

**PROCUREMENT AND DISPOSAL AUDIT REPORT FOR THE FINANCIAL YEAR
2024/25**

ADJUMANI DISTRICT LOCAL GOVERNMENT

MAY 2026

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ACRONYMS

CC	Contracts Committee
FY	Financial Year
PDU	Procurement and Disposal Unit
BEB	Best Evaluated Bidder
PPDA	Public Procurement and Disposal of Public Assets Authority
BoQs	Bills of Quantities
FY	Financial Year
ESHS	Environmental, Social, Health and Safety
GCC	General Conditions do Contract
PDU	Procurement and Disposal Unit
PPDA Act	Public Procurement and Disposal of Public Assets Act, Cap. 205
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Adjumani District Local Government that covered a sample of 16 procurement transactions for the Financial Year 2024/2025.

The overall objective of the procurement and disposal audit was to assess the effectiveness and efficiency of procurement and disposal processes at the Entity and adherence to the PPDA Act, Cap. 205, PPDA Regulations and public procurement policies so as to determine the procurement performance over the compliance inspection period.

From the findings of the procurement audit exercise, the performance of Adjumani District Local Government for the Financial Year 2024/2025 was **Moderately Satisfactory** with an overall weighted average risk rating of **59.25%**. 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. Section 60 (2) of the PPDA Act, Cap. 205 states that a Procuring and Disposing Entity shall plan its procurement and disposal in a rational manner and, Section 60 (7) of the PPDA Act, Cap. 205 permits the Entity to review and update its procurement plan on a quarterly basis and in any other case, wherever necessary. The Authority found that the procurement plan implementation rate was 115% with an implementation variance of UGX. (608,359,031). This resulted from weak procurement planning and ineffective monitoring controls within the Entity leading to resource misallocation and reduced value for money in achieving the entity's objectives;
2. Section 60(10) of the PPDA Act, Cap. 205 mandates the Entity to carry out procurements only within the approved procurement plan, except in cases of emergency. The Authority noted that ten procurements, worth UGX. 2,588,339,169, were executed outside the procurement plan for the Financial Year 2024/2025. This arose from weak procurement planning, inadequate monitoring of procurement activities, and failure to align procurement execution with the approved procurement plan hence leading to increased risk of funding shortfalls and the accumulation of domestic arrears;
3. Section 10 (1) (a) of the PPDA Act, Cap. 205 requires the Authority to instruct and advise the concerned Entity to take any corrective measures necessary to address the breach. The Authority noted that the previous audit recommendations for the Financial Year 2023/2024 were not fully implemented. Out of 11 recommendations made, eight recommendations representing 72.7% were partially implemented, two were implemented with a percentage of 18% and one recommendation representing 9% was not implemented. This was due to weak follow-up and limited capacity to implement the Authority's recommendations and enforce compliance leading to undermining the performance of the procurement function;
4. Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 mandates the Internal Auditor to audit procurements and disposals to ensure that supplies, works, or services are correctly ordered, received, verified, and paid for in compliance with the Public Finance Management Act, Cap. 171, and other relevant laws, and that disposals are carried out properly with any payments duly made where applicable. The Authority found that the Internal Audit Unit did not audit the methods used for procurements and the payments made and this was due to the staffing challenges in the

unit, and lack of independence and proper audit procedures. This is an indicator of weak internal controls in the Entity;

5. Regulation 42 (a) and (b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 mandates a Procuring and Disposing Entity to ensure that bidding documents clearly define requirements and include comprehensive, well-defined evaluation criteria with a clear method of application. The Authority found irregularities in the bidding documents such as unclear evaluation criteria and failure to specify bid validity period in two procurements valued at UGX. 148,584,060. This was attributed to inadequate quality assurance and review procedures during the preparation of bidding documents hence resulting in low bidder participation and low bidder response;
6. Section 51 of the PPDA Act, Cap. 205, provides that all procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money. The Authority observed average delays of 54 working days at various stages of procurement in 11 procurements worth UGX.1,893,230,486. The root cause of the delays in the procurement process was attributed to inadequate preparation by User Departments (lack of proper specifications and engineer's estimates), prolonged approval timelines by the Solicitor General, and weak contract management by the Contract Managers hence hindering service delivery;
7. Section 49 of the PPDA Act, Cap. 205 mandates that all procurement and disposal processes be conducted in a manner that maximizes competition and ensures value for money. The Authority observed low bidder participation in 11 procurements worth UGX. 1,491,235,247, with the Entity recording an average of only two bidders per procurement process. This was due to inadequate pre-qualification shortlists and the limited capacity of some shortlisted bidders, who lacked the required technical, financial, and experiential qualifications to participate effectively. Additionally, some potential bidders preferred to engage with implementing partners (IPs) rather than the Entity which compromises the achievement of competition and value for money in the Entity's procurement processes;
8. Section 34 (a) of the PPDA Act, Cap. 205 states that a Procurement and Disposal Unit shall have the power to recommend the composition of the Evaluation Committees for approval by the Contracts Committee. Furthermore Regulation 22 (b) of the PPDA (Evaluations) Regulations, 2023 mandates that an Evaluation Committee to have among its members a member of the Procurement and Disposal Unit. The Authority noted that in eight procurements worth UGX. 824,639,515, there was no representative from the Procurement and Disposal Unit on the Evaluation Committees that were approved by the Contracts Committee due to weak oversight in the approval process by the Contracts Committee which may result in complaints and unnecessary administrative review proceedings;
9. Section 67 (2) (a) of the PPDA Act, Cap. 205. provides that all solicitation documents shall detail the terms and conditions, which shall apply to any resulting contract and Regulation 9 (2) of the PPDA (Contracts) Regulations, 2023 states that *a contract document shall be in accordance with the form of contract specified in the bidding document.* The Authority found that the Entity irregularly changed the special terms and conditions of the contract for two procurements worth UGX. 128,570,440. This was due to a weak internal contract management control which may result into disputes and litigations arising from unclear and ambiguous terms and conditions;

10. Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023, requires the User Department to formally appoint, in writing, a qualified staff member as a Contract Manager and notify the Accounting Officer for the appointment. The Authority found that contract managers were not appointed in five sampled procurements worth UGX. 763,378,099, this was attributed to failure by the User Departments to comply with Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023, through failure to formally nominate Contract Managers and communicate to the Accounting Officer for appointment. This affected timely and effective monitoring and supervision of the works hence delayed service delivery; and
11. Regulations 2 (1) and (2) of the PPDA (Disposal of Public Assets) Regulations. 2023 provides that, for the purposes of disposal planning, an Accounting Officer shall, in each financial year 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. A Procuring and Disposing Entity may use the board of survey or a User Department to identify the public assets to be disposed of. The Authority reviewed the Entity's Board of survey report for the Financial Year 2023/2024 submitted to the Accountant General and noted that the assets in table 19 below were due for disposal. However, the Accounting Officer did not dispose the assets during the financial year 2023/2024 due to inadequate follow-through on the Board of Survey recommendations. This inhibited achievement of value for money as funds were held up in assets which were not in use and depreciated.

In summary, the Authority notes that irregularities at evaluation and contract management and quality of the bidding document largely contributed to the performance of the Entity.

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

1. The Accounting Officer should:
 - a) 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;
 - b) Only authorize procurements in the Entity's approved procurement plan, except in emergency situations, in accordance with Section 60(10) of the PPDA Act, Cap. 205.
 - c) Institute strong internal mechanisms and a dedicated team of staff that will always ensure full implementation of the Authority's previous audit recommendations in accordance with Section 10 of the PPDA Act, Cap. 205;
 - d) Prevail over the Internal Audit Unit to audit the procurement and disposal procedures as well as the payments made in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations. 2023;
 - e) Where need arises, formally delegate authority to the User Departments to undertake micro procurements up to the maximum value specified in the Guidelines or a lower limit prescribed by the Contracts Committee in accordance with Regulation 22 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023;
 - f) Conduct all procurement and disposal activities in a manner that promotes economy, efficiency and value for money in accordance with Section 51 of the PPDA Act, Cap. 205;
 - g) Conduct a bidder conference and or institute an investigation through the Internal Auditor to find out why the bidders that are prequalified by the Entity do not participate in the procurement activities when invited and address the concerns raised. This will improve the level of confidence bidders have in the procurement processes of the Entity, thus,

- maximizing competition and achieving value for money in accordance with Section 49 of the PPDA Act, Cap. 205;
- h) Dispose all obsolete assets of the district in accordance with Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023.
2. The Head Procurement and Disposal Unit should:
 - a) Include revenue sources in the Entity's consolidated procurement plan in accordance with Regulation 6 (a) of the PPDA (Procurement Planning) Regulations, 2023;
 - b) Submit to the Authority monthly procurement and disposal reports and performance data of all procurement transactions including micro procurements undertaken by the Entity not later than the fifteenth day of the following month in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023;
 - c) 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;
 - d) Prepare contract documents that are well detailed with all the key documents meant to form part of the contracts and unambiguous in accordance with Regulation 9 of the PPDA (Contracts) Regulations, 2023.
 3. The Contracts Committee should;
 - a) Quality assure all bidding documents to assess completeness and accuracy of the bidding requirements with emphasis on the section for statement of requirements;
 - b) Verify that a member of the Procurement and Disposal Unit is part of each composition of the Evaluation Committee, before approval. This is in compliance with Regulation 2 (2), (b) of the PPDA (Evaluation) Regulations, 2023;
 - c) Scrutinize contract documents for completeness, consistency, correctness, and accuracy before approval in accordance with Section 31 (1) (a) (iv) of the PPDA Act, Cap. 205.
 4. The User Departments should always nominate personnel with appropriate skills and experience for subsequent appointment by the Accounting Officer as contract managers to supervise and report on the implementation of the contracts in accordance with Regulations 50 (l) and 51 (l) of the PPDA (Contracts) Regulations, 2023; and
 5. Contract managers should closely monitor and supervise the Contractors with an emphasis of adhering to the achievement of the Environmental, Social, Safety and Health safeguard requirements in all Government projects in accordance with section 66 of the PPDA Act, Cap .205.

CHAPTER 1: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Adjumani District Local Government that covered a representative sample of 16 procurement transactions under the Financial Year 2024/25. The audit involved a review of procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act, Cap. 205 and PPDA Regulations.

1.2 Audit Objectives

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

The specific objectives were to establish the level of:

1. Compliance of the Entity's procurement processes with the provisions of the PPDA Act, Cap. 205 and PPDA Regulations with regard to the performance of the procurement structures and conduct of procurement processes;
2. Efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) safeguard requirements in the procurement processes;
3. Compliance of the Entity's disposal processes with the provisions of the PPDA Act, Cap. 205 and PPDA Regulations;

1.3 Procurement structures

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

(i) Accounting Officer

Section 28 of the PPDA Act, Cap. 205 gives the Accounting Officer the overall responsibility for the successful execution of procurement and disposal process in the Procuring and Disposing Entity. During the Financial Year 2024/2025, the Chief Administrative Officer, Mr. Richard Edema Draciri was designated as the Accounting Officer of the Entity.

(ii) Procurement and Disposal Unit

Section 28 (l) (c) of the PPDA Act, Cap. 205 requires the Accounting Officer to establish a Procurement and Disposal Unit staffed at an appropriate level. Adjumani District Local Government's Procurement and Disposal Unit was adequately staffed with a Senior Procurement Officer and a Procurement Officer during the Financial Year 2024/2025, as detailed in Table 1 below:

Table 1: Staff in the Procurement and Disposal Unit

No.	Name	Position	Qualification
1.	Mr. Deogracias Leku Maiku	Senior Procurement Officer	BBA and PGD (Procurement and Supply Chain Management)

No.	Name	Position	Qualification
2.	Mr. Otiku Ori Tokwiny	Procurement Officer	BBA and PGD (Procurement and Supply Chain Management) (CIPS - Level 5)

(iii) Contracts Committee

The Permanent Secretary / Secretary to the Treasury (PS/ST), Ministry of Finance, Planning and Economic Development approved the following Contracts Committee members in Table 2 below, who also served during the audit period.

Table 2: List of Contracts Committee members

No.	Name	Job Title	Position on Committee	Date of Appointment
1.	Mr. Fred Moini	District Planner	Chairperson	7 th March 2025
2.	Mr. Sabino Amadra	Senior Environment Officer	Secretary	21 st November 2022
3.	Mr. Philp Akuku Kaya	Principal Education Officer	Member	21 st November 2022
4.	Ms. Frances Dipio	Senior Community Development Officer	Member	21 st November 2022
5.	Ms. Sara Akumu Tiondi	Senior Community Development Officer (Representing Town Council)	Member	21 st November 2022

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 representative sample of 16 procurement transactions under the Financial Year 2024/25. The list of sampled transactions is contained in **Appendix 2**.

The distribution of the transaction population and sample is in Table 3 below:

Table 3: Analysis of Population and Sample Selected for audit of FY 2024/2025

No.	Population			Percentage		Sample		Percentage	
	Procur ement Metho d	Value (UGX)	No.	%Val ue	%N o.	Value (UGX)	No.	%Val ue	%N o.
1.	Open Domestic Bidding	2,404,850,241	4	47%	17%	202,450,790	2	7%	13%
2.	Request for Quotation	787,381,167	15	15%	63%	595,873,199	9	22%	56%

No.	Population			Percentage		Sample		Percentage	
	Procurement Method	Value (UGX)	No.	% Value	% No.	Value (UGX)	No.	% Value	% No.
3.	Restricted Bidding	1,924,842,859	5	38%	21%	1,924,842,859	5	71%	31%
	Total	5,117,074,267	24	100%	100%	2,723,166,848	16	100%	100%

1.5 Audit Methodology

Adjumani District Local Government was notified about the Procurement and Disposal Audit exercise on 15th September, 2025. A sample of 16 procurement transactions worth UGX. 2,723,166,847 was selected based on stratified random sampling using the Contracts Committee minutes, the contracts register, and monthly procurement and disposal reports. The team also reviewed the procurement and disposal plan for the Financial Year 2024/2025. The audit commenced on 6th October, 2025.

A Senior Performance Monitoring Officer and one Performance Monitoring Officer conducted the audit exercise under the supervision of the Regional Manager, Northern Region. The audit team examined records and documents for each sampled 16 procurement transaction and obtained the relevant evidence to derive Procurement and Disposal Audit conclusions. This involved a review of the Entity's procurement and disposal planning, initiation, bidding, evaluation, contract award and execution.

During the audit, the auditors held interviews with the staff from the Procurement and Disposal Unit (PDU) and User Departments where necessary to obtain pertinent qualitative information about the internal control system and processes in place.

A debrief meeting was held on 10th October, 2025 to discuss preliminary findings with the Entity's management and staff before the team could embark on the preparation of the management letter. The team prepared the management letter, which was sent to the Entity on 5th December 2025, with a request to submit a management response by 17th December 2025, submission of responses was done on 15th January 2025. The exit meeting was held on 24th February, 2026 at the PPDA Northern Regional Offices, Plot 1, Lower Churchill Drive.

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

CHAPTER 2: AUDIT FINDINGS, IMPLICATIONS AND RECOMMENDATIONS

2.1 COMPLIANCE OF THE ENTITY'S PROCUREMENT PROCESSES WITH THE PROVISIONS OF THE PPDA ACT, CAP. 205 AND PPDA REGULATIONS WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT PROCESSES.

2.1.1 Implementation of the procurement plan.

Section 60 (2) of the PPDA Act, Cap. 205 states that a Procuring and Disposing Entity shall plan its procurement and disposal in a rational manner and, Section 60 (7) of the PPDA Act, Cap. 205 permits the Entity to review and update its procurement plan on a quarterly basis and in any other case, wherever necessary. The Authority found that the procurement plan implementation rate was 115% with an implementation variance of UGX. (608,359,031). This resulted from weak procurement planning and ineffective monitoring controls within the Entity. Table 4 below summarises the procurement plan implementation rate:

Table 4: Procurement Plan Implementation Rate

Analysis of procurement spent	Value (UGX)
Total procurement plan value inclusive of VAT (UGX)	4,185,805,585
Total procurement spend value inclusive of VAT (UGX)	4,794,164,616
Procurement plan implementation rate (%)	115
Implementation variance (UGX)	(608,359,031)

Despite achieving a negative variance, the Entity also failed to implement 12 planned procurements worth UGX. 1,015,879,312 as indicated in Table 5 below:

Table 5: Planned Procurements that were not conducted.

No	Subject of Procurement	Method of Procurement	Estimated Value
1.	Rehabilitation of lagoon at Adjumani Hospital.	Restricted bidding	80,000,000
2.	Stationaries	Selective restricted	175,151,655
3.	Construction of VIP latrines at Adjumani Hospital & Elegu HC III.	Restricted bidding	37,000,000
4.	Small office equipment.	Not indicated	19,932,657
5.	Vehicle maintenance.	Not indicated	Not indicated
6.	Supply of reagents, dry cells and protective gears.	Micro procurement	22,300,000
7.	Airtime.	Not indicated	Not indicated
8.	Construction of pipe water system at Ofua Seed Secondary School.	Not indicated	264,000,000
9.	Computer consumables.	Not indicated	Not indicated
10.	Renovation of staff houses.	Restricted bidding	280,000,000
11.	Supply of school desks.	Quotations	44,271,000
12.	Maintenance of equipment.	Frame work	93,224,000
	TOTAL		1,015,879,312

Implication

Exceeding the planned budget leads to domestic arrears, while failure to fully implement planned procurements reflects inadequate planning, poor needs assessment, and limited absorption capacity or shortfalls in funding required to achieve budget targets.

Management Response

The above procurements were off the budget procurement plan and were implemented by implementing partners.

Authority's Comment

The Entity's response is noted; however, no documentary evidence was provided to substantiate this claim in the management response.

Recommendation

The Accounting Officer should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205 to ensure improved performance.

2.1.2 Procuring outside the procurement plan.

Section 60 (10) of the PPDA Act, Cap. 205 mandates the Entity to carry out procurements only within the approved procurement plan, except in cases of emergency. The Authority noted that the following ten procurements, worth UGX. 2,588,339,169, were executed outside the procurement plan for the Financial Year 2024/2025. This arose from weak procurement planning, inadequate monitoring of procurement activities, and failure to align procurement execution with the approved procurement plan, as detailed in table 6 below.

Table 6: Procurements outside the plan.

No	Subject of Procurement	Method of Procurement	Award Notification date	Contract Value (UGX)
1.	Sitting and drilling, supervision of 15 boreholes and 01 production Borehole.	Restricted bidding	16/09/2024	40,520,000
2.	Construction of three stance drainable latrine at Alere market.	Quotation method	19/12/2024	20,760,000
3.	Supply of assorted borehole parts.	Quotation method	19/12/2024	64,180,000
4.	Construction of five stance drainable latrine at Pakele market.	Quotation method	11/2/2025	29,785,265
5.	Construction of a four-stance drainable latrine at Bira HC III.	Quotation method	11/2/2025	24,946,380
6.	Rehabilitation of Esia- Ukusijoni 6.50Km CAR.	Open bidding	6/3/2025	2,195,845,906
7.	Supply and delivery of pressure switch and two (02) submersible pumps.	Quotation method	6/3/2025	67,753,000
8.	Construction of a two-stance drainable latrine at Waka Conner Market.	Quotation method	6/3/2025	13,480,000

No	Subject of Procurement	Method of Procurement	Award Notification date	Contract Value (UGX)
9.	Renovation of staff House at Ajugopi HC II.	Quotation method	6/3/2025	27,444,558
10.	Renovation of Education Office Block.	Quotation method	10/4/2025	103,624,060
	TOTAL			2,588,339,169

Implication

Procurements carried out outside the approved procurement plan compromises budget management, increasing the risk of funding shortfalls and the accumulation of domestic arrears.

Management Response

The Head, Procurement and Disposal Unit updated the procurement plan as required. The procurement plan is available for your review.

Authority's Comment

The Entity's response was noted; however, the updated procurement plan was never formally submitted to the Authority as an amended Procurement Plan that included the above 10 procurements for the FY 2024/2025.

Recommendations

1. The Contracts Committee must verify that, prior to approval, each procurement is included in the Entity's approved procurement plan in accordance with Section 30 (d) of the PPDA Act, Cap. 205.
2. The Accounting Officer should;
 - i. Authorize procurements only within the Entity's approved procurement plan, except in emergency situations, in accordance with Section 60 (10) of the PPDA Act, Cap. 205.
 - ii. Oversee that the Head, Procurement and Disposal Unit updates the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205.

2.1.3 Failure to implement 81% of the previous audit recommendations

Section 10 (1) (a) of the PPDA Act, Cap. 205 requires the Authority to instruct and advise the concerned Entity to take any corrective measures necessary to address the breach. The Authority noted that the previous audit recommendations for the Financial Year 2023/2024 were not fully implemented. Out of the 11 recommendations, eight recommendations representing 72.7% were partially implemented, two were implemented representing 18% and one recommendation representing 9% was not implemented. This was due to weak follow-up and limited capacity to implement the Authority's recommendations and enforce compliance. The details are in Table 7 below:

Table 7: Implementation of previous audit recommendation.

Origin	Recommended Action	Status
The Accounting Officer.	<ul style="list-style-type: none"> • Report all procurements conducted to the Authority in accordance with Regulation 7 (1) of the Local Governments (PPDA) Regulations, 2006. 	Partially Implemented.

Origin	Recommended Action	Status
	<ul style="list-style-type: none"> Always conduct due diligence on all the information submitted by bidders before signing contracts in accordance with the PS/ST circular Ref: FAD154/308/01 issued on 7th August 2014. 	Not implemented.
The Internal Audit Department.	The Head of the Internal Audit Department of the Procuring and Disposing Entity should ensure that procurement and disposal procedures and payments by the Entity are audited regularly in accordance with Regulation 28 of the Local Governments (PPDA) Regulations, 2006.	Partially Implemented
User Department.	The User Departments should recommend a statement of requirements at initiation in accordance with Regulation 26 (1) (c) and 65 (1) (a) of the Local Governments (PPDA) Regulations, 2006.	Partially Implemented
Head Procurement and Disposal Unit.	The Head Procurement and Disposal Unit should prepare quality solicitation documents in accordance with Regulation 48 of the Local Governments (PPDA) Regulations, 2006.	Partially Implemented
Evaluation Committee.	The Evaluation Committee should ensure that evaluation process is conducted independently and objectively so that the outcome is fair and unbiased.	Partially Implemented
Head Procurement and Disposal Unit.	The Head Procurement Disposal Unit should ensure that the Best Evaluated Bidder Notice is displayed on the Entity's notice board and sent to all bidders in accordance with Regulation 85 (5) of the Local Governments (PPDA) Regulations, 2006.	Partially Implemented
Head Procurement and Disposal Unit.	The Head Procurement and Disposal Unit should ensure that the Procurement and Disposal Unit procurement action files are complete with all documents in accordance with Section 31 (o) of the PPDA Act, 2003.	Partially Implemented
Contract Supervisors.	Contract Supervisors should strictly supervise contracted firms to fulfil all contractual obligations specified within the terms and conditions.	Partially Implemented

Implications

- Failure to implement audit recommendations indicates a lack of commitment to improving the procurement and disposal function.
- Incomplete implementation of audit recommendations undermines the performance of the procurement function and reflects weaknesses in the Entity's implementation mechanisms.

Management Response

The previous audit recommendations shall be fully implemented as the concerned departments are notified about the need to implement the audit recommendations.

Recommendation

The Accounting Officer should institute strong internal mechanisms and a dedicated team of staff that will always ensure full implementation of the Authority's previous audit recommendations in accordance with Section 10 of the PPDA Act, Cap. 205.

2.1.4 Failure to include revenue sources in the Entity's consolidated procurement plan.

Regulation 6 (a) of the PPDA (Procurement Planning) Regulations, 2023 requires the Procuring and Disposing Entity to include in its procurement plan the supplies, works, consultancy and non-consultancy services to be procured, along with their respective costs. The Authority noted that the Head, Procurement and Disposal Unit did not include revenue collection of Dzaipi market gate in the Entity's consolidated procurement plan estimated at UGX. 1,250,000 per month and UGX. 15,000,000 annually in the signed contract for the FY 2024/2025. This was attributed to inadequate planning controls leading to omission of revenue collection services from the consolidated procurement plan.

Implication

Inadequate planning exposed the Entity to the risk of failing to achieve its objectives, as expected funds from the above revenue source were likely omitted from the planning and budgeting process.

Management Response

It's true that the Head, Procurement and Disposal Unit did not include revenue sources in the Entity's consolidated procurement plan for the financial year on review, however, the current financial year the revenue sources are included in the procurement plan and is available for your review.

Recommendations

1. User Departments should in preparation of their annual work plans include expected locally raised revenues and submit their plans to the Procurement and Disposal Unit to facilitate orderly execution of annual procurement activities.
2. The Head, Procurement and Disposal Unit should include revenue sources in the Entity's consolidated procurement plan in accordance with Regulation 6 (a) of the PPDA (Procurement Planning) Regulations, 2023.

2.1.5 Failure by the Internal Auditor to audit the Entity's procurement and disposal processes.

Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 mandates the Internal Auditor to audit procurements and disposals to ensure that supplies, works, or services are correctly ordered, received, verified, and paid for in compliance with the Public Finance Management Act, Cap. 171, and other relevant laws, and that disposals are carried out properly with any payments duly made where applicable. The Authority found that the Internal Audit Unit did not audit the methods used for procurements and the payments made and this was due to the staffing challenges in the unit, and lack of independence and proper audit procedures.

Implication

This is an indicator of weak internal controls in the Entity.

Management Response

The internal audit unit carried out audit of procurement under force account for all the road works and verified all procurement supplies that were taken charge in the store for the FY under audit. However, due to the staffing challenges in the unit we could not cover all the procurement processes. Going forward we shall undertake risk-based audit procurement processes in the subsequent FY.

Recommendation

1. The Accounting Officer should
 - i. Prevail over the Internal Audit Unit to audit the procurement and disposal procedures as well as the payments made in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.
 - ii. Liaise with the relevant authorities to obtain clearance for recruitment of additional internal audit staff to enable effective execution of audit activities.

2.1.6 Irregularities in the conduct of micro procurements.

The Authority observed the following irregularities in the micro-procurements undertaken by the User Departments:

- i. Section 36 (2) of the PPDA Act, Cap. 205 states that “*the User Department shall prepare a procurement plan based on the approved budget, which shall be submitted to the Procurement and Disposal Unit for implementation when required*”. The User Departments did not submit to the Procurement and Disposal Unit monthly reports on micro procurements undertaken for onward submission to the Contracts Committee for ratification as a result of weak internal monitoring of reporting requirements.
- ii. Regulation 22 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023 stipulates that a Procuring and Disposing Entity may authorize a User Department to carry out micro procurements up to the value specified in the Guidelines or a lower limit set by the Contracts Committee. There was no evidence of delegation by the Accounting Officer to User Departments to undertake micro procurements due to weak internal monitoring of the reporting requirements.

Implication

Failure to report to the Authority all procurements undertaken by the Entity contravenes the principles of transparency and accountability in public procurement.

Management Response

Letter has been written to all the user departments to compile and report to the Head, Procurement and Disposal Unit all the micro procurement undertaken by the department for onward submission to the Contracts Committee for ratification as required.

Recommendations

1. The Accounting Officer should always conduct micro procurements in accordance with the law and where need arises, formally delegate authority to the User Departments to undertake micro procurements up to the maximum value specified in the Guidelines or a lower limit prescribed by the Contracts Committee in accordance with Regulation 22 (2) 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 submit to the Authority monthly procurement and disposal reports and performance data of all procurement transactions including micro procurements undertaken by the Entity not later than the fifteenth day of the following month in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.1.7 Irregularities in the bidding documents

Regulation 42 (a) and (b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 mandates a Procuring and Disposing Entity to prepare bidding documents that clearly define the procurement requirements and include comprehensive, well-defined evaluation criteria with a clear method of application. The Authority found irregularities in the bidding documents in two procurements valued at UGX. 148,584,060. This was attributed to inadequate quality assurance and review procedures during the preparation of bidding documents as detailed Table 8 below:

Table 8 : Irregularities in the bidding document

No.	Subject of Procurement	Amount (UGX)	Findings	Management Response
1.	Renovation of education office block at Adjumani DLG Head Quarters.	103,624,060	<ul style="list-style-type: none"> • Quality of the bidding document. SCC (GCC 1.1 (bb)) stated that the site location is Ajugopi HC II as per drawings. However, this project was for renovation of education office block at Adjumani DLG Head Quarters. SCC (GCC 1.1 (ee)) stated that the start date shall be the date of site hand over. This was not clear on when the contract was to commence. SCC (GCC 1.1 (ii)) The works consist of a renovation house. • Part 1 (Instruction to Bidders), the Entity required bidders to submit a recent bank statement. The period required was not clear. 	<p><i>No management response</i></p> <p><i>The bidding document required bidders to submit a recent bank statement with the latest bank statement.</i></p> <p>Authority's comment The Authority noted the Entity's response, and advises that, the Entity should always state the exact period for the</p>

No.	Subject of Procurement	Amount (UGX)	Findings	Management Response
				required documents to be submitted by the bidder.
2.	Design of Piped water supply system at Inriani Dinery.	44,960,000	<ul style="list-style-type: none"> • Failure to specify bid validity period. Part 2 of the bidding document stated that the bids must be valid for 120 days. • Unclear evaluation criteria. Part 2 (5) of the bidding document stated that bidders must submit past experience in similar assignments. This was not clear, the documents are required as evidence of past experience, period and worth how much were not specified. • The issued bidding document also required bidders to submit evidence of fulfilled obligations to pay taxes and social security contributions, however, the validity period of the required documents was not stated. 	<ul style="list-style-type: none"> • No management response provided.
	TOTAL	148,584,060		

Implication

Issuing bidding documents with incomplete and poor-quality bidding requirements misleads potential bidders into preparing non-responsive bids which results in low bidder participation and low bidder response.

Recommendations

1. The Head Procurement and Disposal Unit should:
 - a) Prepare solicitation documents that define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023;
 - b) 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; and

2. The Contracts Committee should quality assure all bidding documents to assess completeness and accuracy of the bidding requirements with emphasis on the section for statement of requirements.

2.1.8 Failure to prepare and issue bidding documents

Regulations 42, 43, 44 and 45 of the PPDA (Rules and Methods of Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 provide for the Procuring and Disposing Entity to prepare bidding documents that clearly define requirements and provide appropriate evaluation criteria, and also include all essential instructions, contract terms, and relevant procurement details. The Entity did not prepare bidding documents for nine procurements worth UGX. 770,857,523 and one revenue collection. This was attributed to non-compliance with procurement planning and documentation requirements, resulting in failure to prepare bidding documents. The details of the findings are in Table 9 below;

Table 9 : Procurements without bidding document

No.	Subject of procurement	Contract Value (UGX)	Irregularities found
1.	Supply of pressure switch and two submersible pumps with accessories.	67,753,000	<p>Failure to prepare the bidding documents. The bidding document was not in the procurement action file</p> <p>Management Response <i>The bidding documents issued were in form of soft copy.</i></p> <p>Authority's comment The Entity's response is noted; however, the Entity did not provide documentary evidence for verification.</p>
2.	Construction of drainable latrine at Zoka P/S.	29,579,178	
3.	Construction of drainable latrine at Bira HC III.	24,946,380	
4.	Renovation of classroom block at Meiaderi P/S.	168,975,315	
5.	Construction of staff house at Rende Primary School.	235,382,860	
6.	Supply and delivery of Science Kits and Chemical Reagents Lot 2 for Arinyapi Seed Secondary Schools.	52,653,000	
7.	Supply and delivery of Equipment: Lot 1 for Arinyapi Seed Secondary School.	149,797,790	
8.	Sitting, drilling, supervision of 15 Boreholes and 01 production well.	40,520,000	
9.	Revenue collection at Dzaipi market gate.	1,250,000 per month	
	TOTAL	770,857,523	

Implication

Failure to prepare and issue solicitation documents to bidders may lead to award of contracts to bidders who lack capacity or do not meet all the statutory requirements for participation in public procurement.

Recommendation

The Accounting Officer should task the Head, Procurement and Disposal Unit to explain why the bidding documents prepared for the various procurement activities were not maintained in their respective procurement action files.

2.1.9 Delays in the Procurement process

Section 51 of the PPDA Act, Cap. 205, provides that all procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money. The Authority observed average delays of 54 working days at various stages of procurement in 11 procurements worth UGX. 1,893,230,486. The root cause of the delays in the procurement process was attributed to inadequate preparation by the User Departments (lack of proper specifications and engineer's estimates), prolonged approval timelines by the Solicitor General, and weak contract management by the Contract Managers as detailed in Table 10 below.

Table 10 : Delays in the procurement process.

No.	Subject of procurement	Contract Value (UGX)	Exceptions	Management Response
1.	Renovation of facilities at Maaji Seed Secondary School	760,809,189	<ul style="list-style-type: none"> The Contracts Committee approved the bidding document and shortlist on 16th September 2024; however, bidders were invited on 30th December 2024 hence causing a delay of 73 working days. 	<p><i>The delay was caused by variation in engineers estimate after doing assessment, the first procurement requisition submitted by user department without doing assessment.</i></p> <p><i>This is because the first submission was UGX. 408,000,000 and second submission was UGX. 808,972,000 these were all submitted by User Department without engineers estimate. The final submission is now after engineers estimate at UGX. 766,972,000.</i></p> <p>Authority's comment The Entity's response is noted; however, the Authority observes laxity and weaknesses in the internal control administrative processes.</p>
2.	Supply of pressure switch and two submersible pumps with accessories.	67,753,000	<ul style="list-style-type: none"> The procurement was initiated on 22nd July 2024, the bidders were invited on 17th February 2025 hence causing 	<ul style="list-style-type: none"> <i>The procurement was imitated without a proper specification therefore it makes it hard for</i>

No.	Subject of procurement	Contract Value (UGX)	Exceptions	Management Response
			<p>a delay of 147 working days.</p> <ul style="list-style-type: none"> • Delay to prepare the bidding document. Whereas the procurement was initiated and Accounting Officer confirmed funding on 11th February 2025, Procurement and Disposal Unit submitted the procurement to the Contracts Committee for approval on 6th March 2025 causing a delay of 19 working days. 	<p><i>Procurement and Disposal Unit to invite bidders on time.</i></p> <ul style="list-style-type: none"> • <i>The bid document was prepared early but the assessment report was not finished on time.</i> <p>Authority's comment The Entity's response is noted; however, the Authority observes laxity and weaknesses in the internal control administrative processes.</p>
3.	Construction of drainable latrine at Zoka P/S	29,579,178	<ul style="list-style-type: none"> • The procurement was initiated on 2nd September 2024; the bidders were invited on 30th December 2024 hence causing a delay of 83 working days. • Delay to evaluate. Bids were opened on 13th January 2025 evaluation was conducted on 6th February 2025 causing a delay of 19 working days. 	<ul style="list-style-type: none"> • <i>The procurement was initiated without a proper scope of works and assessment reports therefore it makes it hard for Procurement and Disposal Unit to invite bidders on time.</i> <p>Authority's comment The Entity's response is noted; however, the Authority observes laxity and weaknesses in the internal control administrative processes.</p> <ul style="list-style-type: none"> • <i>No Management Response.</i>

No.	Subject of procurement	Contract Value (UGX)	Exceptions	Management Response
4.	Renovation of classroom block at Meiaderi P/S.	168,975,315	<ul style="list-style-type: none"> The procurement was initiated on 2nd September 2024; the bidders were invited on 30th December 2024 hence causing a delay of 83 working days. 	<ul style="list-style-type: none"> <i>The procurement was initiated without a proper scope of works and assessment reports therefore it makes it hard for Procurement and Disposal Unit to invite bidders on time.</i> <p>Authority's comment The Entity's response is noted; however, the Authority observes laxity and weaknesses in the internal control administrative processes.</p>
5.	Construction of drainable latrine at Bira HC III.	24,946,380	<ul style="list-style-type: none"> The Authority found that the procurement was initiated on 3rd December 2024, the bidders were invited on 30th December 2024 hence causing a delay of 18 working days. 	<ul style="list-style-type: none"> <i>The procurement was initiated without a proper scope of works and assessment reports therefore it makes it hard for Procurement and Disposal Unit to invite bidders on time.</i> <i>The construction of drainable latrine at pakele market had a problem location between the politicians and technical people.</i> <p>Authority's comment The Entity's response is noted; however, the Authority observes laxity and weaknesses in the internal control administrative processes.</p>
6.	Construction of drainable latrine at Pakele Market.	29,785,265		

No.	Subject of procurement	Contract Value (UGX)	Exceptions	Management Response
7.	Supply and delivery of Science Kits and Chemical Reagents Lot 2 for Arinyapi Seed Secondary Schools.	52,653,000	The Authority found that the procurement was initiated on 2 nd September 2024, the bidders were invited on 16 th December 2024 hence causing a delay of 75 working days.	<i>The invitation to bidders was carried out by the central government. We as a district were stop from inviting bidders.</i>
8.	Supply and delivery of Equipment: Lot 1 for Arinyapi Seed Secondary School.	149,797,790		
9.	Drilling of 15 boreholes and 01 production Borehole.	380,042,010	<ul style="list-style-type: none"> • Delay by the Entity to submit the request for clearance for contract signing to Solicitor General. Notice of BEB expired on 27th September, 2024, took 15 working days before writing to Solicitor General for approval of the procurement since its above 200 million. This was written on 18th October, 2024. • Delay by the Solicitor General to approve the request for clearance for contract signing. The entity sent the request on 18th October, 2024 and the approval was done on 2nd December, 2024. This took 32 working days. 	No Management Response
10.	Supply, delivery, installation,	125,265,299 (Lot 5)	Delay to sign the contract. Whereas the NoBEB expired on 16 th	No Management Response

No.	Subject of procurement	Contract Value (UGX)	Exceptions	Management Response
	user training and commissioning of assorted Medical Equipment for Adjumani DLG (Lot 5).	1,643,584,489 (for all Lots)	December 2024, the Solicitor General cleared the contract on 7 th February, the contract was signed on 30 th March 2025 causing a delay of 40 working days.	
11.	Renovation of education office block at Adjumani District Local Government Head Quarters	103,624,060	Delay to complete the works. Whereas the contractual period was 6 th August 2025, by 26 th September 2025, the physical progress was at 85% as per the progress report dated 26 th September 2025.	<i>Renovation is completed.</i> Authority's comment The Authority noted your comment but maintained the finding since no evidence was provided.
	TOTAL	1,893,230,486		

Implication

Delays in procurement processes may result into prolonged lead times in the procurement process hence hindering service delivery.

Recommendations

1. The Accounting Officer should;
 - a) Conduct all procurement and disposal activities in a manner that promotes economy, efficiency and value for money in accordance with Section 51 of the PPDA Act, Cap. 205.
 - b) Task the User Departments to prepare and submit the detailed specification at the time of requisition to avoid delay that denies timely service delivery to beneficiaries, in accordance with Regulation 35 (1) (b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023.
2. Task the Evaluation Committee to conclude the evaluation exercise within the time period specified under Regulation 4 (l) of the PPDA (Evaluation) Regulations, 2023.

2.1.10 Irregularities during the bidding process

Section 48 of the PPDA Act, Cap. 205 mandates that all procurement and disposal processes to be conducted in compliance with the principles of transparency, accountability, and fairness. However, the Authority identified irregularities in the bidding process. These irregularities were primarily attributed to weak oversight by the Procurement and Disposal Unit. Details of the affected procurements are presented in (i), (ii) and (iii) below;

(i) Low bidder participation

Section 49 of the PPDA Act, Cap. 205 stipulates that all procurement and disposal processes be conducted in a manner that maximizes competition and ensures value for money. The Authority observed low bidder participation in 11 procurements worth UGX. 1,492,485,247, with the Entity recording an average of only two bidders per procurement process. This was due to inadequate pre-qualification shortlists and the limited capacity of some shortlisted bidders, who lacked the required technical, financial, and experiential qualifications to

participate effectively. Additionally, some potential bidders preferred to engage with implementing partners (IPs) rather than the Entity. Details of these procurements are provided in Table 11 below.

Table 11 : Procurements with low bidder participation

No.	Subject of Procurement	Amount (UGX)	No. of shortlisted bidders	No. of bids received.
1.	Renovation of facilities at Maaji Seed Secondary School.	760,809,189	23	2
2.	Renovation of education office block at Adjumani DLG Head Quarters.	103,624,060	25	1
3.	Construction of drainable latrine at Zoka P/S.	29,579,178	25	2
4.	Construction of drainable latrine at Bira HC III.	24,946,380	17	2
5.	Renovation of classroom block at Meiaderi P/S.	168,975,315	23	2
6.	Construction of drainable latrine at Pakele Market.	29,785,265	17	2
7.	Construction of staff house at Rende Primary School.	235,382,860	23	4
8.	Design of Piped water supply system at Indriani Dinery.	44,960,000	3	2
9.	Supply and delivery of Science Kits and Chemical Reagents Lot 2 for Arinyapi Seed Secondary Schools.	52,653,000	2	2
10.	Sitting, drilling, supervision of 15 Boreholes and 01 production well.	40,520,000	3	2
11.	Revenue collection at Dzaipi market gate.	1,250,000 per month	3	3
	TOTAL	1,492,485,247		Average is 2

Implication

Low bidder participation compromises the achievement of competition and value for money in the Entity's procurement processes.

Recommendations

1. The Accounting Officer should conduct a bidder conference or an investigation through the Internal Auditor to find out why the bidders that were prequalified with the Entity do not participate when shortlisted and address the concerns raised. This will improve the level of confidence bidders have in the procurement processes of the Entity, thus, maximizing competition and achieving value for money in compliance with Section 49 of the PPDA Act, Cap. 205.; and
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 submit them to the Contracts Committee for approval in accordance with Regulation 20 (l) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

(ii) Failure to provide evidence for invitation of all the shortlisted bidders

Section 48 of the PPDA Act, Cap. 205 states that “all procurement and disposal shall be conducted in a manner which promotes transparency, accountability and fairness”. Further, Section 59 (1) of the PPDA Act, Cap. 205, states that “all communication between a Procuring and Disposing Entity, bidder, or provider, shall be in writing and may be transmitted electronically and communication of any other form shall be referred to and confirmed in writing”. The Authority noted that the Entity did not have evidence of invitation of all the shortlisted bidders in 13 procurement transactions worth UGX. 1,854,695,187. This was due to weak record management and poor documentation practices within the Procurement and Disposal Unit, resulting in failure to maintain evidence of bidder invitations as detailed in Table 12 below;

Table 12 : Procurements without Evidence of invitation of all the shortlisted bidders

No.	Subject of Procurement	Amount (UGX)	Findings
1.	Renovation of facilities at Maaji Seed Secondary School.	760,809,189	<i>No record of invitation of all the bidders that were shortlisted.</i>
2.	Renovation of education office block at Adjumani DLG Head Quarters.	103,624,060	
3.	Supply of pressure switch and two submersible pumps with accessories	67,753,000	<p><u>Management Response</u> All the bidders were invited. Find the attached copy of invitation to bidders.</p> <p>Authority’s comment The Authority noted your response but maintained the finding since no evidence of the invitation lists were provided.</p>
4.	Construction of drainable latrine at Zoka P/S.	29,579,178	
5.	Construction of drainable latrine at Bira HC III.	24,946,380	
6.	Renovation of classroom block at Meiaderi P/S.	168,975,315	
7.	Construction of drainable latrine at Pakele Market.	29,785,265	
8.	Design of Piped water supply system at Inriani Dinnery.	44,960,000	
9.	Drilling of 15 boreholes and 01 production Borehole.	380,042,010	
10.	Supply and delivery of Science Kits and Chemical Reagents Lot 2 for Arinyapi Seed Secondary Schools.	52,653,000	
11.	Supply and delivery of Equipment: Lot 1 for Arinyapi Seed Secondary School.	149,797,790	
12.	Sitting, drilling, supervision of 15 Boreholes and 01 production well.	40,520,000	
13.	Revenue collection at Dzaipi market gate.	1,250,000 per month	
TOTAL		1,854,695,187	

Implications

- This undermines the effectiveness of controls within the procurement process; and

- Failure to attach evidence of invitation of all the shortlisted bidders negatively impacts transparency and accountability.

Recommendations

The Accounting Officer should task the Procurement and Disposal Unit to;

1. Properly manage the evidence of the invitation of all bidders that were shortlisted in a manner that promotes transparency and accountability in compliance with Section 48 of the PPDA Act, Cap. 205; and
2. Make all communication with bidders and providers in writing, including electronic means, and any communication in other forms properly documented and confirmed in writing in accordance with Section 59 (1) of the PPDA Act, Cap. 205.

1.1.11 Gaps identified in the Entity's evaluation process

Bid evaluation is a crucial stage in identifying the most suitable bidder and should therefore be conducted with utmost diligence. However, the Authority observed the following anomalies in the evaluation process.

(i) Failure to include a member from PDU on the Evaluation Committee

Section 34 (a) of the PPDA Act, Cap. 205 states that a Procurement and Disposal Unit shall have the power to recommend the composition of the Evaluation Committees for approval of the Contracts Committee. Furthermore Regulation 22 (b) of the PPDA (Evaluations) Regulations 2023 stipulates that an Evaluation Committee shall have among its members a member of the Procurement and Disposal Unit. The Authority noted that in eight procurements worth UGX. 824,639,515, there was no representative from the Procurement and Disposal Unit on the Evaluation Committees that were approved by the Contracts Committee, as detailed in Table 13 below.

Table 13 : Procurement transactions with Evaluation Committees composed irregularly

No.	Subject of procurement	Contract Value (UGX)	Exceptions	Management Response
1.	Supply of pressure switch and two submersibles pumps with accessories.	67,753,000	Failure to include a member of Procurement and Disposal Unit on the Evaluation Committee. The Committee included the following members: Mr. Richard K Izakare - District Water Resource Officer, Mr. Bazil Drichi – Borehole Maintenance Technician and Mr. Alli Sadia - Senior Assistant Accountant.	<i>It's true some Evaluation Committees were constituted without a member of the Procurement and Disposal Unit but all the subsequent Evaluation Committees included a member of Procurement and Disposal Unit to provide the required skills and knowledge to effectively evaluate submitted bids.</i>
2.	Design of Piped water supply system at Indriani Dinnery	44,960,000		
3.	Sitting, drilling, supervision of 15	40,520,000		

No.	Subject of procurement	Contract Value (UGX)	Exceptions	Management Response
	Boreholes and 01 production well.			
4.	Construction of drainable latrine at Bira HC III.	24,946,380	Failure to have a member of the Procurement and Disposal Unit on Evaluation Committee. The Evaluation Committee had the following members: Mr. Fred Moini - District Planner, Mr. Nobert Mawadri - Assistant Engineering Officer and Mr. Robert Edema - Senior Assistant Accountant	
5.	Construction of drainable latrine at Pakele Market Silver Court Lounge SMC Ltd.	29,785,265		
6.	Construction of staff house at Rende Primary School.	235,382,860	Failure to have a member of the Procurement and Disposal Unit on the Evaluation Committee. The Evaluation Committee had the following members: Mr. Dima Robert (District Education Officer), Mr. Mawadri Nobert (Assistant Engineering Officer), and Mr. Waigo Micheal Otika (Senior Assistant Accountant).	
7.	Drilling of 15 boreholes and 01 production Borehole.	380,042,010		
8.	Revenue collection at Dzaipi market gate.	1,250,000 per month	Failure to have a member of Procurement and Disposal Unit on the Evaluation Committee. The Evaluation Committee had the following members: Mr. Eriku Patrick Keleture	

No.	Subject of procurement	Contract Value (UGX)	Exceptions	Management Response
			(Town Clerk – ATC), Mr. Sabi Jackson Yazid (Town Clerk – PTC), Mr. Mindra Francis (SACAO – Ukusijoni), Mr. Okello Justin (SACAO – Itirikwa), Ms. Maliama Proscovia (SACAO – Dzaipi) and Mr. Agwe Vudri Paul (SACAO – Pakele) and Ms. Anzoo Rose (SACAO – Ciforo).	
	TOTAL	824,639,515		

Implication

The absence of a Procurement and Disposal Unit representative on the Evaluation Committee may lead to non-compliance with regulatory requirements resulting in complaints and unnecessary administrative review proceedings.

Recommendation

The Contracts Committee should only approve Evaluation Committees that include a person representing the Procurement and Disposal Unit in compliance with Section 30 (b) of the PPDA Act, Cap. 205.

(ii) Passing of a non - compliant bidders

Regulation 3 (2) (b) of the PPDA (Evaluation) Regulations, 2023 provides that the Chairperson of the Evaluation Committee shall be responsible for conducting the evaluation in accordance with the bidding document.

In four of the sampled procurements worth UGX. 179,770,443, the Entity awarded contracts to non - complaint bidders and this was attributed to the Evaluation Committee deviating from the set Evaluation Criteria in the Standard Bidding Document and instead introducing new criteria at Evaluation as detailed in Table 14 below:

Table 14: Procurements with contracts awarded to non-compliant bidders

No.	Subject of procurement	Contract Value (UGX)	Exceptions	Management Response
1.	Supply of pressure switch and two submersible pumps with accessories.	67,753,000	Passing of a non - compliant bidder. The Best Evaluated Bidder Jack and Friends Establishment Ltd. did not quote for all the items. The BEB did not quote for Item No. 14 (1pc of Earthing and lightening protection complete with copper rods) and Item No.	No Management response.

No.	Subject of procurement	Contract Value (UGX)	Exceptions	Management Response
			13 (Ipc of Change over switch rating 7.5kw)	
2.	Construction of drainable latrine at Zoka P/S	29,579,178	Failure by DARMUBS Enterprises the (BEB) to submit the academic certificates of the staff. The bidder submitted only the CVs for Mr. Chris Bic Byaruhanga (Project Manager) and Mr. Silver Nuwagaba (Site Engineer), however, this was contrary to the requirement for Diploma in Civil and Building Engineering and Certificate in concrete works and brick laying respectively.	<i>The BEB submitted bachelor's degree for staff as a requirement. This was treated as an added advantage over diploma but we did not disqualify other bidders who submitted diploma holders.</i> Authority's comment The Entity did not submit the academic documents for consideration.
3.	Construction of drainable latrine at Pakele Market Silver Court Lounge SMC Ltd	29,785,265	Passing of a non - compliant bidder. Silver Court Lounge SMC Ltd. provided a bid validity period of 2 nd May 2025 instead of 30 th June 2025 as it was required.	No Management Response.
4.	Supply and delivery of Science Kits and Chemical Reagents Lot 2 for Arinyapi Seed Secondary Schools.	52,653,000	Passing of the non-compliant bidder at preliminary stage. AN. Ddamulira Ltd. submitted a bid with a Bid submission sheet that was not signed and stamped yet was considered compliant and Best Evaluated Bidder.	<i>The bid submission Sheed of AN Ddamulira Ltd was signed.</i> Authority's comment The Entity did not submit the signed copy of the bid submission sheet for Authority's consideration.
5.	TOTAL	179,770,443		

Implications

- This is an indicator that members of the Evaluation Committees had unethical tendencies or lacked adequate capacity to review bids which compromised fairness and transparency in the evaluation process.
- This exposed the Entity to the risk of;
 - a) Award of contracts to non-compliant bidders that cannot deliver the envisioned objectives of the procurement; and

- b) Administrative reviews from the disadvantaged bidders that may cause delays in the procurement process and service delivery.

Recommendations

1. The Accounting Officer should task the Evaluation Committee members to show cause why disciplinary action should not be taken against them for deviating from the evaluation criteria stated in the solicitation document.
2. The Evaluation Committees should strictly adhere to the evaluation criteria outlined in the solicitation documents. Firms that do not comply should be eliminated in accordance with Regulations 5 (1) and (2) of the PPDA (Evaluation) Regulations, 2023.

(iii) Irregularities in the evaluation process

Regulations 18 (4) and 19 (4) of the PPDA (Evaluation) Regulations, 2023 provide for conditions for rejection of non-compliant bids under administrative compliance and detailed evaluation respectively. The Authority observed that four procurements worth UGX. 1,716,692,999 had irregularities in bid evaluation. This was due to poor selection of Evaluation Committee members. Table 15 below shows procurements with irregularities at evaluation.

Table 15 : Procurements with irregularities in the evaluation process

No.	Subject of Procurement	Amount (UGX)	Findings	Management Response
1.	Renovation of facilities at Maaji Seed Secondary School. DARMUBS Enterprises	760,809,189	<ul style="list-style-type: none"> • Change of the percentage for contingency. The issued BoQs required a contingency of 2.5%, however, the Best Evaluated Bidder DARMUBS Enterprises added a contingency of 5% totaling to UGX. 36,229,009. • DARMUBS Enterprises submitted two contradicting Powers of Attorney. The specific POA dated 13th February 2025 was given to Mr. Rasul Ali and the general POA dated 26th October 2022 was given to Mr. Malik Shaban. 	<i>Powers of Attorney submitted were all registered by URSB.</i>

No.	Subject of Procurement	Amount (UGX)	Findings	Management Response
2.	Supply of pressure switch and two submersible pumps with accessories	67,753,000	<ul style="list-style-type: none"> • Quality of the evaluation report. Whereas the Entity used technical compliance selection methodology, the bids were not evaluated on preliminary, administrative and technical stages. Bids were only evaluated at financial stage. • Failure by the Best Evaluated Bidder Jack and Friends Establishment Ltd. to state the delivery date. • Failure by the Evaluation Committee to sign ethical code of conduct. 	<ul style="list-style-type: none"> • <i>Bids were only evaluated at financial stage as bidders were required to submit quotation for the supply as being prequalified firms.</i> • <i>The items were all delivered on time find the attached delivery note and goods received note.</i> • <i>All Evaluation Committee members signed the ethical code of conduct.</i> <p>Authority's comment The management response was noted, however, the Entity did not submit the documents to substantiate their submission.</p>
3.	Drilling of 15 boreholes and 01 production Borehole.	380,042,010	Unclear Evaluation Criteria. Failure to state the clear validity of the NSSF Certificate.	No Management Response
4.	Design, supply and Installations of Micro Scale Irrigation Systems. Reliefline (U) Ltd	508,088,800	Unfair evaluation. Section 3 Evaluation Methodology and criteria (Preliminary examination criteria) 3.2 (g) required bidders to submit 'bidder's certificate of Social Security contributions in Uganda'. However, the Evaluation Committee eliminated the following bidders who had submitted NSSF Certificates of 2024 indicating that the certificate had expired yet the issued bidding document did not state the required validity period of the certificate as seen in the table below.	<ul style="list-style-type: none"> • <i>The evaluation committee were approved by contracts committee.</i> • <i>The NSSF Certificate required was a valid one and according to the requirement, it is issued every month therefore it does not require the period to be stated when we clearly said valid one.</i>

No.	Subject of Procurement	Amount (UGX)	Findings		Management Response
			Name of the bidder	Reason for elimination indicated in the evaluation report and NOBEB.	
			ICON Projects Ltd.	NSSF Certificate attached expired 21/07/2024.	
			Doshnut (U) Ltd.	NSSF Certificate attached is expired on 7/08/2024.	
	TOTAL	1,716,692,999			

Implications

- Irregular evaluation of bids exposes the Entity to the risk of not getting the best bidder in terms of quality and cost and is also unfair to the undeservingly eliminated bidders; and
- Irregularities in bid evaluation hinders fairness in the procurement process.

Recommendations

1. The Accounting Officer should task the Head procurement and Disposal Unit always:
 - i. Guide that bids are evaluated based on set criteria in the bidding document and in compliance with Regulation 5 (l) of the PPDA (Evaluation) Regulations, 2023; and
 - ii. Review the evaluation reports to validate the proposed recommendations, before presenting them for approval and contract award by the Contracts Committee as required under Regulation 12 (4) of the PPDA (Evaluation) Regulations, 2023.
2. The Contracts Committee should always verify that a member of the Procurement and Disposal Unit is amongst the nominated members of the Evaluation Committee submitted for approval in accordance with Regulation 2 (2) (b) of the PPDA (Evaluation) Regulations, 2023.

2.1.12 Anomalies identified at contracting process

The contracting stage that follows the award of a contract is a critical and highly sensitive phase in the procurement cycle, playing a key role in enabling the Entity to achieve its procurement objectives. However, the following irregularities were noted in the Entity's contracting process.

(i) Change of Special Conditions of Contract at contracting

Section 67 (2) (a) of the PPDA Act, Cap. 205. provides that all solicitation documents shall detail the terms and conditions, which shall apply to any resulting contract and Regulation 9 (2) of the PPDA (Contracts) Regulations, 2023 states that "a contract document shall be in accordance with the form of contract specified in the bidding document". The Authority found that the Entity irregularly changed the Special Conditions of Contract for two procurements worth UGX. 128,570,440. This was due to a weak internal contract management control system. The procurements are detailed in Table 16 below.

Table 16 : Procurements with change of Special Conditions of Contract at contracting

No.	Subject of procurement	Amount (UGX)	Exceptions															
1.	Renovation of education office block at Adjumani DLG Head Quarters.	103,624,060	<p>Change of contract conditions at contracting.</p> <table border="1" data-bbox="719 322 1378 1653"> <thead> <tr> <th data-bbox="727 322 1043 427">Special Conditions of Contract in the issued bidding document</th> <th data-bbox="1048 322 1370 427">Special Conditions of Contract in the signed contract</th> </tr> </thead> <tbody> <tr> <td data-bbox="727 434 1043 533">SCC (GCC1.1(bb)): The site is located at Ajugopi HC 11.</td> <td data-bbox="1048 434 1370 533">SCC (GCC1.1(bb)): The site is located at District Education Office.</td> </tr> <tr> <td data-bbox="727 539 1043 913">SCC (GCC 1.1 (ii)): The works consist of renovation of staff house.</td> <td data-bbox="1048 539 1370 913">SCC (GCC 1.1 (ii)): The works consist of renovation with the scope of works including not limited to the following: Preliminaries, windows, doors, floor finishes and ceiling, wall finishes, power and lifting and mechanical installation.</td> </tr> <tr> <td data-bbox="727 920 1043 1227">SCC (GCC 13.1): The minimum insurance covers shall be; a) Works, plants and material 10% of contract value. b) Equipment- UGX 5,000,000. Property-UGX 100M.</td> <td data-bbox="1048 920 1370 1227">SCC (GCC 13.1): The minimum insurance covers shall be; a) Works, plants and material-N/A b) Equipment- N/A</td> </tr> <tr> <td data-bbox="727 1234 1043 1361">SCC (CGG 35.1): The defects liability period is 180 days.</td> <td data-bbox="1048 1234 1370 1361">SCC (CGG 35.1): The defects liability period is 6 months from the date of completion.</td> </tr> <tr> <td data-bbox="727 1368 1043 1473">Retention - Not provided.</td> <td data-bbox="1048 1368 1370 1473">SCC (GCC 48.1): The proportion of payments retained is 15%.</td> </tr> <tr> <td data-bbox="727 1480 1043 1653">Liquidated damages- Not provided.</td> <td data-bbox="1048 1480 1370 1653">SCC (GCC 49.1) Liquidated damages for the whole of the works are 0.005% of the contract value.</td> </tr> </tbody> </table>		Special Conditions of Contract in the issued bidding document	Special Conditions of Contract in the signed contract	SCC (GCC1.1(bb)): The site is located at Ajugopi HC 11.	SCC (GCC1.1(bb)): The site is located at District Education Office.	SCC (GCC 1.1 (ii)): The works consist of renovation of staff house.	SCC (GCC 1.1 (ii)): The works consist of renovation with the scope of works including not limited to the following: Preliminaries, windows, doors, floor finishes and ceiling, wall finishes, power and lifting and mechanical installation.	SCC (GCC 13.1): The minimum insurance covers shall be; a) Works, plants and material 10% of contract value. b) Equipment- UGX 5,000,000. Property-UGX 100M.	SCC (GCC 13.1): The minimum insurance covers shall be; a) Works, plants and material-N/A b) Equipment- N/A	SCC (CGG 35.1): The defects liability period is 180 days.	SCC (CGG 35.1): The defects liability period is 6 months from the date of completion.	Retention - Not provided.	SCC (GCC 48.1): The proportion of payments retained is 15%.	Liquidated damages- Not provided.	SCC (GCC 49.1) Liquidated damages for the whole of the works are 0.005% of the contract value.
Special Conditions of Contract in the issued bidding document	Special Conditions of Contract in the signed contract																	
SCC (GCC1.1(bb)): The site is located at Ajugopi HC 11.	SCC (GCC1.1(bb)): The site is located at District Education Office.																	
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Liquidated damages- Not provided.	SCC (GCC 49.1) Liquidated damages for the whole of the works are 0.005% of the contract value.																	
2.	Construction of drainable latrine at Bira HCIII.	24,946,380	<p>Change of contract conditions at contracting.</p> <table border="1" data-bbox="719 1688 1378 1859"> <thead> <tr> <th data-bbox="727 1688 1043 1794">Special Conditions of Contract in the issued bidding document</th> <th data-bbox="1048 1688 1370 1794">Special Conditions of Contract in the signed contract</th> </tr> </thead> <tbody> <tr> <td data-bbox="727 1800 1043 1859">27.1. No program updates shall be required.</td> <td data-bbox="1048 1800 1370 1859">SCC (GCC) in the signed contract</td> </tr> </tbody> </table>		Special Conditions of Contract in the issued bidding document	Special Conditions of Contract in the signed contract	27.1. No program updates shall be required.	SCC (GCC) in the signed contract										
Special Conditions of Contract in the issued bidding document	Special Conditions of Contract in the signed contract																	
27.1. No program updates shall be required.	SCC (GCC) in the signed contract																	

No.	Subject of procurement	Amount (UGX)	Exceptions	
			27.1. No program updates shall be required.	27.1. The contractor shall submit the program for the works within 28 days of delivery of the letter of acceptance.
			N/A	27.3 The amount to be withheld for late submission of an updated program is UGX. 50,000.
			49.1 Liquidated damages shall apply.	49.1 The liquidated damages for the whole of the works are 0.005% of the contract value. The maximum liquidated damages shall be 0.05%.
			N/A	14.1 Site investigation reports shall be part of the contract.
			60.1 The percentage to apply the value of the work not completed, representing the employer's additional cost for completing the works is N/A	60.1 The percentage to apply to the value of the work not completed, representing the employer's additional cost for completing the works is 5%.
	TOTAL	128,570,440		

Implication

Signing incomplete contracts may result into disputes and litigations due to unclear and ambiguous terms and conditions that may deter effective contract management by the Entity.

Management Response

The changes were noted for subsequent corrections.

Recommendations

The Authority noted the Entity's response and recommends as follows:

1. The Head Procurement and Disposal Unit should prepare contract documents that are well detailed with all the key documents meant to form part of the contracts and unambiguous in accordance with Regulation 9 of the PPDA (Contracts) Regulations, 2023.
2. The Contracts Committee should scrutinize contract documents for completeness, consistency, correctness, and accuracy before approval in accordance with Section 31 (1) (a) (iv) of the PPDA Act, Cap. 205.

(ii) Insufficient period for display of the Best Evaluated Bidder Notice

Regulation 3 (l) of the PPDA (Contracts) Regulations, 2023 provides that “a Procuring and Disposing Entity shall, within five working days after the Contracts Committee’s award decision, display the notice of the best evaluated bidder on its notice board for ten working days”. The Authority noted that in two procurement transactions worth UGX. 54,525,558, the Entity provided insufficient period for the display of the Best Evaluated Bidder Notice. The Best Evaluated Bidder Notice was displayed for nine working days from 11th February 2025 to 21st February 2025, instead of ten working days. This was due to oversight by the Procurement and Disposal Unit in adhering to the prescribed display period as detailed in Table 17 below.

Table 17 : Procurements with Insufficient period for display of the Best Evaluated Bidder Notice

No.	Subject of procurement	Contract Value (UGX)	Exceptions	Management Response
1.	Construction of drainable latrine at Bira HCIII.	24,946,380	Display of NOBEB for less than 10 working days: Display date was 11 th February 2025 with a removal date of 21 st February 2025 making it nine working days.	<i>It's true that the BEB was displayed less by one day</i>
2.	Construction of drainable latrine at Zoka P/S.	29,579,178		
	TOTAL	54,525,558		

Implication

Displaying the Best Evaluated Bidder notice for an insufficient period may deny bidders the opportunity to file administrative reviews if dissatisfied with the evaluation results.

Recommendation

The Head, Procurement and Disposal Unit should verify that the Best Evaluated Bidder Notices are displayed for ten working days as required in accordance with Regulation 3 (l) of the PPDA (Contracts) Regulations, 2023.

(iii) Regulation 6 (l) (f) of the PPDA (Contracts) Regulations, 2023 states that “A Procuring and Disposing Entity shall not issue a contract, purchase order, or other communication in any form, conveying acceptance of a bid that binds a Procuring and Disposing Entity to a contract with a provider, except where— all the relevant agencies, including, were applicable, the Attorney General, make the necessary approval of the contract”. The Authority noted that the Entity did not implement the Solicitor General’s recommendations in a procurement transaction worth UGX. 125,265,299 (Lot 5), UGX. 1,643,584,489 (for all Lots) which was due to weak enforcement of contract approval conditions before implementation in Table 18 below.

Table 18 : Procurement where Solicitor General’s recommendations where not implemented.

No.	Subject of Procurement	Amount (UGX)	PPDA Findings	Management Response
1.	Supply, delivery, installation, user training and	125,265,299 (Lot 5) 1,643,584,489	• Failure to implement the Solicitor General’s recommendations. Solicitor General recommended the following amendments;	• <i>This was a hybrid procurement the bid document and contract document were</i>

No.	Subject of Procurement	Amount (UGX)	PPDA Findings	Management Response
	commissioning of assorted Medical Equipment for Adjumani DLG (Lot 5).	(for all Lots)	<ol style="list-style-type: none"> 1. SCC (GCC 10.2) (on settlement of disputes) to state that ‘if the parties fail to resolve such a dispute or difference by mutual consultation within twenty eight days from the commencement of consultation, either party may refer the dispute to a Court of competent jurisdiction in Uganda’ however this was not changed in the signed contract, it stated that ‘the formal mechanism for the resolution of disputes shall be the Arbitration and Conciliation Act, 2000 of Uganda’ 2. SCC (GCC 17.1) (Advance payment guarantee) should be amended to read ‘The advance payment shall be 30% of the contract sum payable upon submission of a three months’ irrevocable and unconditional Bank Guarantee from a reputable bank regulated by Bank of Uganda’. The Entity signed the contract with SCC (GCC 17.1) which stated that ‘an advance payment guarantee shall be 30%. The period of validity of Advance Payment Guarantee shall be 3 months’ 3. SCC (GCC 19.3) (on form of Performance Security), this should be amended to read ‘Performance Security shall be an irrevocable, unconditional on demand bank guarantee from a recognized bank regulated by Bank of Uganda’ The 	<p><i>prepared by Ministry of Health because of that we no power to alter or amend the conditions stated in the agreement</i></p> <ul style="list-style-type: none"> • <i>The Entity has written a letter to CEM Enterprises Ltd. and requested the enterprises to deliver the remaining equipment, install and carry out user training.</i> • <i>The enterprises promise in a phone conversation on 29th January 2026 to deliver the remaining medical equipment on 2nd February 2026</i> • <i>Failure to appoint contract manager is a real oversight and it's noted in future contract management</i> • <i>The Enterprises did not request for the advance payment and coupled with delay to supply we could not even ask the Enterprises to request for advance payment.</i> • <i>No contract management report, this was due to non-appointment of a</i>

No.	Subject of Procurement	Amount (UGX)	PPDA Findings	Management Response
			<p>signed contract-maintained SCC (GCC 19.3) which stated that ‘the forms of acceptable Performance Securities are Bank Guarantee from a recognized bank in Uganda’</p> <ul style="list-style-type: none"> • Irregular contract signing on a public holiday/Sunday. The Authority found that the Entity signed the contract on Sunday 30th March 2025 which was also Eid al-Fitr day (public holiday) in Uganda. • Failure by the supplier CEM Enterprises (U) Limited to submit Performance Security within 21 days of contract signing as it was required. There is no evidence that the supplier submitted the Performance Security. 	<p><i>contract manager and its noted for action in future contract management.</i></p>

Implication

Failure to implement recommendations of the office of the Solicitor General undermined the legal opinion of the same office in the procurement process that exposed the Entity to the risk of being at a disadvantage in the event providers take legal action on any omission of the contract terms and conditions during the contract implementation period.

Recommendation

The Accounting Officer should sign contracts with providers after implementing the Solicitor General's recommendations, so as to protect the Entity from being at a disadvantage in the event that the providers take legal action in any omission or breach of the contract terms and conditions during the contract implementation period.

(iv) Missing Contracts Committee Minutes

Regulation 8 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 provides that the secretary of a Contracts Committee shall record the minutes of a meeting of the Contracts Committee. The Contracts Committee did not prepare Contracts Committee minutes approving the evaluation report for Construction of drainable latrine at Bira HCIII worth UGX. 24,946,380. This was attributed to non-compliance by the Contracts Committee Secretary in recording and documenting meeting proceedings as detailed in Table 19 below.

Implication

This affected transparency in the procurement process.

Management Response

The contracts committee approved the evaluation report and awarded the contract. The minute is available for your review.

Authority's comment

The Authority noted the management response but maintained the finding since no evidence of the Contracts Committee minutes approving the evaluation report were provided.

Recommendation

The secretary of the Contracts Committee should always record and prepare the minutes of the Contracts Committee meetings in accordance with Regulation 8 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.2 EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION INCLUDING THE APPLICATION OF ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY (ESHS) SAFEGUARD REQUIREMENTS

2.2.1 Anomalies in contract management

(i) Failure to appoint Contract Managers

Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023, requires the User Department to nominate, a member of the User Department, with appropriate skills and experience, or a person who is supervised by a member of the User Department who has the appropriate skills and experience, to be appointed as contract manager. The Authority found that contract managers were not appointed in five sampled procurements worth UGX. 763,378,099, this was attributed to failure by User Departments to comply with Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023. These procurements are detailed in Table 19 below.

Table 19: Procurements without appointed Contract Managers

No	Subject of Procurement	Amount (UGX)
1.	Supply, delivery, installation, user training and commissioning of assorted Medical Equipment for Adjumani DLG (Lot 5).	125,265,299(Lot 5) 1,643,584,489 for all lots
2.	Supply and delivery of Equipment: Lot 1 for Arinyapi Seed Secondary School.	149,797,790
3.	Drilling of 15 boreholes and 01 production Borehole.	380,042,010
4.	Sitting, drilling, supervision of 15 Boreholes and 01 production well.	40,520,000
5.	Supply of pressure switch and two submersible pumps with accessories.	67,753,000
	TOTAL	763,378,099

Implication

Failure to appoint a contract manager affected timely and effective monitoring and supervision of the works hence delayed service delivery.

Management Response

Contract Managers were appointed and appointments are present for review.

Authority's Comment

The management response is noted; however, the Authority maintained the finding since no evidence of the appointment letters were provided for verification.

Recommendation

1. The Heads of the User Departments should nominate personnel with appropriate skills and experience for subsequent appointment by the Accounting Officer as contract managers to supervise and report on the implementation of the contracts in accordance with Regulations 50 (l) and 51 (l) of the PPDA (Contracts) Regulations, 2023.
2. The Head, Procurement and Disposal Unit should always keep all records regarding procurement and disposal proceedings including appointment of the Contract Managers and have them filed in their respective files in accordance with Section 33 (o) of the PPDA Act, Cap. 205.

(ii) Failure by the Contract Managers to prepare contract management plans

Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023 states that “*Upon receipt of the contract, the contract manager shall prepare a contract management plan using Form 49 in Schedule 2 to these Regulations and forward a copy of the contract management plan to the Procurement and Disposal Unit for purposes of monitoring*”. The Authority found that the Contract Managers did not prepare contract management plans in 11 procurements worth UGX. 1,881,097,486. This was due to non-appointment of Contract Managers which led to lack of accountability for contract management functions, resulting in failure to prepare contract management plans as indicated in Table 20 below.

Table 20: Procurements without contract management plans

No	Subject of Procurement	Amount (UGX)
1.	Renovation of facilities at Maaji Seed Secondary School.	760,809,189
2.	Supply, delivery, installation, user training and commissioning of assorted Medical Equipment for Adjumani DLG (Lot 5)	125,265,299(Lot 5)
3.	Supply and delivery of Equipment: Lot 1 for Arinyapi Seed Secondary School.	149,797,790
4.	Renovation of education office block at Adjumani DLG Head Quarters.	103,624,060
5.	Construction of drainable latrine at Zoka P/S.	29,579,178
6.	Construction of drainable latrine at Bira HCIII.	24,946,380
7.	Drilling of 15 boreholes and 01 production Borehole.	380,042,010
8.	Renovation of classroom block at Meiaderi P/S.	168,975,315
9.	Sitting, drilling, supervision of 15 Boreholes and 01 production well.	40,520,000
10.	Construction of drainable latrine at Pakele Market.	29,785,265
11.	Supply of pressure switch and two submersible pumps with accessories.	67,753,000
	TOTAL	1,881,097,486

Implication

Failure by the Contract Managers to prepare contract management plans, hindered the entity from effectively monitoring, tracking of key milestones and supervising the contractor to meet the contractual obligations.

Management Response

Contract management plans were prepared and available for your review.

Authority's Comment

The Authority noted the management response, however, the documents referred to in the management response were not provided for verification.

Recommendation

1. Contract Managers should prepare contract management plans in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023 and also closely monitor the execution of contracts.
2. The Head, Procurement and Disposal Unit should always keep all records regarding procurement and disposal proceedings including contract management plan and have them filed in their respective files in accordance with Section 33 (o) of the PPDA Act, Cap. 205.

(iii) Missing Records on Procurement Action Files

Section 44 of the PPDA Act, Cap. 205 provides that the Procuring and Disposing Entity shall maintain records on its procurement and disposal proceedings for a period of seven years from the date of a decision to terminate the procurement and disposal action, or the date of contract completion, whichever comes later. In seven procurements worth UGX. 1,532,331,314, had missing records such as the progress reports, payment records, handover certificate on the respective procurement action files which was attributed to poor record management by the Procurement and Disposal Unit as indicated in Table 21 below:

Table 21: Procurements with Missing Records

No	Subject of Procurement	Amount (UGX)	Findings
1.	Renovation of facilities at Maaji Seed Secondary School.	760,809,189	• Monthly Progress reports.
2.	Supply and delivery of Equipment: Lot 1 for Arinyapi Seed Secondary School.	149,797,790	
3.	Renovation of education office block at Adjumani District Local Government Head Quarters.	103,624,060	• Progress reports. • Payment records. • Handover certificate.
4.	Drilling of 15 boreholes and 01 production Borehole.	380,042,010	
5.	Sitting, drilling, supervision of 15 Boreholes and 01 production well.	40,520,000	
6.	Construction of drainable latrine at Pakele Market.	29,785,265	• Progress reports. • Handover certificate.
7.	Supply of pressure switch and two submersible pumps with accessories.	67,753,000	• Payment records.
	TOTAL	1,532,331,314	

Implication

Poor record keeping limits the audit trail thus hindering transparency and accountability in the procurement process.

Management Response

The documents have been submitted for your review.

Authority's comment

The Authority noted the management response, however, the documents referred to in the management response were not provided for verification.

Recommendation

The Accounting Officer should task the Head, Procurement and Disposal Unit to always keep all records regarding procurement and disposal proceedings and filed in their respective files in accordance with Section 33 (o) of the PPDA Act, Cap. 205.

(iv) Anomalies in contract management

Regulation 50 of the PPDA (Contracts) Regulations, 2023 mandates the Accounting Officer to appoint a Contract Manager. Regulation 52 of the PPDA (Contracts) Regulations, 2023 empowers the Contract Mager to manage and ascertain that the provider performs the contract in accordance with the terms and conditions specified in the contract. The Authority found anomalies in contract management in the following five procurements worth UGX. 1,679,935,161. This was due to weak contract monitoring mechanism in the Entity as seen in Table 22 below.

Table 22: Procurements with Anomalies in contract management

No.	Subject of Procurement	Amount (UGX)	Findings	Management Response
1.	Renovation of facilities at Maaji Seed Secondary School.	760,809,189	Failure to complete the project.	No Management Response.
2.	Supply, delivery, installation, user training and commissioning of assorted Medical Equipment for Adjumani DLG (Lot 5).	125,265,299 (Lot 5)	<ul style="list-style-type: none">• Failure by the CEM Enterprises (U) Limited to deliver items. GCC 12 of the contract stated that the date of delivery shall be within three months of signing the contract, the contract was signed on 30th March 2025, however, at the time of this audit, on 10th October 2025, the items had not been supplied. The contractual date was up to 30th June 2025.• Failure to revoke SCC (GCC 28) of the contract. SCC (GCC 28) of the signed	<i>CEM Enterprises (U) Limited has delivered all the items.</i>

No.	Subject of Procurement	Amount (UGX)	Findings	Management Response
			contract stated that liquidated damages shall apply, the liquidated damage shall be at the rate of 0.2% per week. The maximum amount of liquidated damages shall be 2% of the contract value. The Entity should deduct UGX. 32,871,689 from the contractor for late delivery.	
3.	Construction of drainable latrine at Zoka P/S.	29,579,178	Failure to revoke SCC (GCC 27.3) which states that the period between program updates is 28. The amount to be withheld for late submission of updated program is UGX. 50,000.	<i>Contract Management plan not prepared but the construction is completed and on use.</i>
4.	Construction of drainable latrine at Bira HCIII	24,946,380	Failure to revoke SCC (GCC 27.3) which stated that the period between program updates is 28 days. The amount to be withheld for late submission of updated program is UGX. 50,000.	<i>Contract Management plan not prepared and the project is handed over to the beneficiary.</i>
5.	Renovation of classroom block at Meiaderi P/S.	168,975,315	<ul style="list-style-type: none"> • Incomplete and expired contract. The contract expired on 17th August 2025 when it was incomplete. • Failure to pay the contractor. Only UGX. 23,546,493 was paid out of UGX. 168,975,315. 	No Management Responses submitted.
6.	Drilling of 15 boreholes and 01 production Borehole.	380,042,010	<ul style="list-style-type: none"> • Variation of a contract beyond 25% of the contract value. First variation for two 	<ul style="list-style-type: none"> • <i>There are no fresh BoQs for the additional boreholes. Prorata rates and</i>

No.	Subject of Procurement	Amount (UGX)	Findings	Management Response
	<p>Procurement Method: Restricted bidding.</p> <p>Contractor: Mama Bore Well Africa Ltd.</p>		<p>boreholes costed UGX. 43,743,780 and the second variation of one additional borehole costed 51, 963,660 totaling to UGX. 95,707,440 which exceeded the 25% of the original contract sum. The 25% of the original contract price was UGX. 95,010502.5, yet the variation is UGX. 95,707,440 which exceeds by UGX. 696,937.5 (25%) of the original contract price.</p> <ul style="list-style-type: none"> • Failure to conduct site surveys (sitting) for the added three boreholes as stated in the two internal memos from the Civil Engineer Water (Addendum No.1 dated 20th February, 2025 and Addendum No. 2 dated 4th April, 2025). • Failure to attach BoQs for the additional three boreholes to be drilled. • Unclear unit cost of each of the added three boreholes. Two boreholes costed UGX. 43,743,780 and the second variation of one additional borehole costed UGX. 51, 963,660. 	<p><i>agreed BoQs were used for the additional boreholes after savings was realized in the cost of measurement of quantities of executed works. UGX. 43,743,780 is the cost of two additional hand pumped boreholes each costing UGX. 21,871,890. UGX. 51,963,660 is the cost of drilling one production borehole. See original BoQs attached.</i></p> <ul style="list-style-type: none"> • <i>Siting (site surveys) were conducted for the 3 boreholes.</i> • <i>The original BoQs for the contractor was used find the attached copy.</i> • <i>The substantial completion certificate was prepared find the attached for your review.</i> • <i>The payment records were with the sector accountant.</i> <p>Authority's comment: The Entity did not submit any</p>

No.	Subject of Procurement	Amount (UGX)	Findings	Management Response
			Yet under the contract GCC 47.1 stated that the contract was not subject to price adjustment.	documentary evidence for consideration.
7.	Supply and delivery of Equipment: Lot 1 for Arinyapi Seed Secondary School	149,797,790	<ul style="list-style-type: none"> • Failure by MFI Document Solutions Ltd. to deliver the supplies on the delivery date. Under GCC 12 it was stated that <i>the date of delivery shall be within Forty-Five (45) days after contract signature.</i> The Contract was signed on 7th April, 2025, the supplies should have been delivered by 6th June, 2025, since it was the last day of the 45 working days given as delivery period. • Failure by the Entity to approve the request for extension of the contract sent by MFI document Solutions Ltd to the Entity. The date of delivery was 6th June, 2025, and the provider submitted a request for extension of the contract on 19th May 2025. The extension requested was till 30th June, 2025. 	No Management Responses submitted.
8.	Sitting, drilling, supervision of 15 Boreholes and 01	40,520,000	<ul style="list-style-type: none"> • Failure to attach Contracts Committee minutes for approval of a variation of 	<ul style="list-style-type: none"> • <i>Contracts Committee approved the variation. Minute of approval is</i>

No.	Subject of Procurement	Amount (UGX)	Findings	Management Response
	production well.		5,000,000 for more two boreholes dated 20 th February, 2025.	<p><i>available for your review.</i></p> <ul style="list-style-type: none"> <i>The payment records were with the sector accountant.</i> <p>Authority's Comment The Entity did not submit evidence to substantiate the response.</p>
	TOTAL	1,679,935,161		

Implications

- The above irregularities are indicators of weak contract management controls in the Entity.
- Failure to complete contracts within the specified contract period leads to delayed service delivery.
- Executing works without a valid contract exposes the Entity to a contract risk of failing to seek damages in case of contract injuries.

Recommendation

1. Contract Managers should closely supervise and monitor the contract with emphasis on the provider performance in accordance with the terms and conditions specified in the contract; in accordance with Regulation 52 (1) (b) of the PPDA (Contract) Regulations 2023.
2. The Head, Procurement and Disposal Unit should always keep all records regarding procurement and disposal proceedings including contract management records and have them filed in their respective files in accordance with Section 33 (o) of the PPDA Act, Cap. 205.

(v) Failure to implement Environmental, Social, Health and Safety (ESHS) safety requirements during contract implementation

Regulation 44 (c) (xii) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 provides that *“the proposed form, terms and conditions of the contract, shall include where applicable, a declaration that the provider shall abide by the required environmental protection issues and social inclusion issues”*.

The Authority found that in the works for Renovation of facilities at Maaji Seed Secondary School worth UGX. 760,809,189, the contractor failed to implement ESHS requirements. The supervision report by the Contract Manager dated 5th May 2025 shows the contractor's staff hacking off the existing floor screed without PPEs.

Implication

This made monitoring of the implementation of the ESHS requirements and intervention by the responsible stakeholders difficult.

Management Response

Some of Environmental Social, Health Safeguard (ESHS) requirements were not implemented by the contractor.

Authority's Comment

The Authority noted the Entity's response, however, the Entity is responsible for effective contract management and supervision to ensure that the contractor complies with all contractual obligations, including implementation of ESHS requirements.

Recommendations

1. The Accounting Officer should prevail over the contract supervisors to comprehensively monitor the implementation of ESHS requirements and ensure that the status of compliance is adequately captured in the progress reports.
2. The Contract Manager should closely monitor and supervise the Contractors with an emphasis of adhering to the achievement of the Environmental, Social, Safety and Health safeguard requirements in all Government projects in accordance with section 66 of the PPDA Act, Cap. 205.
3. The District Environment Officer should be involved in the planning and contract monitoring to take care of the environment safeguard requirements.

2.3 ASSESSMENT OF THE PROGRESS AND PERFORMANCE OF THE MICRO-SCALE IRRIGATION PROGRAM IN ADJUMANI DISTRICT LOCAL GOVERNMENT

Background

The Micro-scale Irrigation Program is in line with Uganda's National Irrigation Policy which aims to create 1.5 million hectares of Irrigated land by the year 2040. The Micro-scale Irrigation Program supports farmers to purchase and use individual Irrigation equipment through a matching grant scheme, in which the cost of the equipment is co-financed by the farmer and the Government of Uganda. The Government subsidises between 25% and 75% of the total cost of the irrigation equipment (which can be sprinkler, drip and drag hosepipe methods using either solar or petrol energy sources). The level of the subsidy varies according to the choice of the Irrigation equipment/technology selected by the farmer as indicated below:

- For solar-powered irrigation equipment, the maximum Government co-payment is 75% of the total cost of equipment and is capped at UGX. 18,000,000. Within this total cap the maximum Government payment for a tank stand is UGX. 2,000,000; and
- For petrol-powered irrigation equipment the maximum Government co-payment is 25% of the total cost of equipment and is capped at UGX. 5,000,000.

The Authority found that 460 farmers applied. Out of the 460 farmers that applied, 136 were eligible but only 41 farmers were approved and the installations completed. The contract for installation was awarded to Reliefline (U) Ltd at UGX. 399,227,600.

Table 22 and 24 below show the summary, progress of procurement and implementation of the microscale irrigation program in Adjumani District in the Financial Year 2024/2025.

Table 23: Summary status of the procurement of microscale irrigation equipment in FY 2024/2025

Level	Definition	Adjumani Statistics by Number (FY 2024/25)	DLG
Interested Farmer	<i>Those farmers who submitted an Expression of Interest (EOI) and met the basic self-assessed criteria.</i>		460
Eligible Farmer	<i>Those farmers who had a farm visit and were found to meet the eligibility criteria.</i>		136
Approved Farmer	<i>Those farmers who made the co-payment, provided documentary proof of their land tenure (if possible) and signed an MOU with the Local Government.</i>		41
Installation Accepted Farmer	<i>Those farmers who had the irrigation equipment installed and the Local Government and farmer verified the equipment and installation was as per quotation and standards.</i>		41
Completed Farmer	<i>Those Farmers where the irrigation equipment supplier was paid by the Local Government and all paperwork is complete.</i>		41
Total of microscale irrigation kits installed and completed in FY 2024/2025			41

Table 24: Level of implementation of micro scale irrigation program in Adjumani District

No	Subject of procurement	Contract value UGX	Amount so far paid by the farmer	Status of implementation, to selected farmer.
1.	Design, supply & installation of micro scale irrigation equipment for Anthony Leku, of Rende Village. Type: Solar powered (e.g. Solar powered irrigation system, or petrol-powered) Water source: Pond, distance: 0.075km	19,040,000	1,000,000	93%
2.	Design, supply & installation of micro scale irrigation equipment for Wilson Sale Adrapkwo / Moses Dralada of Leanguru Village. Type: Solar powered (e.g. Solar powered irrigation system, or petrol-powered) Water source: Pond, distance: 0.3km	19,705,600	2,000,000	100%
3.	Design, supply & installation of micro scale irrigation equipment for Daniel Anyanzo Ombala/Oloya Jackson Otim, of Leanguru Village Type: Solar powered (e.g. Solar powered irrigation system or petrol-powered) Water source: Pond, distance: 0.15km	19,503,800	0	65%

No	Subject of procurement	Contract value UGX	Amount so far paid by the farmer	Status of implementation, to selected farmer.
4.	Design, supply & installation of micro scale irrigation equipment for Rose Laguna Mystical of Gbayi Village. Type: Solar powered (e.g. Solar powered irrigation system or petrol-powered) Water source: Pond, distance: 0.6km	23,073,800	5,768,450	65%
5.	Design, supply & installation of micro scale irrigation equipment for Wilson Simba Opio /Idro Dominic of Paluga Village. Type: Solar powered (e.g. Solar powered irrigation system, or petrol-powered) Water source: Shallow well, distance: 0.0.25km	22,998,000	1,000,000	100%
6.	Design, supply & installation of micro scale irrigation equipment for Richard Edema /Lagu Charles of Anzoo Village. Type: Solar powered (e.g. Solar powered irrigation system, or petrol-powered) Water source: Shallow well, distance: 0.1km	21,244,000	1,000,000	68%
7.	Design, supply & installation of micro scale irrigation equipment for Betty Waigo Achayo of Aliwara Village. Type: Solar powered (e.g. Solar powered irrigation system, or petrol-powered) Water source: Pond, distance: 0.2km	22,048,800	3,500,000	90%
8.	Design, supply & installation of micro scale irrigation equipment for Micheal Ambaku of Aliwara Village. Type: Solar powered (e.g., Solar powered irrigation system or petrol-powered) Water source: Pond, distance: 0.25km	23,798,800	5,949,700	93%
9.	Design, supply & installation of micro scale irrigation equipment for Micheal Ondoga of Malobu Village. Type: Solar powered (e.g., Solar powered irrigation system, or petrol-powered) Water source: Borehole, distance: 0.55km	24,929,000	4,000,000	93%
10.	Design, supply & installation of micro scale irrigation equipment for Richard Madrara Obuni of Ogboro Village. Type: Solar powered (e.g., Solar powered irrigation system, or petrol-powered) Water source: Pond, distance: 0.55km	23,798,800	4,500,000	93%
11.	Design, supply & installation of micro scale irrigation equipment for Magwe Patrick Tiondi/ Nobert Amuli Anyidi of Leanguru Village.	20,973,800	5,194,000	93%

No	Subject of procurement	Contract value UGX	Amount so far paid by the farmer	Status of implementation, to selected farmer.
	Type: Solar powered (e.g., Solar powered irrigation system, or petrol-powered) Water source: Pond, distance: 0.5km			
12.	Design, supply & installation of micro scale irrigation equipment for Ceasar Ambayo / Raphael Obudra Baku of Kalamairo Village. Type: Solar powered (e.g., Solar powered irrigation system, or petrol-powered) Water source: Pond, distance: 0.45km	22,115,600	5,528,000	93%
13.	Design, supply & installation of micro scale irrigation equipment for Godfrey Mamawi of Molupkwoda Village. Type: Solar powered (e.g., Solar powered irrigation system, or petrol-powered) Water source: Shallow well, distance: 0.1km	22,293,800	0	93%
14.	Design, supply & installation of micro scale irrigation equipment for Alfred Okuga of Leanguru village. Type: Solar powered (e.g., Solar powered irrigation system or petrol-powered) Water source: Pond, distance: 0.2km	22,269,900	4,000,000	100%
15.	Design, supply & installation of micro scale irrigation equipment for Christopher Dratele of Malobu Village. Type: Solar powered (e.g., Solar powered irrigation system, or petrol-powered) Water source: Pond distance: 0.45km	25,379,900	6,000,000	100%
16.	Design, supply & installation of micro scale irrigation equipment for Moses Apiliga of Leanguru Village. Type: Solar powered (e.g., Solar powered irrigation system or petrol-powered) Water source: Pond, distance: 0.2km	23,700,000	2,000,000	100%
17.	Design, supply & installation of micro scale irrigation equipment for Stephen Mawadri of Ogboro Village. Type: Solar powered (e.g., Solar powered irrigation system, or petrol-powered) Water source: Pond, distance: 0.2km	21,177,000	4,000,000	100%
	Total	399,227,600	60,240,150	

Implications

- Without embracing the microscale irrigation system programme, farmers may not be able to sustain agricultural productivity/enhancement amidst changing climatic conditions; and

- Failure to fully implement micro-scale irrigation systems may fail the Government of Uganda to achieve its National Irrigation Policy which aims to create 1.5 million hectares of irrigated land by the year 2040.

Management Response



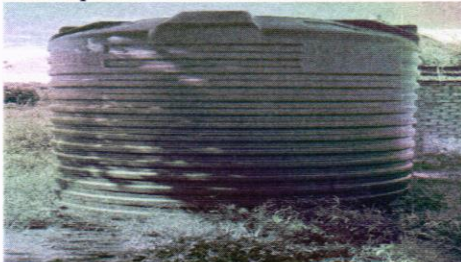

- *Beneficiary selection is based on expression of interests generated from AREs and the farmers are assessed according to availability of land, water source, farming practices, financial strength and market access.*
- *Farmers have been advised and linked to seek agricultural financing from financial institutions and SACCOS of their choice. During two sensitization meetings, representatives of Centenary Bank and Adjumani Town Council SACCO sensitized farmers on their products.*
- *Recommendation on encouraging farmers to form groups and have representatives to champion the implementation process.*

Recommendations

The Accounting Officer should;

1. Urge farmers to embrace the initiative through conducting continuous awareness programs about the micro-scale irrigation program and its benefit;
2. Target farmers that are willing and have the resources to make the required co-payments
3. Advise farmers on ways to access affordable financing so that they can make their co-payments; and
4. Encourage farmers to form groups and nominate a representative on their behalf who will facilitate easier access to the programme in order to alleviate the financial burden.

Table 25: Physical Progress on the Micro Irrigation System Sites as at 10th October, 2025

NO.	PROGRESS ON THE MICRO IRRIGATION SYSTEM	
1.	 <p data-bbox="354 1384 699 1415">Incomplete water tank stand</p>	 <p data-bbox="928 1384 1264 1415">Uninstalled Irrigation pipes</p>
	 <p data-bbox="354 1682 625 1713">Uninstalled water tank</p>	 <p data-bbox="826 1682 1385 1713">Un utilized garden with no sprinklers installed</p>
<p data-bbox="354 1751 497 1783">Exceptions</p> <ul data-bbox="354 1792 705 1890" style="list-style-type: none"> • Incomplete works. • Water tank not installed. • Pipes not installed yet. 		

- Not in use.

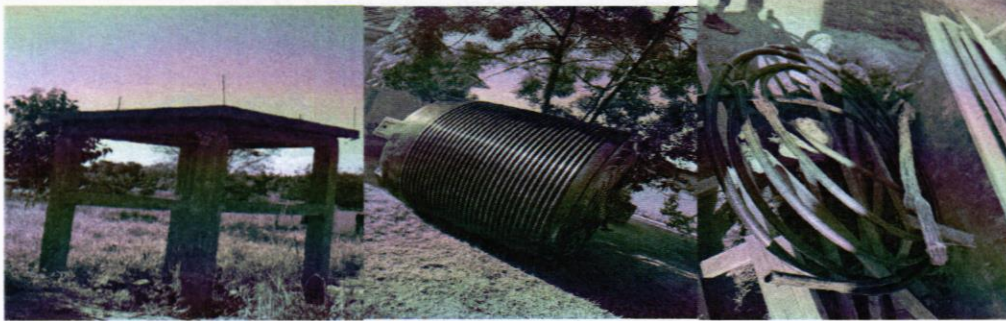
Management Response

- *Works completed.*
- *Water tank installed*
- *The system is in use*

Authority's comment

The management response is noted, however, the Entity did not submit evidence to substantiate the response.

2.



Incomplete water tank stands

Uninstalled water tank

Uninstalled Irrigation pipes



Complete water source not connected to the tank

Garden with no sprinklers installed

Exceptions

- Tank not installed.
- Pipes not installed.
- Damaged slap where the tank is to be placed.
- Not in use.

Management Response

- *Works completed.*
- *Water tank installed*
- *The system is in use*

Authority's comment

The management response is noted, however, the Entity did not submit evidence to substantiate the response.

2.4 FORCE ON ACCOUNT MECHANISM

(i) Irregularities in implementing works under Force on Account Mechanism

The Authority found irregularities in the routine mechanized maintenance of district roads conducted under Force Account Mechanism.

The Uganda Road Fund released UGX 1Billion to Adjumani District Local Government for periodic mechanised maintenance of the roads, however, the Authority noted the following exceptions:

- i) Failure to have framework contracts for material in puts;
- ii) Procurement requisitions for the barrow pits were not submitted to the Procurement and Disposal Unit to recommend the appropriate procurement methods and procedures contrary to Section 33 (g) of the PPDA Act, Cap. 205;
- iii) Failure to prepare and issue a bidding document to the shortlisted bidders. Whereas the Entity used RFQ, no bidding document was used. All the bidders submitted a one pager proforma invoice;
- iv) Irregular advancement of funds to Force Account Managers to procure barrow pits without following the stipulated procurement methods and procedures enshrined under the PPDA Act, Cap. 205 and PPDA Regulations;
- v) There was no documented evidence to indicate that the Contracts Committee adjudicated over the procurement process in accordance with Section 30 of the PPDA Act, Cap. 205;
- vi) There was no procurement action file for the above routine mechanized maintenance activities in the Procurement and Disposal Unit containing records and reports on works undertaken using the Force Account Mechanism, contrary to Circular No. 3 of 2012 to Local Governments on use of Force Account Mechanism;
- vii) The monthly progress reports for routine mechanized maintenance activities implemented using Force on Account Mechanism were not prepared hence not shared with the Accounting Officer, Procurement and Disposal Unit and the Authority; and
- viii) The Entity did not maintain accountability records such as call off orders, payments and reports and completion certificates for the roads that were rehabilitated.

Management response

The entity has taken note of the recommendation for subsequent application of the use of Force on Account Mechanism to ensure value for money.

Recommendation



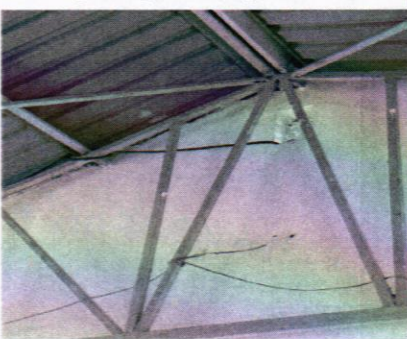

The Accounting Officer should implement Force on Account activities in accordance with Circular No. 3 of 2012 to Local Governments on the application of the use of Force on Account Mechanism to ensure value for money;

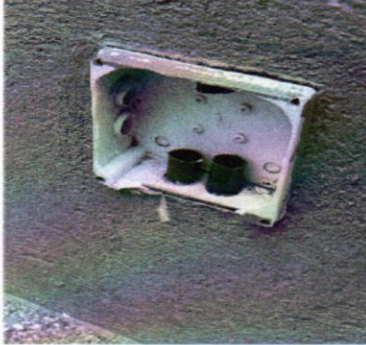
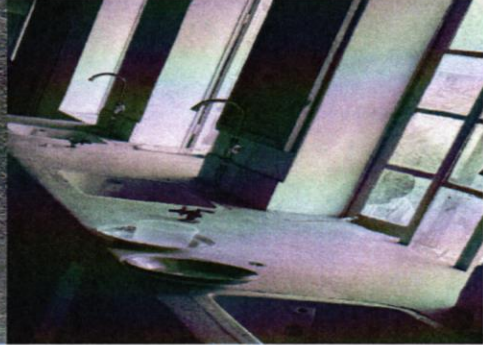


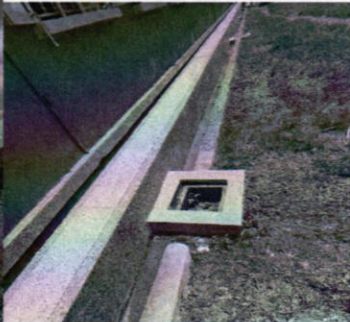
2.4.1 Physical verification anomalies

During the physical verification exercise conducted on 8th and 10th October, 2025 by the Authority and a representative from the District Engineering Department, several defects and anomalies were observed in six procurements worth UGX. 1,678,618,699 as detailed in table 29 below:-



Table 26: Physical verification conducted on the projects for the Financial Year 2024-2025. Photos were taken on 10th October, 2025

No.	Subject of procurement and Exceptions
1.	<p data-bbox="352 293 1342 394">Subject of procurement: Renovation of facilities at Maaji Seed Secondary School Contractor: DARMUBS Enterprises Contract value: UGX. 760,809,189</p> <p data-bbox="352 432 975 465">Incomplete works at the 2 units classroom block</p> <div data-bbox="352 465 1289 808">  </div> <p data-bbox="352 808 552 842">On going works</p> <div data-bbox="352 842 1289 1137">  </div> <p data-bbox="352 1137 759 1171">Classroom door without a handle</p> <p data-bbox="815 1137 1174 1171">Unlevelled drainage channel</p> <div data-bbox="352 1171 1289 1480">  </div> <p data-bbox="352 1480 663 1514">Damaged classroom door</p> <div data-bbox="352 1514 1289 1843">  </div> <p data-bbox="352 1843 695 1877">Unlevelled drainage channel</p> <p data-bbox="807 1843 1174 1877">Gutters were not yet installed</p>


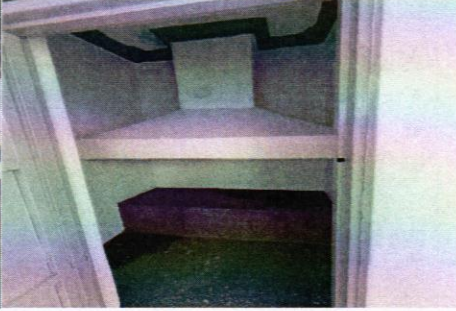
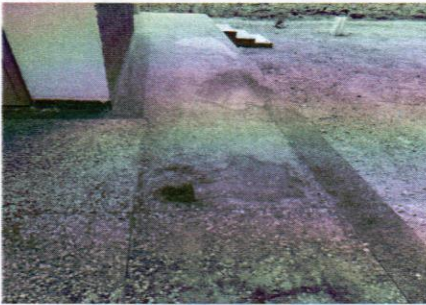

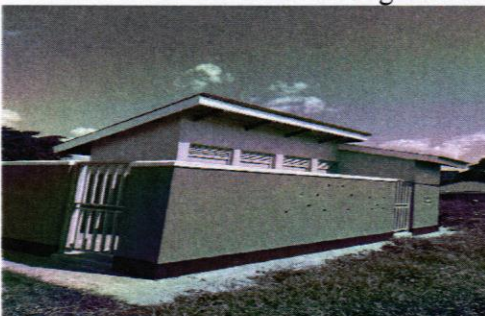
No.	Subject of procurement and Exceptions
	<p>Exceptions</p> <ul style="list-style-type: none"> • Poorly done wiring- Wires are visible and can be touched by the students. • Gutters not yet fixed. • Poor drainage system- the water is stagnant in front of the classrooms. • Door locks are not yet installed. • No manhole covers. • The contractor's staff were found working at the site without PPEs. • The contract was expired. • Broken windows. • Poor painting. <p>Management Response <i>All works are well completed subject to your review.</i></p> <p>Authority's comment The management response is noted, however, the Entity did not submit evidence (Photos) to substantiate the response.</p> <p>Science Block</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Incomplete plumbing</p> </div> <div style="text-align: center;">  <p>Unlevelled drainage channel</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;">  <p>Risky electrical wiring</p> </div> <div style="text-align: center;">  <p>Uncovered hole on the drainage</p> </div> </div>


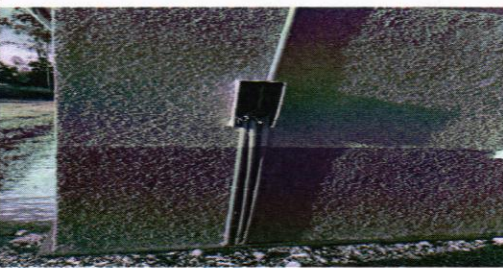

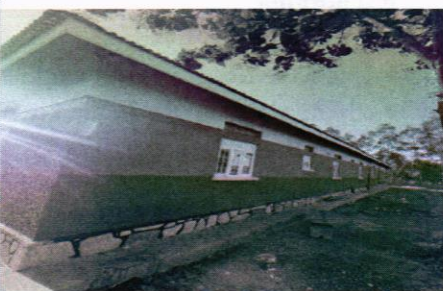
No.	Subject of procurement and Exceptions
	<div style="display: flex; justify-content: space-around;">   </div> <p style="text-align: center;"> Damaged electrical installation Incomplete worktops </p> <p>Exceptions</p> <ul style="list-style-type: none"> • Small manhole covers. They don't fully cover the hole. • Power sockets not yet fixed. • Poorly done wiring. • The preparation room for science laboratory was not worked on. • No water in science laboratory. • The 2 gas cylinders supplied are not yet connected-They use stove. • Electricity not connected. • Poorly painted doors. • No gutters. • Stagnant water in trenches. • Water tanks not yet installed. • Manhole covers not yet complete. • The inside laboratory plumbing holes and trenches are not yet covered. <p><u>Management Response</u> <i>All works are well completed subject to your review.</i></p> <p>Library Block</p> <div style="display: flex; justify-content: space-around;">    </div> <p style="text-align: center;"> Incomplete drainage channel Side view of the library block Uncovered hole </p>



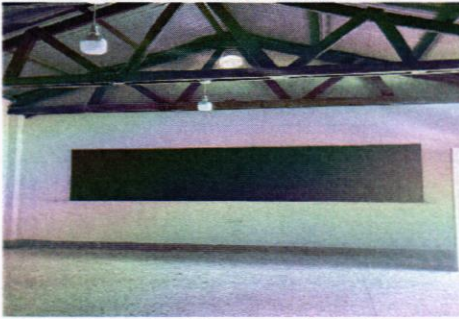

No.	Subject of procurement and Exceptions
	<div data-bbox="355 219 858 510" data-label="Image"> </div> <p data-bbox="355 517 667 546">No interior wooden doors</p> <p data-bbox="355 584 496 613">Exceptions</p> <ul data-bbox="355 620 1382 869" style="list-style-type: none"> • Four inside doors were not fixed. Unauthorized person can easily access the books store. • Wiring is poorly done. • Drainage system is poorly done. Water is stagnant in the veranda trenches. • Poor painting. The contractor applied a single layer of paint after the undercoat and now the undercoat color comes out. • No rain water harvest. The tank is not connected to the gutters. <p data-bbox="355 907 651 936"><u>Management Response</u></p> <p data-bbox="355 943 983 972"><i>All works are well completed subject to your review.</i></p> <p data-bbox="355 1010 632 1039">Authority's comment</p> <p data-bbox="355 1046 1382 1111">The Authority noted Management's response, however the Entity did not submit evidence (photos) for consideration.</p> <p data-bbox="355 1149 595 1178">Multipurpose Hall</p> <div data-bbox="355 1184 1294 1476" data-label="Image"> </div> <p data-bbox="355 1482 1382 1512">Side view of the multipurpose hall. Unlevelled drainage channel with stagnant water</p> <p data-bbox="355 1550 496 1579">Exceptions</p> <ul data-bbox="355 1585 1382 1834" style="list-style-type: none"> • Drainage system is poorly done. Water is stagnant in the veranda trenches. • No gutters. • Poor wiring. • Poor painting. The contractor applied a single layer of paint after the undercoat and now the undercoat color comes out. • Metallic Balcony polls not painted. • Power sockets are not yet installed. <p data-bbox="355 1872 651 1901"><u>Management Response</u></p>

No.	Subject of procurement and Exceptions
	<p data-bbox="352 226 983 255"><i>All works are well completed subject to your review.</i></p> <p data-bbox="352 293 632 322">Authority's comment</p> <p data-bbox="352 329 1382 394">The management response is noted, however, the Entity did not submit evidence (Photos) to substantiate the response.</p> <p data-bbox="352 432 668 461">Staff houses and kitchen</p> <div data-bbox="352 465 1374 748">  </div> <p data-bbox="352 752 687 781">Side view of the staff house</p> <p data-bbox="815 752 1002 781">Uncovered hall</p> <div data-bbox="352 786 1374 1099">  </div> <p data-bbox="352 1104 667 1133">No interior wooden doors</p> <p data-bbox="695 1104 999 1133">Toilet with no toilet seats</p> <p data-bbox="1042 1104 1294 1133">Missing curtain rails</p> <p data-bbox="352 1171 496 1200">Exceptions</p> <ul data-bbox="352 1211 962 1536" style="list-style-type: none"> • No rain water harvest. • Incomplete plumbing both inside and outside. • Three doors were not yet fixed. • Teachers use kitchen as bedrooms. • No first aid kit/box at the site. • No accident register. • No revised program of works. • No BoQs at the site. • No contractor's office at the site. <p data-bbox="352 1574 655 1603"><u>Management Response</u></p> <p data-bbox="352 1610 983 1639"><i>All works are well completed subject to your review.</i></p> <p data-bbox="352 1677 632 1706">Authority's comment</p> <p data-bbox="352 1713 1382 1778">The management response is noted, however, the Entity did not submit evidence (Photos) to substantiate the response.</p> <p data-bbox="352 1816 472 1845">Playfield</p>

No.	Subject of procurement and Exceptions
	<div data-bbox="357 226 1273 555" data-label="Image"> </div> <p data-bbox="357 562 612 595">Incomplete playfield</p> <p data-bbox="357 629 496 663">Exceptions</p> <ul data-bbox="357 667 772 775" style="list-style-type: none"> • Not leveled. • Logged water in the playfield. • Grass not planted. <p data-bbox="357 808 651 842"><u>Management Response</u></p> <ul data-bbox="357 846 932 954" style="list-style-type: none"> • <i>Play field leveled.</i> • <i>Logged water in the playfield were cleared.</i> • <i>Grass planted.</i> <p data-bbox="357 987 628 1021">Authority's comment</p> <p data-bbox="357 1025 1382 1086">The management response is noted, however, the Entity did not submit evidence (Photos) to substantiate the response.</p>
2.	<p data-bbox="397 1093 1362 1126">Subject of procurement: Drilling of 15 boreholes and 01 production Borehole.</p> <p data-bbox="397 1131 836 1164">Contract Value: UGX 380,042,010</p> <p data-bbox="397 1169 900 1202">Contractor: Mama Bore Well Africa Ltd</p> <div data-bbox="363 1196 1289 1552" data-label="Image"> </div> <p data-bbox="357 1559 715 1592">Complete and in use borehole</p> <p data-bbox="357 1626 496 1659">Exceptions</p> <p data-bbox="357 1664 986 1697">Apare Borehole (Ciforo Sub County, Loa Village)</p> <p data-bbox="357 1702 1382 1762">There was a slight water color change whenever it rained. (Said by the users found at the borehole)</p> <p data-bbox="357 1796 651 1830"><u>Management Response</u></p> <p data-bbox="357 1834 783 1868"><i>Water color changes after long run.</i></p>
3.	<p data-bbox="397 1868 1362 1901">Subject of procurement: Construction of staff house at Rende Primary School.</p> <p data-bbox="397 1906 836 1939">Contract Value: UGX 235,382,860</p>

No.	Subject of procurement and Exceptions
	<p data-bbox="400 219 1007 253">Contractor: Kamandala and Sons Enterprises Ltd</p> <div data-bbox="357 253 810 562">  </div> <p data-bbox="357 562 703 595">Front view of the staff house</p> <div data-bbox="815 253 1272 562">  </div> <p data-bbox="852 562 1177 595">Linking side of the kitchen</p> <div data-bbox="357 595 783 898">  </div> <p data-bbox="357 898 667 931">Not well levelled veranda</p> <div data-bbox="794 595 1272 898">  </div> <p data-bbox="783 898 1334 931">Non-aligned door that does not fit in a frame</p> <p data-bbox="357 969 496 1003">Exceptions</p> <ul data-bbox="357 1003 1353 1189" style="list-style-type: none"> • The kitchen windows were not well fixed, and two of them did not close well. • The veranda was not well levelled. It collects water. • The water enters in the kitchen through chimney. • Door stoppers were not installed. • Complete but not yet handed over and commissioned. <p data-bbox="357 1223 651 1256"><u>Management response.</u></p> <p data-bbox="357 1256 983 1290"><i>All works are well completed subject to your review.</i></p>
4.	<p data-bbox="357 1294 1382 1357">Subject of procurement: Construction of five stance drainable latrine at Pakele Market.</p> <p data-bbox="357 1357 775 1391">Contract Value: UGX 29,785,265</p> <p data-bbox="357 1391 884 1424">Contractor: Silver Court Lounge SMC Ltd</p> <div data-bbox="357 1424 842 1738">  </div> <p data-bbox="357 1738 775 1771">Complete but non engraved latrine</p> <p data-bbox="357 1805 496 1839">Exceptions</p> <ul data-bbox="357 1839 1059 1910" style="list-style-type: none"> • Complete but not yet handed over and commissioned. • It was covered by the bush- There is no path way.

No.	Subject of procurement and Exceptions
	<ul style="list-style-type: none"> • Not in use. <p>Management response.</p> <ul style="list-style-type: none"> • <i>The facility is handed over to the user.</i> • <i>The surrounding of the facility has been cleared.</i> • <i>The facility is in use.</i> <p>Authority's comment The management response is noted, however, the Entity did not submit evidence (Photos) to substantiate the response.</p>
5.	<p>Subject of procurement: Renovation of education office block at Adjumani DLG Head Quarters Contract Value: UGX 103,624,060</p> <div style="display: flex; justify-content: space-around;">   </div> <p style="display: flex; justify-content: space-around;"> Un covered latrine slab Uncovered electrical connector </p> <div style="display: flex; justify-content: space-around;">   </div> <p style="display: flex; justify-content: space-around;"> Side view of the office block Back view of the office block </p> <p>Exceptions</p> <ul style="list-style-type: none"> • Incomplete works for the drainable latrines. • Incomplete works at the gate. • Not in use. <p>Management Response <i>All works are well completed subject to your review.</i></p> <p>Authority's comment The management response is noted, however, the Entity did not submit evidence (Photos) to substantiate the response.</p>
6.	<p>Subject of procurement: Renovation of classroom block at Meriaderi P/S Contract Value: UGX 168,975,315.</p>

No.	Subject of procurement and Exceptions
	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%; text-align: center;">  <p data-bbox="354 544 758 573">Side view of the classroom block</p> </div> <div style="width: 50%; text-align: center;">  <p data-bbox="823 544 1093 573">Non-raised water tank</p> </div> <div style="width: 50%; text-align: center;">  <p data-bbox="354 893 767 922">Blackboard with no chalk holder</p> </div> <div style="width: 50%; text-align: center;">  <p data-bbox="823 893 1086 922">Non-raised veranda</p> </div> </div> <p data-bbox="354 960 496 990">Exceptions</p> <ul data-bbox="354 996 1082 1104" style="list-style-type: none"> • The tanks are too low. They were placed on the ground. • Verandas are too low at the ground level. • Poor painting. <p data-bbox="354 1140 655 1169"><u>Management Response</u></p> <p data-bbox="354 1173 799 1202">No management Response provided.</p>

2.5 COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESS WITH THE PROVISION OF THE PPDA ACT, CAP. 205 AND PPDA REGULATIONS

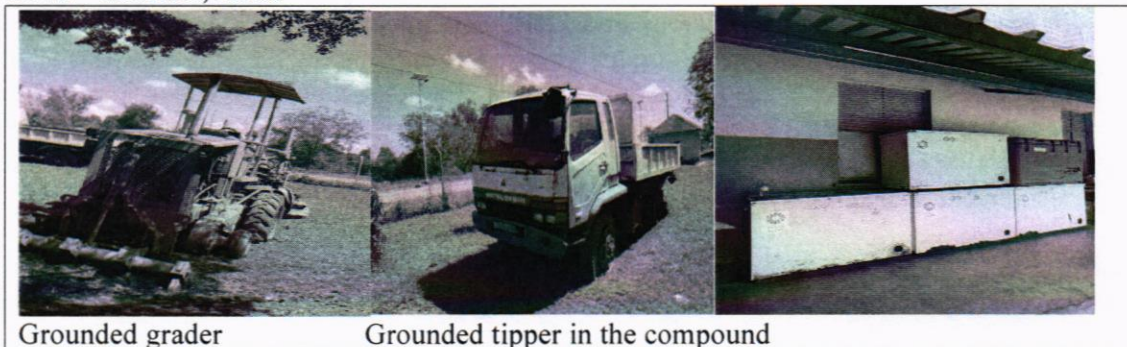
2.5.1 Failure to dispose obsolete items

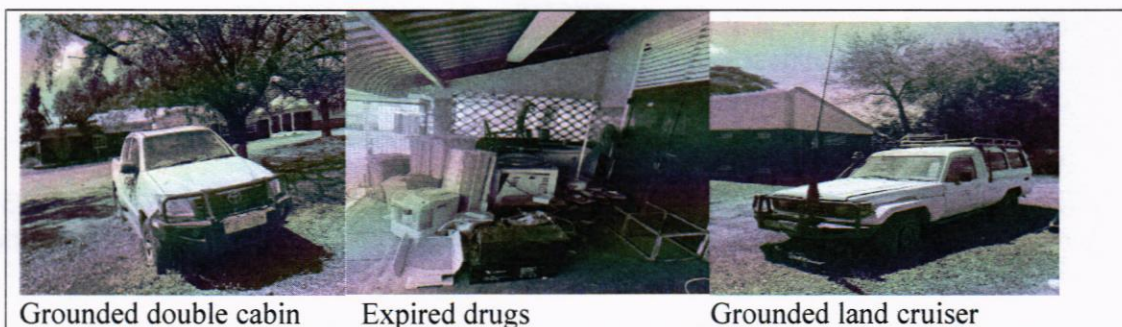
Regulations 2 (1) and (2) of the PPDA (Disposal of Public Assets) Regulations, 2023 provide that for the purposes of disposal planning, an Accounting Officer shall, in each financial year, cause the public assets of a Procuring and Disposing Entity to be reviewed and to identify the public assets to be disposed of in the following financial year. A Procuring and Disposing Entity may use the board of survey or a User Department to identify the public assets to be disposed of. The Authority reviewed the Entity's Board of survey report for the Financial Year 2023/2024 submitted to the Accountant General and noted that the assets in Table 19 below were due for disposal. However, the Accounting Officer did not dispose them during the financial year 2023/2024 due to inadequate follow-through on Board of Survey recommendations.

Table 27: List of un-serviceable assets recommended for disposal

No.	SUBJECT OF DISPOSAL	UNIQUE IDENTIFICATION NUMBER
1.	Pick up JMC	LG 00003-002
2.	Land crusher Prado	LG 00023-04
3.	Pick up JMC	LG 00006-002
4.	Tractor	LG 00007-002
5.	TATA	UG2921R
6.	JIAFANG	LG 0002-04
7.	Faw	LG 0005-002
8.	Water tank	LG 0013-04
9.	Tractor	LG 0011-04
10.	Tractor trailer	LG 0012-04
11.	LANDROVER	UG0910A
12.	Land crusher	UAA745A
13.	FORD RANGER	UG0505Z
14.	Land crusher	UG2429M
15.	Tata	UG1132A
16.	Tata	UG1420A
17.	SUZUKI	UAA667N
18.	Land crusher	LG0019-002
19.	SIMBA UG BOSS	UEP171D
20.	SIMBA UG BOSS	UEO299J
21.	SIMBA UG BOSS	UEO294J
22.	RANGER	LG 0015-002
23.	Ranger	LG 0018-04
24.	Honda	UG 4215M
25.	Yamaha	LG080-04
26.	Tricycle	UEO814E
27.	Yamaha	LG 0074-04
28.	Jeinling	UG1789R
29.	Yamaha	LG 0042-04
30.	Yamaha	LG 0071-04

Table 28: Photos of un-serviceable assets recommended for disposal. Photos were taken on 10th October, 2025.





Implication

Failure to dispose of obsolete assets inhibits achievement of value for money as funds are held up in assets which are not in use and have depreciated.

Management Response

The entity has written a letter to the Ministry of Works and Transport to send their staff to come and value the obsolete assets for disposal. The letter is available for your review.

Authority’s comments

The management response is noted, however, the Entity did not submit evidence to substantiate the response.

Recommendation

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

4.0 Failure to prepare a disposal plan for FY 2023/2024

Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023 provides that for the purposes of disposal planning, an Accounting Officer shall, in each financial year, 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. The Authority noted that the Entity did not prepare an annual disposal plan for the financial year 2023/2024 due to weak planning and oversight mechanisms.

Implication

Failure to prepare the disposal plan hinders the Entity from determining the disposal method, disposal timelines and reserve prices of the obsolete assets to be disposed of in the financial year.

Management Response

The entity has taken note of it. We shall improve on the plan as required.

Recommendation

The Authority noted the management response. The Authority thus recommends that the Accounting Officer should always prepare a disposal plan capturing all items identified in the Board of Survey as due for disposal in compliance with Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations. 2023.

CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

3.1 Overall Audit Conclusion

The performance of Adjumani District Local Government for the Financial Year 2024/25 was moderately satisfactory with an overall weighted average risk rating of 59.25% as indicated in Table 30 below:

Table 29: The risk rating is as follows

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

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 31 below:

Table 31: Summary of performance of Adjumani District Local Government

Risk Rating	NO.	%No.	Weights	Weighted score by No.	Value (UGX)	%Value	Weights	Weighted score by value
High	5	31%	0.6	18.6	585,821,445	22%	0.6	13.2
Medium	10	63%	0.3	18.9	1,629,521,901	60%	0.3	18
Low	1	6%	0.1	0.6	508,088,800	18%	0.1	1.8
Total	16	100%	1	38.1	2,723,432,146	100%	1	33

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{38.1}{60} \times 100 = 63.5\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{33}{60} \times 100 = 55\%$$

$$\text{Combined Weighted Average} = \frac{63.5 + 55}{2} = 59.25\%$$

Figure 1 : Risk Rating by Number

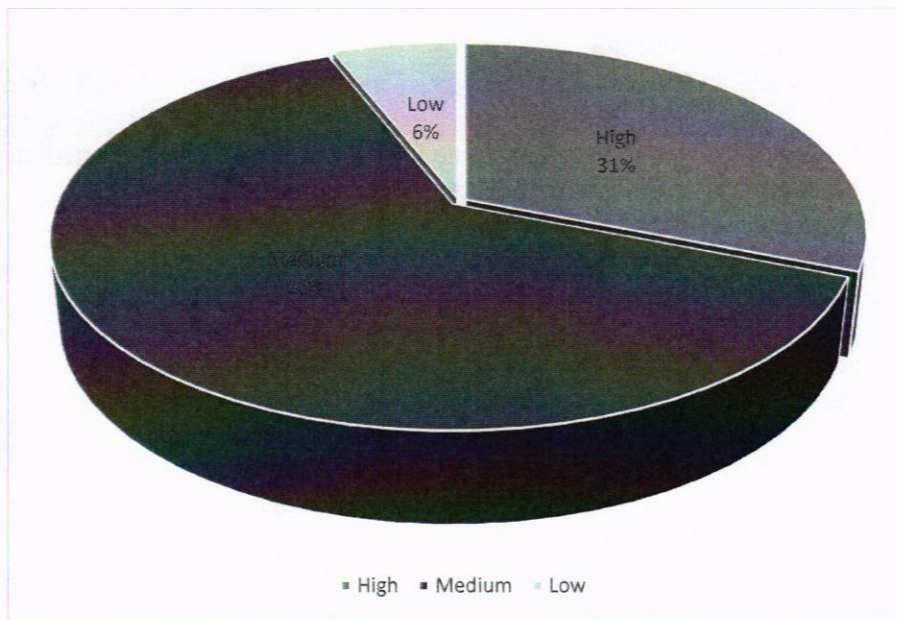
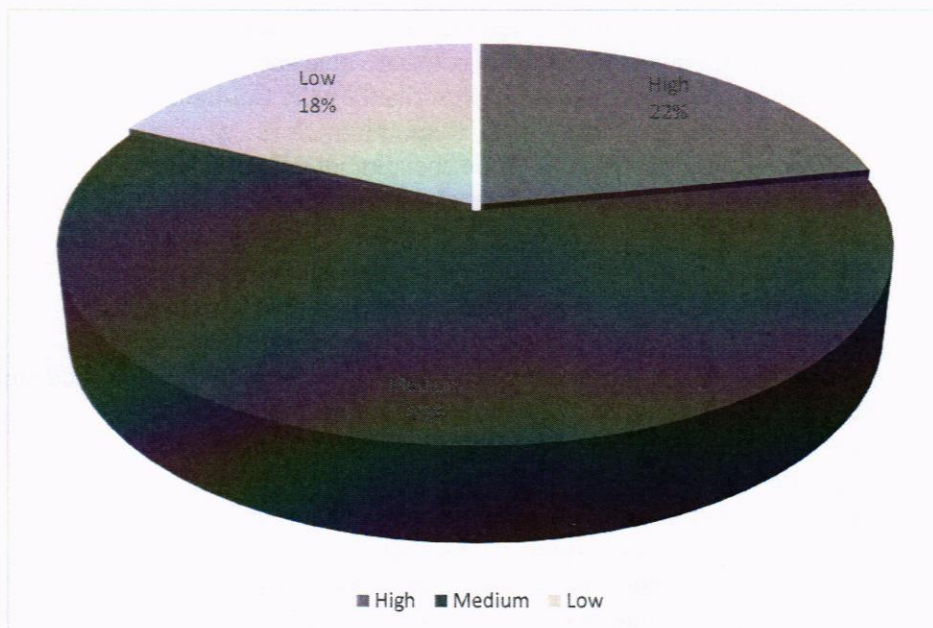


Figure 2: Risk Rating by Value



3.2 Recommended Action Plan

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

Table 30: Recommended Action Plan

Responsible Party	Recommendation	Action Date
Accounting Officer should;	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.	Immediately
	Authorize procurements only within the Entity's approved procurement plan, except in emergency situations, in accordance with Section 60(10) of the PPDA Act, Cap. 205.	
	Institute strong internal mechanisms and a dedicated team of staff that will always ensure full implementation of the Authority's previous audit recommendations in accordance with Section 10 of the PPDA Act, Cap.205.	
	Prevail over the Internal Audit Unit to audit the procurement and disposal procedures as well as the payments made in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.	
	Always enforce that micro procurements are conducted as stipulated in the law and where need arises, formally delegate authority to the User Departments to undertake micro procurements up to the maximum value specified in the Guidelines or a lower limit prescribed by the Contracts Committee in accordance with Regulation 22 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023.	Continuous
	Conduct all procurement and disposal activities are conducted in a manner that promotes economy, efficiency and value for money in accordance with Section 51 of the PPDA Act, Cap. 205.	
	Task the User Departments to prepare and submit the detailed specification at the time of requisition to avoid delay that denies timely service delivery to beneficiaries in accordance with Regulation 35 (1) (b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	Immediately
	Conduct a bidder conference and or institute an investigation through the Internal Auditor to find out why the bidders that are prequalified by the Entity do not participate in the procurement activities when invited and address the concerns raised. This will improve the level of confidence bidders have in the procurement processes of the Entity, thus, maximizing competition and achieving value for money in accordance with Section 49 of the PPDA Act, Cap 205.	

Responsible Party	Recommendation	Action Date
	Task the Procurement and Disposal Unit to Properly manage the evidence of the invitation of all bidders that were shortlisted in a manner that promotes transparency and accountability in accordance with Section 48 of the PPDA Act, Cap. 205;	Immediately
	Task the Head, procurement and Disposal Unit to ensure that bids are evaluated based on the set criteria in the bidding document and the Evaluation Committees adhere to Regulation 5 (l) of the PPDA (Evaluation) Regulations, 2023.	Continuous
	Sign contracts with providers after implementing the Solicitor General's recommendations, so as to protect the Entity from being at a disadvantage in the event providers take legal action in any omission of breach of the contract terms and conditions during the contract implementation period.	
	Task the Head, Procurement and Disposal Unit to always keep all records regarding procurement and disposal proceedings and filed in their respective files in accordance with Section 33 (o) of the PPDA Act, Cap. 205.	
	Prevail over the contract supervisors to comprehensively report on the implementation of ESHS requirements in the progress reports.	
	Urge farmers to embrace the initiative through conducting continuous awareness programs about the micro-scale irrigation program and its benefit.	
	Implement Force on Account activities in accordance with Circular No. 3 of 2012 to Local Governments on the application of the use of Force on Account Mechanism to ensure value for money.	
	Dispose all obsolete assets of the district in accordance with Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023.	
	Always prepare a disposal plan capturing all items identified in the Board of Survey as due for disposal in accordance with Regulation 2 (l) of the PPDA (Disposal of Public Assets) Regulations, 2023.	
Procurement and Disposal Unit should;	Include revenue sources in the Entity's consolidated procurement plan in accordance with Regulation 6 (a) of the PPDA (Procurement Planning) Regulations, 2023.	Immediately
	Submit to the Authority monthly procurement and disposal reports and performance data of all procurement transactions including micro procurements undertaken by the Entity not later than the fifteenth day of the following month in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.	Continuous

Responsible Party	Recommendation	Action Date
	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;	
	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;	
	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 (l) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	Immediately
	Shortlist and invite the minimum required number of six firms in accordance with Regulation 53 (l) of the PPDA (Rules and Methods for procurement of supplies, works and non-consultancy services) Regulations, 2023.	
	Always review the evaluation reports to validate the proposed award recommendations before presenting it for approval and contract award by the Contracts Committee as required by Regulation 12(4) of the PPDA (Evaluation) Regulations, 2023.	Continuous
	Prepare contract documents that are well detailed, with all the key documentation meant to form part of the contracts in accordance with Regulation 9 of the PPDA (Contracts) Regulations, 2023.	
	Verify that the Best Evaluated Bidder Notices are displayed for ten working days as required under Regulation 3 (l) of the PPDA (Contracts) Regulations, 2023.	
Contracts Committee	Verify that, prior to approval, each procurement is included in the Entity's approved procurement plan in accordance with Section 30(d) of the PPDA Act, Cap. 205.	Continuous
	Quality assure all bidding documents to assess completeness and accuracy of the bidding requirements with emphasis on the section for statement of requirements.	
	Not approve any invitation of less than six bidders without justifiable reasons.	
	The secretary of the Contracts Committee should always record and prepare the minutes of the Contracts Committee meetings in accordance with Regulation 8 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.	

Responsible Party	Recommendation	Action Date
	Only approve Evaluation Committees that include a person representing the Procurement and Disposal Unit in accordance with Section 30 (b) of the PPDA Act, Cap. 205, and Regulation 2 (2), (b) of the PPDA (Evaluation) Regulations, 2023.	
	Scrutinize contract documents for completeness, consistency, correctness, and accuracy before approval in accordance with Section 31 (1) (a) (iv) of the PPDA Act, Cap. 205.	
Evaluation Committee should;	Adhere to the timelines of the evaluation exercise in accordance with Regulation 4 (l) of the PPDA (Evaluation) Regulations, 2023.	Continuous
	Strictly adhere to the evaluation criteria outlined in the solicitation documents. Firms that do not comply should be eliminated in accordance with Regulations 5 (1) and (2) of the PPDA (Evaluation) Regulations, 2023.	
User Departments should;	In preparation of their annual work plans include expected locally raised revenues and submit the plans to the Procurement and Disposal Unit to facilitate orderly execution of annual procurement activities.	Immediately
	Nominate personnel with appropriate skills and experience for subsequent appointment by the Accounting Officer as contract managers to supervise and report on the implementation of the contracts in accordance with Regulations 50 (l) and 51 (l) of the PPDA (Contracts) Regulations, 2023.	Continuous
Contract managers should;	Prepare contract management plans in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023 and also closely monitor the execution of contracts.	Continuous
	Strictly supervise the contract and ensure that the provider performs the contract in accordance with the terms and conditions specified in the contract; in accordance with Regulation 52 (1) (b) of the PPDA (Contract) Regulations, 2023.	Immediately
	Closely monitor and supervise the Contractors with an emphasis of adhering to the achievement of the Environmental, Social, Safety and Health in all Government projects in accordance with section 66 of the PPDA Act, Cap. 205.	Continuous
User Departments	Prepare the departmental annual procurement plans inclusive the expected locally raised revenues and submit their plans to the Procurement and Disposal Unit to facilitate orderly execution of annual procurement activities. Nominate personnel with appropriate skills and experience for subsequent appointment by the Accounting Officer as Contract Managers to supervise and report on the implementation of the contracts in accordance with	Immediately Continuous

Responsible Party	Recommendation	Action Date
	Regulations 50 (l) and 51 (l) of the PPDA (Contracts) Regulations, 2023.	
Contract managers	<p>Prepare contract management plans in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023 and also closely monitor the execution of contracts.</p> <p>a) Strictly supervise the contract and ensure that the provider performs the contract in accordance with the terms and conditions specified in the contract; in accordance with Regulation 52 (1) (b) of the PPDA (Contract) Regulations, 2023.</p> <p>b) Always ensure that the Contractor meets the Environmental, Social, Safety and Health in all Government projects in accordance with section 66 of the PPDA Act, Cap. 205.</p>	<p>Continuous</p> <p>Immediately</p> <p>Continuous</p>

Appendix 1 : Case by Case Analysis.

No.	SUBJECT OF PROCUREMENT	FINDINGS
HIGH RISK PROCUREMENTS		
1.	Construction of drainable latrine at Bira HC III UGX 24,946,380	<ul style="list-style-type: none"> • The procurement was not in the approved procurement plan. • Failure to prepare bidding document. • No Contracts Committee minutes approving the evaluation report. • Failure to provide for ESHS in the contract. • Change of contract conditions at contracting.
2.	Construction of drainable latrine at Pakele Market Silver Court Lounge SMC Ltd UGX. 29,785,265	<ul style="list-style-type: none"> • The procurement was not in the approved procurement plan. • Passing of a non-compliant bidder.
3.	Drilling of 15 boreholes and 01 production Borehole. Mama Bore Well Africa Ltd UGX 380,042,010	<ul style="list-style-type: none"> • Failure to prepare bidding document. • Irregularities at issuance of the commencement order. • There were no CC minutes showing the approval of the variations. • Variation of a contract beyond 25% of the contract value.
4.	Supply and delivery of Equipment: Lot 1 for Arinyapi Seed Secondary School UGX. 149,797,790 MFI document Solutions Ltd	<ul style="list-style-type: none"> • Failure to prepare bidding document. • Failure by MFI Document Solutions Ltd to deliver the supplies.
5.	Revenue collection at Dzaipi market gate UGX. 1,250,000 per month Kamandala and sons enterprises Ltd.	<ul style="list-style-type: none"> • The procurement was not in the approved procurement plan. • Failure to prepare bidding document.
MEDIUM RISK PROCUREMENTS		
6.	Design of Piped water supply system at Inriani Dinnery UGX. 44,960,000	<ul style="list-style-type: none"> • Low bidder participation. • Inadequate shortlisting of bidders. The Entity shortlisted only three firms.
7.	Maaji Seed Secondary School UGX 760,809,189 DARMUBS Enterprises	<ul style="list-style-type: none"> • DARMUBS Enterprises submitted two contradicting Powers of Attorney. The specific POA dated 13th February 2025 was given to Mr. Rasul Ali and the general POA dated 26th October 2022 was given to Mr. Malik Shaban. • Failure by the contractor to implement ESHS. • Failure to fully pay the contractor. • Failure to complete the project.
8.	Renovation of education office block at Adjumani DLG Head Quarters UGX 103,624,060	<ul style="list-style-type: none"> • Change of evaluation criteria at evaluation. • Change of contract terms at contracting. • Delay to complete the works.

No.	SUBJECT OF PROCUREMENT	FINDINGS
	NILE JOINT OPERATIONS LTD	
9.	Supply, delivery, installation, user training and commissioning of assorted Medical Equipment for Adjumani DLG (Lot 5) UGX. 125,265,299 (Lot 5) 1,643,584,489 (for all Lots)	<ul style="list-style-type: none"> • Failure by the CEM Enterprises (U) Limited to deliver items. • Failure to implement Solicitor General's recommendations. • Delay to sign the contract.
10.	Supply and delivery of Science Kits and Chemical Reagents Lot 2 for Arinyapi Seed Secondary Schools. UGX. 52,653,000 A.N Ddamulira Ltd	<ul style="list-style-type: none"> • Failure to prepare bidding document. • Passing of the noncompliant bidder.
11.	Construction of staff house at Rende Primary School. UGX. 235,382,860 Kamandala and Sons Enterprises Ltd	<ul style="list-style-type: none"> • No record of invitation of all the 23 bidders that were shortlisted. • Failure to prepare bidding document. • Failure to have a member of Procurement and Disposal Unit on Evaluation Committee.
12.	Supply of pressure switch and two submersible pumps with accessories UGX. 67,753,000 Jack and Friends Establishment Ltd	<ul style="list-style-type: none"> • Failure to prepare bidding document. • Conducting evaluation process when there was no Contracts Committee approval of the Evaluation Committee. • No Contracts Committee approval of the evaluation report.
13.	Construction of drainable latrine at Zoka P/S UGX 29,579,178 DARMUBS Enterprises	<ul style="list-style-type: none"> • Failure to prepare bidding document. • Failure to include ESHS requirements in the contract. • No Contracts Committee minutes approving the evaluation report. • Display of NOBEB for less than 10 working days.
14.	Renovation of classroom block at Meiaderi P/S UGX 168,975,315	<ul style="list-style-type: none"> • Failure to prepare a bidding document • Failure by the contractor to fully implement the contract. • Incomplete and expired contract. • Failure to pay the contractor
15.	Sitting, drilling, supervision of 15 Boreholes and 01 production well. UGX 40,520,000 Geobot Group Ltd	<ul style="list-style-type: none"> • Low bidder participation. • No record of invitation of all the three bidders that were shortlisted. • Failure to have a member of Procurement and Disposal Unit on Evaluation Committee.
LOW RISK PROCUREMENTS		
16.	Design, supply and Installations of Micro Scale Irrigation Systems.	<ul style="list-style-type: none"> • Failure to include Procurement and Disposal Unit member on Evaluation Committee.

No.	SUBJECT PROCUREMENT	OF	FINDINGS
	Reliefline (U) Ltd. UGX. 399,227,600		

Appendix 2 : Adjumani District Local Government Performance Audit Sample List For FY 2024/2025

No.	Procurement Reference No	Subject of Procurement	Method of Procurement	Provider/ Purchaser	Contract Value (UGX)	Risk Rating
1.	ADJU802/Works/2024-2025/00020	Renovation of Education office Block.	Quotation Method	Nile Joint Operation Ltd	103,624,060	MEDIUM
2.	ADJU802/WORKS/2024-2025/00002	Design, supply and Installations of Micro Scale Irrigation Systems.	Restricted Bidding	Reliefline (U) Ltd	508,088,800	LOW
3.	ADJU802/WORKS/2024-2025/00005	Renovation of Facilities at Maaji Seed Secondary School.	Restricted Bidding	DARMUBS Enterprises	760,809,189	MEDIUM
4.	ADJU802/WORKS/2024-2025/00006	Renovation of one block of Four Classrooms at Meliaderi Primary School.	Quotation Method	Marinyo Brothers Ltd	168,975,315	MEDIUM
5.	MoH/SUPPLIES/2024-2025/00002	Supply, delivery, installation, user training and commissioning of assorted Medical Equipment.	Quotation Method	CEM Enterprises Ltd	125,000,000	MEDIUM
6.	ADJU802/WORKS/2024-2025/00003	Construction of staff house at Rende Primary School.	Restricted Bidding	Kamandala and Sons Enterprises Ltd	235,382,860	MEDIUM
7.	ADJU802/MoES/SUPLS/2024-2025/00002	Supply and delivery of Equipment: Lot 1 for Arinyapi Seed Secondary School.	Open bidding	MFI Document Solutions Ltd	149,797,790	HIGH
8.	ADJU802/WORKS/2024-2025/00001	Drilling of 15 boreholes and 01 production Borehole.	Restricted Bidding	Mama Bore Well Africa Ltd	380,042,010	HIGH
9.	ADJU802/MoES/SUPLS/2024-2025/00002	Supply and delivery of Science Kits and Chemical Reagents Lot 2 for Arinyapi Seed Secondary Schools.	Open bidding	A.N Ddamulira Ltd	52,653,000	MEDIUM

No.	Procurement Reference No	Subject of Procurement	Method of Procurement	Provider/Purchaser	Contract Value (UGX)	Risk Rating
10.	ADJU802 /SUPLS/2024-2025/00004	Supply and delivery of pressure switch and two (02) submersible pumps.	Quotation Method	Jack and Friends Establishment Ltd	67,753,000	MEDIUM
11.	ADJU802/Services/2024-2025/00002	Designing piped water supply system at Indriani Dinnery.	Quotation Method	Dr Eng Jotham Sempewo	44,960,000	MEDIUM
12.	ADJU802/WORKS/2024-2025/00009	Construction of five stance drainable latrine at Pakele Market.	Quotation Method	Silver Court Lounge SMC Ltd	29,785,265	HIGH
13.	ADJU802/WORKS/2024-2025/00009	Construction of five stance drainable latrine at Zoka Primary Schools.	Quotation Method	DARMUBS Enterprises	29,579,178	MEDIUM
14.	ADJU802/WORKS/2024-2025/00010	Construction of four stance drainable latrine at Bira HC III.	Quotation Method	Nile Joint Operation Ltd	24,946,380	HIGH
15.	ADJU802/SERVICES/2024-2025/00001	Sitting, Drilling, Supervision of 15 Boreholes and 01 Production Borehole.	Restricted Bidding	Geobot Group Ltd	40,520,000	MEDIUM
16.	ADJU802/SERVICES/2024-2025/00007	Revenue collection at Dzaipi market gate.	Request for proposals.	Kamandala and Sons Enterprises Ltd	1,250,000 per month	HIGH
TOTAL					2,723,166,847	