate the elimination criteria such as indicating the required level of turnover.

No	Subject of Procurement	Contract Amount (UGX)	Observations
			<ul style="list-style-type: none"> <li>Unclear requirements pertaining letter of bid. The evaluation criteria under eligibility requirement included a requirement for submission of an acceptable letter of bid in the right format which is an unusual requirement, however, no further guidance was provided to bidders pertaining the format of this requirement. Consequently, two bidders including TMT technologies (U) Limited and Namba General Enterprises Limited were eliminated</li> </ul>
2.	Drilling, installation and casting of three deep boreholes in Banda and Sigulu Sub-counties, and mud drilling, installation and casting of 2 boreholes in Lolwe subcounty, Lot 4.	153,979,262	<ul style="list-style-type: none"> <li>Lacked bills of quantities,</li> <li>Unclear completion period- 'Three months after first certificate of completion' GCC 17.1</li> </ul>
<b>Total</b>		<b>312,879,262</b>	

### **Implication**

Provision of inadequate, inaccurate information in the bidding document may lead to bidders misunderstanding the Entity's requirements and thereafter submitting poorly prepared and nonresponsive bids. Similarly, it may lead to low bidder participation.

### **Management response**

- *Procurement of supply and delivery of ICT equipment for Buhemba Seed School (UGIFT) unclear requirements. In relation to the above finding, the bidding document was prepared and issued to the bidders by Ministry of Education and Sports. However, the right format of the letter of bid was incorporated and issued to the bidders in the bidding document where bidders did not have to deviate from the issued format.*
- *In regard to unclear requirements pertaining the financial capacity, the bidding document was prepared and issued to bidders by Ministry of Education and Sports. However, the issue was clarified at the pre-bid meeting*
- *Regarding the drilling, installation and casting of three deep boreholes in Banda and Sigulu sub counties, and mud drilling, installation and casting of 2 boreholes in Lolwe subcounty,*

*The BOQs were issued to bidders in soft copies in excel format as separate documents and is what the bidders used to fill in preparation of the bids, and is hereby provided for review. The unclear completion period was a result of typing error which was clarified to bidders during pre-bid meeting as completion period to be three months after contract signing.*

#### **Authority's comment**

The Authority noted the Entity's response; however, no documentary evidence was provided by the Entity to support the responses.

#### **Recommendations**

- The Head, Procurement and Disposal Unit should issue bidding documents that have all the relevant required information including adequate specifications in accordance with Regulations (33), (34), (35), (36), (37), (38) and 40 of the PPDA (Rules and Methods for procurement of supplies, works and non-Consultancy services) Regulations, 2023.
- The Contracts Committee should scrutinize all sections of the bidding documents for completeness and appropriateness before approval for issuance in accordance with Regulation 10 of the PPDA (PDEs) Regulations, 2023.

#### **2.1.7 Disguised direct procurement**

Section 51 of the PPDA Act, Cap. 205 provides that all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money. The Authority noted that in the procurement of Drilling, installation and casting of three deep boreholes in Banda and Sigulu Sub-counties, and mud drilling, installation and casting of two boreholes in Lolwe subcounty, Lot 4 worth UGX 153,979,262, the Procurement and Disposing Unit unjustifiably invited only one bidder, i.e Icon Projects Limited despite Contracts Committee approving five firms, which included; Galaxy Agro-Tech (U) Ltd, KLR Uganda Limited, East Africa Boreholes Ltd, Icon Projects Limited and Mama Borewells Africa Ltd. The bidding document was issued to only one firm, Icon Projects Limited.

#### **Implications**

- Inadequate competition inhibits achievement of value for money.
- This could also be a sign of possible loss of confidence by bidders in the procurement processes of the Entity due to issues in the Entity such as failure by members of the Evaluation Committees to adhere to the set criteria thus failure to obtain competitive offers.

#### **Management response**

*We disagree with the auditor's findings on the above, the procurement method used as approved by contracts committee was quotations method and it invited all the five firms, failure by any firms to respond to the invitation does not alter the method which was applied to mean other methods.*

#### **Authority's comment**

The Authority noted the Entity's response. However, whereas the Contracts Committee approved the use of the Request for Quotations method and a shortlist of five bidders, the Authority observed that the invitation to bid was issued to only one bidder.

## **Recommendation**

The Accounting Officer should task the Head, Procurement and Disposal Unit to explain why disciplinary Action should not be taken against him for failing to invite all the five firms as per the Contracts Committee recommendations.

### **2.1.8 Poorly drafted contract**

Whereas GCC 21.1 stated that site possession will be immediately after contract signing, GCC 6.2, indicated that site possession will be within one week after contract signing. In addition, the SCC of the bidding document and those in the contract were misaligned in the procurement of drilling, installation and casting of three deep boreholes in Banda and Sigulu Sub-counties, and mud drilling, installation and casting of two boreholes in Lolwe subcounty, Lot 4 worth UGX 153,979,262. For example, in the bidding document, retention was captured as GCC 48.8 while in the contract it was stated as GCC 8.2, the completion period in the bidding document was stated as GCC 17.1 while in the contract, it was stated as GCC 6.1.

## **Implication**

Lack of clear information in the contract may result into unnecessary conflicts between the service provider and the Entity, which may ultimately lead to litigation.

## **Management response**

*We take note of the finding and pledge to improve as recommended.*

## **Recommendation**

The Head, Procurement and Disposal Unit should prepare contract documents that are comprehensive and clear on key contract deliverables in the special conditions of contract such as contract start, site possession and end accordance to Regulation 9 of the PPDA (Contracts) Regulations, 2023.

### **2.1.9 Failure to avail accountability for works carried out under Force on Account Mechanism**

Section 130 (5) (e) of the PPDA Act, Cap. 2025 requires the Accounting Officer to maintain and manage the records, equipment and supplies of the works used in Force on Account Mechanism in accordance with the Public Finance Management Act. The Authority noted that despite a fully staffed Engineering Department, there were no records presented for works undertaken using Force on Account mechanism and as such, the Authority could not ascertain how the total release from Uganda Road Fund was spent by the Entity which inhibits accountability and thus a risk of fraud and embezzlement. Below is a list of items whose details and accountability were missing in the procurement action files;

- a) Scope of works to be undertaken.
- b) Estimated unit price and budget for the works.
- c) List, specifications and quantities of supplies for the works to be undertaken.
- d) Personnel involved in the works
- e) Equipment to be used in the works.
- f) Detailed work programme for the execution of each of the works to be undertaken.
- g) Works management plan

- h) Daily worksheets to indicate the works executed.
- i) Periodic progress reports.
- j) Final report at the completion of the assignment including daily worksheets.
- k) Schedule of allowances.
- l) Powers of the Force Account Supervisor.
- m) Evidence of verification of works undertaken.
- n) Performance and completion certificates in relation to the works executed.

### **Implications**

- This casts doubt on the transparency and accountability for works undertaken using Force Account Mechanism.
- There was no achievement of value for money.
- This could be an indicator of fraud and embezzlement of public funds thus no accountability.

### **Management response**

*At the time of audit, the engineer was at school doing exams, however force account records are hereby availed for review.*

### **Authority's comment**

The Authority noted the Entity's response, however no records were availed for review.

### **Recommendations**

The Accounting Officer should:

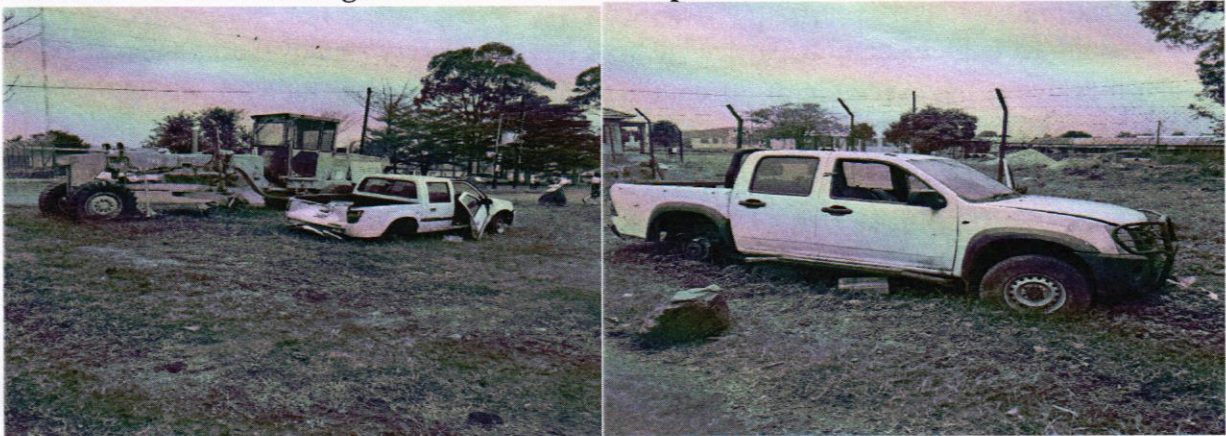
- Implement the works undertaken using Force Account Mechanism in accordance with the PPDA (Force Account Mechanism) Regulations, 2014.
- Conduct all procurements in a manner which promotes economy, efficiency and value for money in accordance with Section 48 of the PPDA Act, cap. 205.

## 2.2 Compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap. 205 and PPDA Regulations 2023

### 2.2.1 Failure to dispose obsolete items

Regulation 2(1) of the PPDA (Disposal of Public Assets) Regulations 2023 requires an Accounting Officer in each financial year, to cause the public assets of a Procuring and Disposing Entity to be reviewed, to identify the public assets to be disposed of in the following financial year. There was no disposal plan generated by the Entity for the Financial year 2024-2025, consequently the Entity did not conduct disposal of obsolete assets.

#### Pictorial evidence showing some items due for disposal



**Pictures: Motor grader and double cabin pickups**

#### Implications

- Failure to dispose of assets whose use ceased inhibits achievement of value for money as funds are held up in assets and also lost through depreciation of these assets.
- This also exposes the assets to possible theft, destruction or vandalism.

#### Management Response

*The entity has planned and budgeted to conduct the disposal of assets in the current financial year 2025/2026.*

#### Recommendations

- i. The Accounting Officer should dispose of obsolete assets using appropriate disposal methods stipulated under Part II, Conditions and Rules for disposal of public assets, of the PPDA (Disposal of public assets) Regulations, 2023.
- ii. User Departments should initiate a process for disposal of public assets where the board of survey of the entity recommends for the disposal of a public asset in accordance with Regulation (3) (2) of the (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 Poor Contract Management

Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023 requires the contract manager to prepare a contract management plan using form 49. The Authority noted that the Entity did not prepare a contract management plan and no program of works were submitted by the contractor for the procurement of Drilling, installation and casting of three deep boreholes in Banda and Sigulu Sub-counties, and mud drilling, installation and casting of two boreholes in Lolwe subcounty Lot 4 worth UGX 153,979,262.

#### **Implication**

Poor contract implementation may lead to poor service delivery/shoddy works and may potentially cause delays in the execution of the contract since there would be no performance measurement tool for the executed works.

#### **Management response**

*At the time of audit, the contract management records had been misplaced in the water office who was not around however, we were able to recover them and they are hereby availed for review.*

#### **Authority's comment**

The Authority noted the entity's response. However, no contract management plan and program of works were submitted. The entity only submitted the progress report.

#### **Recommendation**

Contract Managers should closely supervise and monitor contract implementation as per the contract terms and conditions on execution in accordance with Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulations, 2023.

### 2.3.2 Failure to have clear provisions regarding Environment, Social, Health and Safety issues including Gender issues in the Bills of Quantities

Section 66 of the PPDA Act, Cap. 205 states that "A procuring and disposing entity shall for each procurement take into account environmental protection, social inclusion and stimulating innovation as may be prescribed by regulations made under this Act." The Authority noted that in two procurement transactions worth UGX 457,461,403 Environmental, Social, Health and Safety issues were not clearly captured in the bidding document and contracts. The details are provided in Table 6 below:

**Table 6: Procurements for which the ESHS issues were not clearly stipulated**

No.	Subject of Procurement	Contract Amount UGX)
1.	Supply of ICT equipment at Buhemba Seed School	158,900,000
2.	Design, supply and installation of micro scale irrigation equipment	298,561,403
<b>Total</b>		<b>457,461,403</b>

**Implication**

Unclear environment, social, health and safety requirements can potentially lead to environmental harm, worker and public health risks, delays in contract implementation and may result into outcomes which do not meet the end user requirements.

**Management Response**

*We disagree with the auditors finding, the bidding documents for the above procurements were prepared by Ministry of Education and Sports and Ministry of Agriculture. Environmental, social, health and safety issues were clearly captured in the bidding document and monitored during the contract execution as provided here for review.*

**Authority's comment**

The Authority was not availed this information for verification as had been alleged by the Entity.

**Recommendations**

- The Head, Procurement and Disposal Unit should prepare bidding documents that clearly define the statement of requirements that are environmentally and socially responsive in accordance with Regulation 37 (2) (i) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
- The District Engineer should work closely with the Environmental Officer, Community Development Officer and the District Health Officer to ensure that ESHS requirements are assessed and incorporated in the Bills of Quantities in accordance with Section 66 of the PPDA Act, Cap 205. ESHS aspects should be incorporated in the monthly progress reports submitted to the Accounting Officer and the Procurement and Disposal Unit in accordance with Regulations 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.

### CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This Section presents graphically the procurement and disposal audit scores.

#### 3.1 Overall Procurement and Disposal Audit Conclusion

The performance of Namayingo District Local Government for the Financial Year 2024/2025 was **unsatisfactory** with an overall weighted average risk rating of **64.6%**.

#### 3.2 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 detailed in Table 7 below:

**Table 7: Risk score**

Risk Rating	No.	%No	Value (UGX)	%Value	Weights	Total Weighted Score	
						By No.	By Value
High	1	33	153,979,262	25	0.6	20	15.1
Medium	2	67	457,461,403	75	0.3	20	22.4
Low	0	0	-	-	0.1	0	0
Satisfactory	0	0	-	-	0	0	0
<b>Total</b>	<b>3</b>	<b>100</b>	<b>611,440,665</b>	<b>100</b>	<b>1</b>	<b>40</b>	<b>37.5</b>

$$\text{Performance by Number} = \frac{40 \times 100}{60} = 66.7\%$$

$$\text{Performance by Value} = \frac{37.5 \times 100}{60} = 62.5\%$$

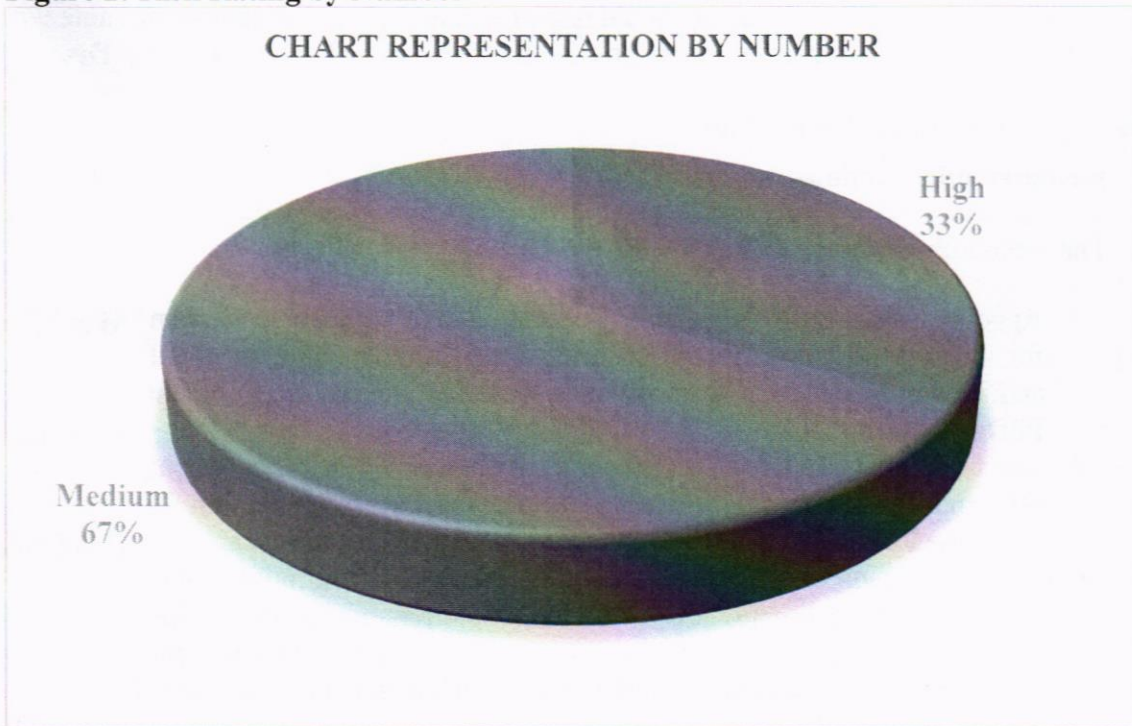
$$\text{The average weighted risk rating} = \frac{66.7 + 62.5}{2} = 64.6\%$$

Since 64.6% falls within the 31-70% risk range, the performance of the Entity is rated **Moderately Satisfactory** based on the 3 sampled procurement transactions as detailed in Table 8 below:

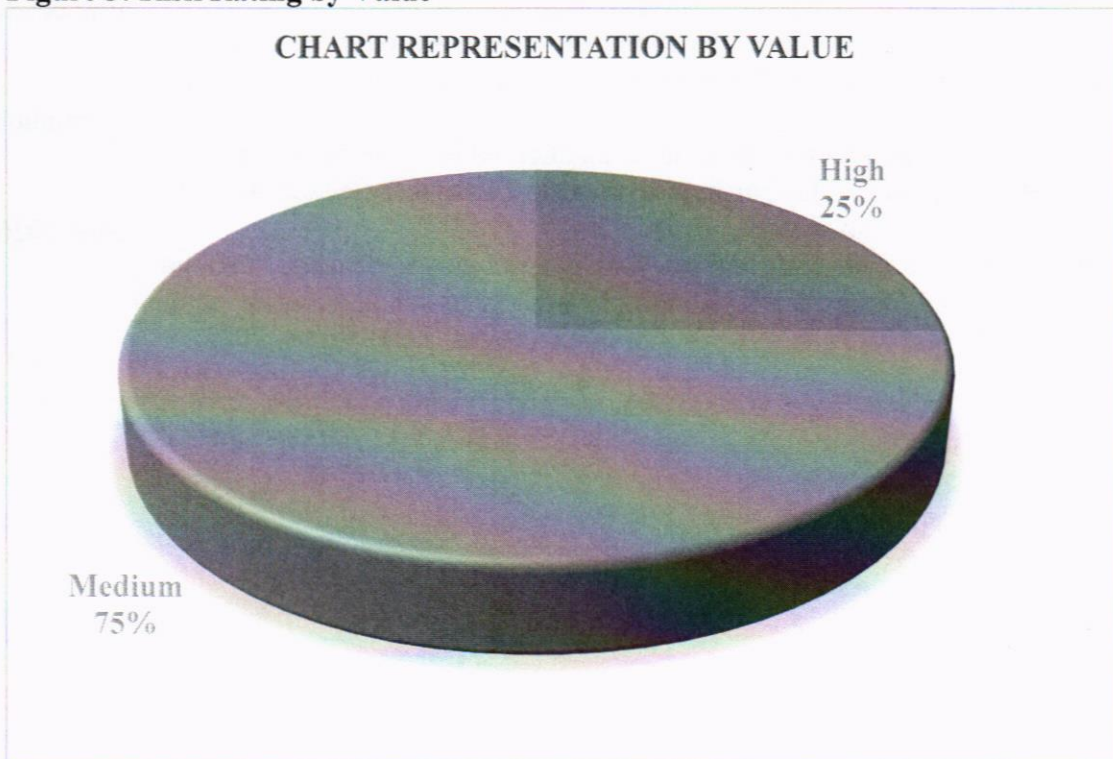
**Table 8: Risk Rating**

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

**Figure 2: Risk Rating by Number**



**Figure 3: Risk Rating by Value**



### 3.3 Recommended Action Plan

Namayingo District Local Government should implement the recommendations in Table 9 below within the time frame given in order to improve its performance in Procurement and Disposal.

**Table 9: Recommended Action Plan**

No	Recommended Action	Target Date
1.	<p>The Accounting Officer should;</p> <ul style="list-style-type: none"> <li>i. Appoint a taskforce to establish and operationalize a robust mechanism for tracking, monitoring, and ensuring timely implementation of all audit recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205;</li> <li>ii. Regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205 to ensure improved performance;</li> <li>iii. Task the Heads of User Departments to ensure that thorough needs assessment and estimation of procurement requirements is done in line with Regulation 3 (3) of the PPDA (Rules and Methods for procurement of supplies, works and non-Consultancy services) Regulations, 2023;</li> <li>iv. Task the Head, Procurement and Disposal Unit to show cause why disciplinary action should not be taken against him for failure to submit the reports to the Authority, in accordance with Regulation 15 (Procuring and Disposing Entities) Regulations, 2023;</li> <li>v. Implement the works undertaken using Force Account Mechanism in accordance with the PPDA (Force Account Mechanism) Regulations, 2014;</li> <li>vi. Conduct all procurements in a manner which promotes economy, efficiency and value for money in accordance with Section 48 of the PPDA Act, Cap. 205;</li> <li>vii. Dispose of obsolete assets using appropriate disposal methods stipulated under Part II, Conditions and Rules for disposal of public assets, of the PPDA (Disposal of public assets) Regulations, 2023.</li> </ul>	<p>May 2026</p> <p>Continuous</p> <p>Continuous</p> <p>May 2026</p> <p>Immediate</p> <p>Continuous</p> <p>May 2026</p>

No	Recommended Action	Target Date
2.	<p>The Head of Procurement and Disposal Unit should;</p> <ul style="list-style-type: none"> <li>iv. Issue bidding documents that have all the relevant required information including adequate specifications in accordance with Regulations (33), (34), (35), (36), (37), (38) and 40 of the PPDA (Rules and Methods for procurement of supplies, works and non-Consultancy services) Regulations, 2023;</li> <li>v. Prepare contract documents that are comprehensive and clear on key contract deliverables in the special conditions of contract such as contract start, site possession and end accordance to Regulation 9 of the PPDA (Contracts) Regulations, 2023;</li> <li>vi. Always maintain procurement and disposal records and reports on their respective action files in accordance with Section 33 (o) of the PPDA Act, Cap. 205.</li> </ul>	<p>May 2026</p> <p>May 2026</p> <p>Continuous</p>
3.	<p>The Contracts Committee should critically scrutinize all sections of the bidding documents for completeness and appropriateness before approval for issuance in accordance with Regulation 10 of the PPDA (PDEs) Regulations, 2023.</p>	<p>May 2026</p>
4.	<p>The Heads of user departments should;</p> <ul style="list-style-type: none"> <li>i. Initiate a process for disposal of public assets where the board of survey of the entity recommends for the disposal of a public asset in accordance with Regulation (3) (2) of the (Disposal of Public Assets) Regulations, 2023;</li> <li>ii. Task Contract Managers to closely supervise and monitor contract implementation as per the contract terms and conditions on execution in accordance with Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulations, 2023.</li> </ul>	<p>May 2026</p> <p>Immediate</p>

## ANNEX 1: Reason for Risk Rating

### Annex 1: Risk rating per case

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	Deep boreholes drilling, casting and installation of 5 boreholes (Hand pump) NAMA904/WRKS/24-25/00008 Icon Projects Limited 153,979,262	<ul style="list-style-type: none"> <li>• Disguised direct procurement</li> </ul> <p><b>Inadequately drafted bidding document</b></p> <ul style="list-style-type: none"> <li>• Lacked bills of quantities,</li> <li>• Unclear completion period- 'Three months after first certificate of completion' under GCC 17.1</li> </ul> <p><b>Poorly drafted contract;</b></p> <ul style="list-style-type: none"> <li>• Contradiction in contractual terms</li> <li>• Misalignment between the special conditions of contract in the bidding document and those in the contract</li> </ul> <p><b>Poor contract management;</b></p> <ul style="list-style-type: none"> <li>• Lacked contract management plan</li> <li>• Lacked progress report</li> <li>• Lacked program of works</li> <li>• Failure to submit performance security</li> </ul>

NO.	MEDIUM RISK CONTRACTS	REASONS FOR HIGH RISK
2.	Design, supply and installation of micro scale irrigation equipment NAMA904/MOES/SUPLS/24-25 Bruilex Group of Companies- 120,904,000 Grow More Seeds and Chemicals Ltd- 177,657,403	Lacked ESHS requirements in the contracts
3.	Supply of ICT equipment at Buhama Seed School NAMA904/MOES/SUPLS/24-25/0002 Eurasia business systems limited 158,900,000	<p><b>Planning</b></p> <ul style="list-style-type: none"> <li>• Poor needs assessment</li> </ul> <p><b>Inadequately drafted bidding document</b></p> <ul style="list-style-type: none"> <li>• Unclear requirements pertaining financial capacity</li> <li>• Unclear requirements pertaining letter of bid</li> </ul> <p><b>Bidding</b></p> <ul style="list-style-type: none"> <li>• Delay in bid opening</li> </ul> <p><b>Contract management</b></p> <ul style="list-style-type: none"> <li>• Failure to appoint a contract manager</li> <li>• Failure to submit performance security</li> </ul> <p><b>ESHS requirements</b></p> <ul style="list-style-type: none"> <li>• No ESHS requirements were provided in the bidding document</li> </ul>

**Annex 2: Transaction list and rating per case****NAMAYINGO DISTRICT LOCAL GOVERNMENT SAMPLE LIST FOR FINANCIAL YEAR 2024/2025**

<b>No.</b>	<b>Reference Number</b>	<b>Subject of Procurement</b>	<b>Method of Procurement</b>	<b>Provider</b>	<b>Contract Amount (UGX)</b>	<b>Risk Rating</b>
1.	NAMA904/WRKS/24-25/00008	Deep boreholes drilling, casting and installation of 5 boreholes (Hand pump)	Open Domestic Bidding	Icon Projects Limited	153,979,262	H
2.	NAMA904/MOES/SUPLS/24-25/0002	Supply of ICT equipment at Buhama Seed School	Open Domestic Bidding	Eurasia business systems limited	158,900,000	M
3.	NAMA904/MOES/SUPLS/24-25	Design, supply and installation of micro scale irrigation equipment	Open Domestic Bidding	Bruilex Group of Companies Grow More Seeds and Chemicals Ltd	120,904,000 177,657,403	M
				<b>Total</b>	<b>611,440,665</b>	

**ANNEX 3: Risk Rating Criteria**

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

RISK	DESCRIPTION	AREA	IMPLICATION
<b>MEDIUM</b>	Procurements that were considered to have weaknesses, 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.	<b>Planning:</b> Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		<b>Bidding Process:</b> Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms, and splitting procurement requirements.	This implies a lack of efficiency, standardization, and avoiding competition.
		<b>Procurement Structures:</b> Lack of procurement structures	This implies a lack of independence of functions and powers and interference in the procurement process.
		<b>Record Keeping:</b> Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		<b>Contract and Contract Management:</b> Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendments and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.

RISK	DESCRIPTION	AREA	IMPLICATION
		<p>Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health, and safety.</p> <p>Aspects of gender, social inclusion, environment, health, and safety are not covered by the contractor during contract implementation.</p>	
<b>LOW</b>	<p>Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practices. 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.</p>	<p><b>Planning:</b> Lack of procurement reference numbers.</p> <p><b>Bidding Process:</b> Not signing the Ethical Code of Conduct</p>	<p>This leads to failure to track the procurements which leads to poor record-keeping.</p> <p>This leads to failure to declare a conflict of interest and a lack of transparency.</p>
<b>SATISFACTORY</b>	<p>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.</p>		