

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

**PROCUREMENT AND DISPOSAL AUDIT REPORT FOR
NATIONAL MEDICAL STORES FOR FINANCIAL
YEAR 2024/2025**

JUNE 2026

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ACRONYMS

| | |
|--------|--|
| ESHS | Environmental, Social, Health and Safety |
| FY | Financial Year |
| GCC | General Conditions of Contract |
| LTD | Limited |
| MoFPED | Ministry of Finance, Planning and Economic Development |
| NCONS | Non consultancy services |
| NMS | National Medical Stores |
| PDU | Procurement and Disposal Unit |
| PPDA | Public Procurement and Disposal of Public Assets Authority |
| SCC | Special Conditions of Contract |
| SUPLS | Supplies |
| UGX | Uganda Shillings |
| WRKS | Works |

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a procurement and disposal audit of National Medical Stores for the Financial Year 2024/2025 and reviewed 28 sampled procurement and disposal transactions.

The overall objective of the audit was to assess and establish the degree of compliance of the Entity's procurement system and processes with the provisions of the PPDA Act, Cap. 205, the PPDA Regulations, 2023, PPDA Guidelines, 2024 and the level of procurement performance over the audit period.

From the findings of the procurement and disposal audit exercise, the performance of National Medical Stores for FY 2024/2025 was **Satisfactory** with an overall weighted average risk rating of **4.2%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the audit report.

The risk rating above is based on the sampled transactions reviewed during the audit period. The review did not include assessment of disposal processes for expired medicines which is planned for the next audit cycle and therefore, the opinion is limited to areas examined.

The following key positives were noted during the audit:

1. Green initiatives implemented at National Medical Stores for sustainable procurement including use of rechargeable machinery in the stores, procured a solar plant that generates 300-500 Kva, collection and recycling of rubbish centrally and reuse of wooden pallets there by reducing the need for new pallets every time a supplier delivers new stock.
2. The Procurement and Disposal Unit maintains records of all procurement and disposal transactions of the Entity.
3. The contracts Committees executes its roles as laid down in Sections 30 of the PPDA Act, Cap.205 effectively evidenced by the Contracts Committee minutes.
4. Existence of well-established procurement structures and segregation of roles between the Accounting Officer, Contracts Committee, Evaluation Committee, User Departments and a fully instituted Procurement and Disposal Unit.

Despite the satisfactory performance, the following key exceptions were noted during the audit:

1. Failure to fully implement the previous audit recommendations contrary to Section 10 (1) of the PPDA Act, Cap. 205. The two recommendations for Financial Year 2022/2023 were partially implemented. Where audit recommendations are not fully implemented, continuous improvement of the procurement performance is hindered.
2. Noncompliance with Reservation Schemes to promote the Participation of registered Associations of Women, Youth and Persons with Disabilities during the Financial Year

contrary to PPDA Guideline 11/2024. This hinders Government efforts to promote inclusive development and curtails achievement of national aspirations.

3. Failure to dispose of six grounded motor vehicles worth UGX. 473,254,167 contrary to Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023. This leads to further depreciation and loss of the would be realized revenue.
4. Delayed payments to suppliers for an average of 13 working days after expiry of the 90 working days as per contract payment terms in three procurements worth UGX 363,711,794 contrary to Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023. This results into financial distress to suppliers which may lead to low bidder participation and charging of higher prices in future procurements.

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

1. The Accounting Officer, who has the overall responsibility for the execution of the procurement function should:
 - i. Implement Authority's recommendations in accordance with Section 10 (1) of the PPDA Act, Cap. 205.
 - ii. Prevail over the Head, Procurement and Disposal Unit to make use of the prequalified list and extend opportunities to the registered Associations of Women, Persons with Disabilities and Youth as per the PPDA Guideline 11/2024.
 - iii. Expedite the disposal of six grounded motor vehicles in accordance with the PPDA (Disposal) Regulations, 2023.
 - iv. Fulfil contractual obligations in respect to timely payment in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023.

The National Medical Stores should implement the recommended action plan on page 11.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a procurement and disposal audit of National medical stores for the Financial Year 2024/2025 and reviewed 28 sampled procurement and disposal transactions. The audit involved a review of procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the PPDA Act, Cap. 205, the PPDA Regulations, 2023 and PPDA Guidelines, 2024.

1.2 Audit Objectives

The overall objective of the audit was to assess and establish the degree of compliance of Entity's procurement system, process and disposal with the provisions of the PPDA Act, Cap. 205, PPDA Regulations, 2023 and PPDA Guidelines, 2024 and the level of procurement performance over the audit period.

The specific objectives of the audit were to:

1. Establish the level of compliance by the Procuring and Disposing Entity (PDE) with the general provisions of the PPDA Act, Cap. 205, PPDA Regulations, 2023 and Guidelines 2024;
2. Assess the degree of compliance with the PPDA Act, Cap. 205 and PPDA Regulations, 2023 in the conduct of disposal activities; and
3. Assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements where applicable.

1.3 Structure of the Entity

National Medical Stores is a government-owned organization in Uganda which was established as a Statutory Corporation in 1993 by Act of Parliament under Chapter 207 of the Laws of Uganda. It is mandated to procure, store & distribute essential Medicines and Medical Supplies to all Public Health Facilities in the Uganda.

According to Section 28 of the PPDA Act, Cap. 205, the Accounting Officer has the overall responsibility for the successful execution of procurement, disposal and contract management in a Procuring and Disposing Entity. The Accounting Officer of National Medical Stores during the Financial Year under review was Mr. Moses Kamabare, the General Manager.

The Permanent Secretary/Secretary to the Treasury of the Ministry of Finance, Planning & Economic Development approved the members of the Contracts Committee listed in Table 1 below:

Table 1: Membership of the Contracts Committee

| No | Name | Position on Committee | Date of Appointment |
|----|-----------------------|-----------------------|--------------------------------|
| 1. | Mr. Paul Okware | Chairperson | 25 th February 2021 |
| 2. | Mr. Christopher Ntege | Member | 25 th February 2021 |

| No | Name | Position on Committee | Date of Appointment |
|----|----------------------------|-----------------------|--------------------------------|
| 3. | Mr. Patrick Ssembatya John | Member | 11 th March 2021 |
| 4. | Ms. Allen Bucyana | Member | 25 th February 2021 |
| 5. | Ms. Marion Peace Tumusiime | Secretary | 25 th February 2021 |

According to Section 33 of the PPDA Act, Cap .205, all procurement or disposal activities of the Procuring and Disposing Entity except adjudication and the award of contract were to be managed by the Procurement and Disposal Unit. The Procurement and Disposal Unit during the financial year under review was headed by Mr Alfred Natamba.

1.4 Procurement and disposal audit scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation of 27 transactions under Financial Year 2024/25 (*Appendix 2*).

1.5 Audit Methodology

On 11th February 2026, the Entity was notified about the audit exercise. A sample of 28 procurement transactions conducted in the Financial Year 2024/2025 was selected based on stratified random sampling. An audit launch meeting was held on 19th February 2026 between the audit team and the Entity's officials.

Two officers conducted the exercise under the supervision of the Manager, Performance Monitoring. During the exercise, the team examined records and documents of the sampled procurement transactions. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and processes.

On completion of file review, the audit team met with various stakeholders to discuss and obtain clarifications on some of the preliminary findings. A debrief meeting was held on 24th April 2026 between the audit team and the Entity's officials. A management letter was issued to the Entity for management's response on 5th May 2026 and the Entity's responses to the raised issues were received on 11th May 2026. The exit meeting was held on 13th May 2026 at PPDA Head Office, PPDA-URF Towers, Nakasero Road, Kampala.

On completion of data collection and before writing the report, the Audit Manager reviewed the working papers for completeness. The working papers contained a detailed chronology of findings on each of the sampled transactions. The audit report presents the key findings and conclusions arising from the audit.

CHAPTER TWO: FINDINGS OF THE AUTHORITY

2.1 Compliance by the Procuring and Disposing Entity (PDE) with the general provisions of the PPDA Act, Cap. 205, PPDA Regulations, 2023 and Guidelines 2024

2.1.1 Failure to fully implement previous audit recommendations for the FY 2022/2023

Section 10 (1) (a) of the PPDA Act, Cap 205 requires a Procuring and Disposing Entity to implement audit recommendations made by the Authority. The Entity was issued with the Procurement and Disposal audit report for Financial Year 2022/2023 in December 2023. The single recommendation made was partially implemented as indicated in Table 2 below:

Table 2: Status of Implementation for FY 2022/23 Recommendations

| SN | Recommended Action | Status |
|----|--|-----------------------|
| 1. | The Accounting Officer should always fulfil contractual obligations in respect to timely payment in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2014 and as spelt out in the Special Conditions of contract | Partially implemented |

Implication

Failure to fully implement previous audit recommendations affects the improved performance of the procurement and disposal function in the Entity.

Management response

Delays in supplier payment are due to the delays in the release of funds by the Ministry of Finance, planning and Economic Development. NMS will always endeavour to pay the suppliers to the extent of the available funds.

Recommendation

The Entity's response is noted. However, the Entity did not adduce evidence of delayed release of funds by MoFPED and therefore the Authority recommends that the Accounting Officer should prioritize payment of providers and ultimately implement Authority's recommendations in accordance with Section 10 (1) of the PPDA Act, Cap. 205.

2.1.2 Noncompliance with Reservation Schemes to promote the Participation of registered Associations of Women, Youth and Persons with Disabilities

Paragraph 2 of the PPDA Guideline 11/2024 on reservation schemes seeks to promote the participation of registered associations of Women, Persons with disabilities and Youth, requires an Entity to reserve at least 15% of its annual procurement plan budget for award to registered associations of Women, Youth and Persons with Disabilities.

The Guideline also requires Entities under Central Government to reserve procurement requirements for supplies, works, consultancy and non-consultancy services whose value does not exceed UGX 30 million to registered associations of Women, Youth and Persons with Disabilities.

Review of the procurement processes at the Entity indicated that there were no deliberate efforts to promote the participation of registered associations of Women, Youth and Persons with disabilities from planning to contract award as required by the Guideline.

This was attributed to delayed shortlisting and prequalification of providers in the category of registered associations of Women, Persons with Disabilities and Youth and as such no procurements were reserved to such groups.

Implication

Non-adherence to reserving procurements for the Special Interest Groups hinders Government efforts to promote inclusive development and curtails achievement of national aspirations.

Management response

The Prequalification exercise for registered associations of Women, Persons with Disabilities and Youth has been completed (Annex 1). A provision has also been made in the Procurement Plan for FY 2026/27 where certain procurements will be reserved for these groups.

Recommendation

Completion of the prequalification exercise is noted. However, the issue is retained for continuous monitoring and the Authority recommends that the Accounting Officer should prevail over the Head, Procurement and Disposal Unit to make use of the prequalified list and extend opportunities to the registered associations of Women, Persons with Disabilities and Youth.

1.2. Compliance with the PPDA Act, Cap 205 and PPDA Regulations, 2023 in the conduct of disposal activities

2.2.1 Failure to dispose of grounded motor vehicles

Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023 states 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*”. Contrary to the above, the Entity had six motor vehicles with a net book value of UGX 473,254,167 due for disposal for the previous Financial Year and no disposal process had taken place neither was it initiated.

The Authority interacted with the Head, Procurement and Disposal Unit who confirmed that the disposal process was waiting valuation of the motor vehicles by the Chief Government Valuer. The motor vehicles due for disposal are shown in Table 3 below;

Table 3: National Medical Stores Vehicles due for disposal





Implication

Failure to dispose assets leads to further depreciation and loss of the would be realized revenue.

Management Response

The delays in the disposal of motor vehicles and other assets was caused by the delays in valuation exercise by the Chief Government Valuer.

NMS has been engaging with the office of the chief Government value over a long period time and we still await the execution of the exercise to commence the disposal process (Annex 2).

NMS requests PPDA to engage the office of the Chief Government Valuer on ways to improve efficiencies in the valuation of assets for disposal. The Chief Government valuer can prequalify firms that can carry out the exercise on their behalf like it is with other agencies like the Office of the Auditor General.

Recommendation

The Authority takes note of management response. However, the Accounting Officer should continue engaging the office of the Chief Government Valuer for valuation of the grounded vehicles and thereafter expedite disposal in accordance with the PPDA (Disposal) Regulations, 2023.

2.3. Efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements where applicable

2.3.1. Delayed payment to suppliers

Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023 states that the period for payment shall be thirty days from certification of invoices, except where this is varied in the special conditions of the contract. Whereas the Entity varied the payment period to 90 working days, it failed to effect payments in time worth UGX 363,711,794 as detailed in table 4 below:

Table 4: Delayed Payments

| INVOICE NO. | CONTRACT DESCRIPTION | SUPPLIER | INVOICE AMOUNT (UGX) | INVOICE DATE | PYT DATE | DELAY (AFTER 90 WORKING DAYS) |
|--|---------------------------|---------------------------------|----------------------|--------------------------------|---------------------------------|-------------------------------|
| 0863/24-25 | Supply of Pharmaceuticals | Shreeji Pharmaceuticals Limited | 75,178,150 | 6 th February 2025 | 22 nd July 2025 | 22 working days |
| 0915/24-25 | | | 97,055,400 | 21 st February 2025 | 22 nd July 2025 | 11 working days |
| 1155200280 | Supply of pharmaceuticals | Southern Range Nyanza Ltd | 93,950,000 | 25 th February 2025 | 22 nd July 2025 | 9 working days |
| 1155200279 | | | 73,950,000 | 25 th February 2025 | 22 nd July 2025 | 9 working days |
| 1242311649 274, BIO/163/04 -2025, BIO 155, BIO/164, BIO/137, BIO/ 163, BIO/166, BIO/167, BIO/141, BIO/135, BIO/130 and BIO/168 | Supply of Pharmaceuticals | Biomedics Products Ltd | 23,578,244 | 11 th April 2025 | 12 th September 2025 | 15 working days |
| Average working days delay after 90 working days | | | | | | 13.2 working days |

Risk implication

Failure to pay suppliers in a timely manner may result in financial distress which may lead to low bidder participation and charging of higher prices in future procurements.

Management Response

Delays in supplier payment are due to the delays in the release of funds by the Ministry of Finance, planning and Economic Development.

NMS will always endeavour to pay the suppliers to the extent of the available funds.

Recommendations

The Entity's management response is noted. However, the finding is maintained due to persistent delayed payments and the Authority recommends that the Accounting Officer should fulfil contractual obligations in respect to timely payment in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall audit Conclusion

The performance of National Medical Stores for the Financial Year 2024/2025 was **Satisfactory** with overall weighted average risk rating of **4.2%**.

3.2 Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 7 below:

Table 5: Summary of performance of National Medical Stores

| Risk Rating | No. | %No | Value (UGX) | % | Weights | Total Weighted Score | |
|--------------|-----------|------------|------------------------|------------|----------|----------------------|-------------|
| | | | | Value | | By No. | By Value |
| High | 0 | 0 | 0 | 0 | 0.6 | 0 | 0 |
| Medium | 4 | 14.3 | 836,966,141 | 0.272 | 0.3 | 4.26 | 0.81 |
| Low | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Satisfactory | 24 | 85.7 | 306,808,659,716 | 99.7 | 0 | 0 | 0 |
| Total | 28 | 100 | 307,645,625,857 | 100 | 1 | 4.26 | 0.81 |

$$\text{Weighted Average by number} = \frac{\sum \text{Weighted Score by number}}{60} \times 100 = \frac{4.26 \times 100}{60} = 7.1\%$$

$$\text{Weighted Average by value} = \frac{\sum \text{Weighted Score by value}}{60} \times 100 = \frac{0.81 \times 100}{60} = 1.35\%$$

$$\text{The average weighted risk rating} = \frac{7.1\% + 1.35\%}{2} = 4.2\%$$

Since **4.2%** falls within the **0-30** risk range, the performance of the Entity is rated **Satisfactory** as detailed in Table 8 below:

Table 8: Risk Rating

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

GRAPHICAL REPRESENTATION OF THE ENTITY'S PERFORMANCE

Figure 1 showing performance by number of contracts

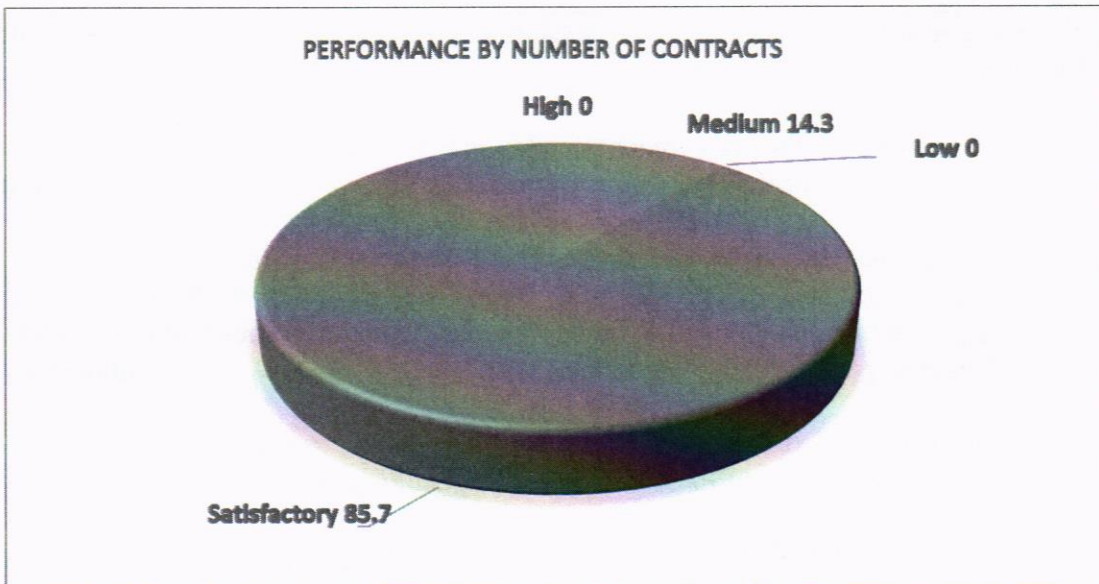
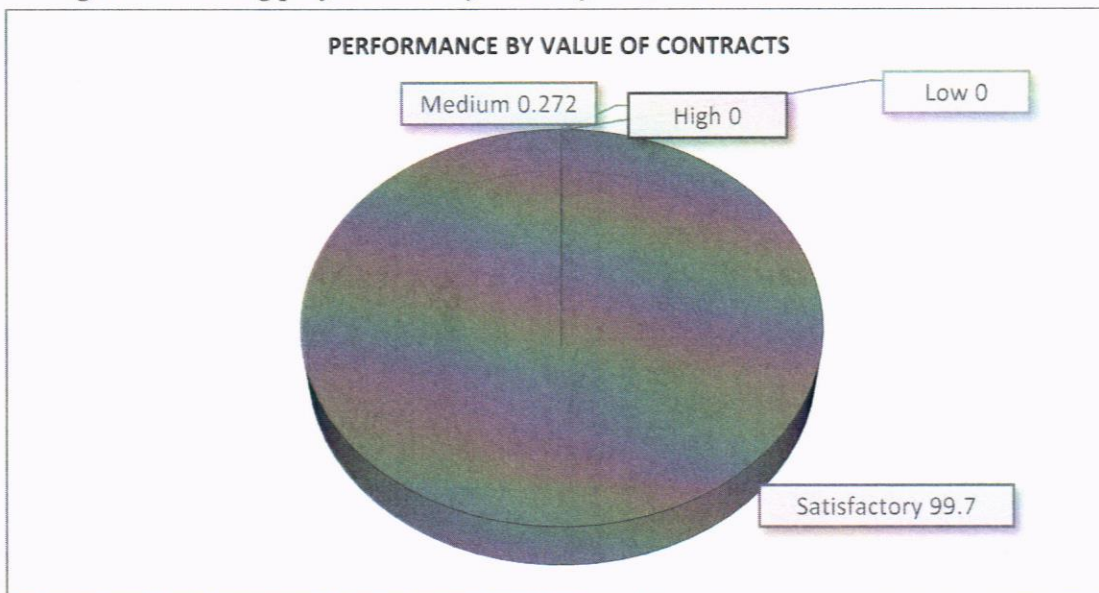


Figure 2 showing performance by value of contracts



3.3 Recommendation Action Plan

The Entity should implement the recommendations as indicated in Table 9 below:

Table 9: Action Plan

| No. | Recommendation | Time Frame |
|------------|---|---|
| 1. | The Accounting Officer should: i. Implement Authority's recommendations in accordance with Section 10 (1) of the PPDA Act, Cap. 205. ii. Prevail over the Head, Procurement and Disposal Unit to make use of the prequalified list and extend opportunities to the registered Associations of Women, Persons with Disabilities and Youth as per the PPDA Guideline 11/2024. iii. Expedite the disposal of six grounded motor vehicles in accordance with the PPDA (Disposal) Regulations, 2023. iv. Fulfil contractual obligations in respect to timely payment in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023. | Continuous Immediate Continuous |

Appendix 1: Findings and Rating on the individual contracts reviewed

| No. | Medium Risk Contracts | Reason for risk rating |
|---------------------|---|---|
| 1. | Subject of Procurement: Supply of Pharmaceuticals Reference number: N/A Provider: Shreeji Pharmaceuticals Limited Contract value: UGX 172,233,550 Method of procurement: Direct Procurement | Delayed payment of 22 working days after expiry of the 90 working days provided for in the contract contrary to Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023 |
| 2. | Subject of Procurement: Supply of Pharmaceuticals Reference number: N/A Provider: Southern Range Nyanza Ltd Contract value: UGX 167,900,000 Method of procurement: Direct Procurement | Delayed payment of 9 working days after expiry of the 90 working days provided for in the contract contrary to Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023 |
| 3. | Subject of Procurement: Supply of Pharmaceuticals Reference number: N/A Provider: Biomedics Products Ltd Contract value: UGX 23,578,244 Method of procurement: Direct Procurement | Delayed payment of 15 working days after expiry of the 90 working days provided for in the contract contrary to Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023 |
| 4. | Disposal of grounded Motor vehicles | The Entity had six motor vehicles with a net book value of UGX 473,254,167 due for disposal for the previous Financial Year and no disposal process had taken place neither was it initiated. This leads to further depreciation of the Assets and loss of revenue. |
| Satisfactory | | |
| 5. | Subject of Procurement: Supply of Pharmaceuticals Reference number: NMS/SUPLS/23-24/00120 Provider: Own Pharmaceuticals Ltd Contract value: UGX 468,888,000 Method of procurement: Restricted national bidding | |
| 6. | Subject of Procurement: Supply of laboratory equipment and instruments Reference number: NMS/SUPLS/24-25/00005 Provider: Gareth Capital Holdings Ltd Contract value: UGX 227,560,461 Method of procurement: Direct procurement | |

| | |
|-----|--|
| 7. | <p>Subject of Procurement: Procurement of a vendor for the support and maintenance of SAGE line 500 ERP system</p> <p>Reference number: NMS/NCONS/24- 25/00003</p> <p>Provider: Intesolmac Uganda Ltd</p> <p>Contract value: UGX 68,872,000</p> <p>Method of procurement: Open Domestic Bidding/National</p> |
| 8. | <p>Subject of Procurement: Supply of pharmaceuticals</p> <p>Reference number: NMS/SUPLS/24- 25/00030</p> <p>Provider: Getwell Pharmacy (SMC) Ltd</p> <p>Contract value: UGX1,434,861,800</p> <p>Method of procurement: Restricted/Selective International</p> |
| 9. | <p>Subject of Procurement: Supply of UBTS Architect reagents</p> <p>Reference number: NMS/SUPLS/24- 25/00024</p> <p>Provider: Star Pharmaceuticals Ltd</p> <p>Contract value: UGX 1,951,268,430</p> <p>Method of procurement: Restrictive/Selective National</p> |
| 10. | <p>Subject of Procurement: Supply of Specialized Oral Preparations</p> <p>Reference number: NMS/SUPLS/24- 25/00029</p> <p>Provider: Getwell Pharmacy (SMC) Ltd</p> <p>Contract value: UGX 1,852,770,417</p> <p>Method of procurement: Restrictive/Selective National</p> |
| 11. | <p>Subject of Procurement: Consultancy services for mainstreaming Environmental, Social and Governance factors into operations of NMS</p> <p>Reference number: NMS/CONS/24- 25/00012</p> <p>Provider: Quality Assurance and Consultants</p> <p>Contract value: UGX 148,823,050</p> <p>Method of procurement: Request for Quotation/Proposal</p> |
| 12. | <p>Subject of Procurement: Supply of laboratory consumables, diagnostic kits and reagents on a framework contract</p> <p>Reference number: NMS/SUPLS/24-25/00052</p> <p>Provider: Medisell Uganda Limited</p> <p>Contract value: UGX 920,434,500</p> <p>Method of procurement: Direct Procurement</p> |
| 13. | <p>Subject of Procurement: Supply of Parenteral Medicines</p> <p>Reference number: NMS/SUPLS/24- 25/00076</p> <p>Provider: Kamcare Pharma Ltd</p> <p>Contract value: UGX 1,700,047,200</p> <p>Method of procurement: Restrictive/Selective National</p> |
| 14. | <p>Subject of Procurement: Supply of specialized chemistry reagents to support ANR microbiology and Hematology</p> <p>Reference number: NMS/SUPLS/24-25/00085</p> <p>Provider: Lifecare Diagnostics Limited</p> <p>Contract value: UGX 1,949,929,893</p> |

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|-----|--|
| | Method of procurement: Restrictive/Selective National |
| 15. | Subject of Procurement: Supply of a Laboratory equipment Reference number: NMS/SUPLS/24- 25/00088 Provider: Benefit Worldwide Ltd Contract value: UGX 1,799,999,000 Method of procurement: Open Domestic Bidding/National |
| 16. | Subject of Procurement: Provision of Comprehensive Insurance for NMS corporation Assets Reference number: NMS/NCONS/24-25/00065 Provider: Benefit Sanlam Life Insurance (U) Limited Contract value: UGX 5,790,651,831 Method of procurement: Open Domestic Bidding/National |
| 17. | Subject of Procurement: Supply of Pharmaceuticals (ARVs) Reference number: NMS/SUPLS/24-25/00090 Provider: Quality Chemicals Limited Contract value: UGX 1,984,450,104 Method of procurement: Direct Procurement |
| 18. | Subject of Procurement: Supply of Laboratory Equipment on a lumpsum Reference number: NMS/SUPLS/24- 25/00102 Provider: Gareth Capital Holdings Ltd Contract value: UGX 1,777,400,960 Method of procurement: Open Domestic Bidding/National |
| 19. | Subject of Procurement: Supply of General Laboratory consumables and Hematology Beckman Coulter reagents on 3 Yr framework contract Reference number: NMS/SUPLS/24- 25/00102 Provider: Star Pharmaceuticals Ltd Contract value: UGX 492,852,600 Method of procurement: Restrictive/Selective National |
| 20. | Subject of Procurement: Supply of Pharmaceuticals on a 3 yr framework Reference number: NMS/SUPLS/24-25/00066 Provider: Gittoes Pharmaceuticals Ltd Contract value: UGX 835,059,600 Method of procurement: Direct Procurement |
| 21. | Subject of Procurement: Supply of Pharmaceuticals from local manufacturers Reference number: NMS/SUPLS/24-25/00064 Provider: Kampala Pharmaceutical Industries (1996) Ltd Contract value: UGX 641,874,040 Method of procurement: Restrictive/Selective National |
| 22. | Subject of Procurement: Supply of specialized chemistry reagents and Pathology consumables Reference number: NMS/SUPLS/24-25/00081 Provider: Swift Path Solutions Limited |

| | |
|-----|---|
| | <p>Contract value: UGX 230,399,000</p> <p>Method of procurement: Direct Procurement</p> |
| 23. | <p>Subject of Procurement: Provision of catering services to NMS staff</p> <p>Reference number: NMS/NCONS/23-24/00101</p> <p>Provider: Keba investments Ltd</p> <p>Contract value: UGX 1,540,384,272</p> <p>Method of procurement: Open Domestic Bidding/National</p> |
| 24. | <p>Subject of Procurement: Supply of various pharmaceuticals, ARVs and medical supplies from local manufacturers</p> <p>Reference number: N/A</p> <p>Provider: Quality Chemicals Limited</p> <p>Contract value: UGX 173,323,050,026</p> <p>Method of procurement: Direct Procurement</p> |
| 25. | <p>Subject of Procurement: Supply of various pharmaceuticals from local manufacturers</p> <p>Reference number: N/A</p> <p>Provider: VvsaoI Pharmaceuticals Ltd</p> <p>Contract value: UGX 22,415,050,409</p> <p>Method of procurement: Direct Procurement</p> |
| 26. | <p>Subject of Procurement: Supply of various pharmaceuticals from local manufacturers</p> <p>Reference number: N/A</p> <p>Provider: Kampala Pharmaceuticals Ltd</p> <p>Contract value: UGX 36,154,333,200</p> <p>Method of procurement: Direct Procurement</p> |
| 27. | <p>Subject of Procurement: Supply of various pharmaceuticals from local manufacturers</p> <p>Reference number: N/A</p> <p>Provider: Gittoes Pharmaceuticals Ltd</p> <p>Contract value: UGX 31,390,382,910</p> <p>Method of procurement: Direct Procurement</p> |
| 28. | <p>Subject of Procurement: Supply of various pharmaceuticals from local manufacturers</p> <p>Reference number: N/A</p> <p>Provider: Micro-Haem Sciences Ltd</p> <p>Contract value: UGX 18,182,570,360</p> <p>Method of procurement: Direct Procurement</p> |

APPENDIX 2: AUDIT SAMPLE LIST FOR NATINAL MEDICAL STORES FOR THE FINANCIAL YEAR 2024-2025

| No | Procurement Reference Number | Subject of Procurement | Procurement Method | Service Provider | Contract Amount in UGX |
|-----|------------------------------|--|------------------------------------|-----------------------------------|------------------------|
| 1. | NMS/SUPLS/23-24/00120 | Supply of Pharmaceuticals | Restrictive/Selective National | Own Pharmaceuticals Ltd | 468,888,000 |
| 2. | NMS/SUPLS/24-25/00005 | Supply of laboratory equipment and instruments | Direct Procurement | Gareth Capital Holdings Ltd | 227,560,461 |
| 3. | NMS/NCONS/24-25/00003 | Procurement of a vendor for the support and maintenance of SAGE line 500 ERP system | Open Domestic Bidding/National | Intesolmac Uganda Ltd | 68,872,000 |
| 4. | NMS/SUPLS/24-25/00030 | Supply of pharmaceuticals | Restricted/Selective International | Getwell Pharmacy (SMC) Ltd | 1,434,861,800 |
| 5. | NMS/SUPLS/24-25/00024 | Supply of UBTS Architect reagents | Restrictive/Selective National | Star Pharmaceuticals Ltd | 1,951,268,430 |
| 6. | NMS/SUPLS/24-25/00029 | Supply of Specialized Oral Preparations | Restrictive/Selective National | Getwell Pharmacy (SMC) Ltd | 1,852,770,417 |
| 7. | NMS/CONS/24-25/00012 | Consultancy services for mainstreaming Environmental, Social and Governance factors into operations of NMS | Request for Quotation/Proposal | Quality Assurance and Consultants | 148,823,050 |
| 8. | NMS/SUPLS/24-25/00052 | Supply of laboratory consumables, diagnostic kits and reagents on a framework contract | Direct Procurement | Medisell Uganda Limited | 920,434,500 |
| 9. | NMS/SUPLS/24-25/00076 | Supply of Parenteral Medicines | Restrictive/Selective National | Kamcare Pharma Ltd | 1,700,047,200 |
| 10. | NMS/SUPLS/24-25/00085 | Supply of specialized chemistry reagents to support ANR microbiology and Hematology | Restrictive/Selective National | Lifecare Diagnostics Limited | 1,949,929,893 |

| No | Procurement Reference Number | Subject of Procurement | Procurement Method | Service Provider | Contract Amount in UGX |
|-----|------------------------------|---|--------------------------------|--|------------------------|
| 11. | NMS/SUPLS/24-25/00088 | Supply of a Laboratory equipment | Open Domestic Bidding/National | Benefit Worldwide Ltd | 1,799,999,000 |
| 12. | NMS/NCONS/24-25/00065 | Provision of Comprehensive Insurance for NMS corporation Assets | Open Domestic Bidding/National | Sanlam Life Insurance (U) Limited | 5,790,651,831 |
| 13. | NMS/SUPLS/24-25/00090 | Supply of Pharmaceuticals (ARVs) | Direct Procurement | Quality Chemicals Limited | 1,984,450,104 |
| 14. | NMS/SUPLS/24-25/00102 | Supply of Laboratory Equipment on a lumpsum | Open Domestic Bidding/National | Gareth Capital Holdings Ltd | 1,777,400,960 |
| 15. | NMS/SUPLS/24-25/00068 | Supply of General Laboratory consumables and Hematology Beckman Coulter reagents on 3 Yr framework contract | Restrictive/Selective National | Star Pharmaceuticals Ltd | 492,852,600 |
| 16. | NMS/SUPLS/24-25/00066 | Supply of Pharmaceuticals on a 3 yr framework | Direct Procurement | Gittoes Pharmaceuticals Ltd | 835,059,600 |
| 17. | NMS/SUPLS/24-25/00064 | Supply of Pharmaceuticals from local manufacturers | Restrictive/Selective National | Kampala Pharmaceutical Industries (1996) Ltd | 641,874,040 |
| 18. | NMS/SUPLS/24-25/00081 | Supply of specialized chemistry reagents and Pathology consumables | Direct Procurement | Swift Path Solutions Limited | 230,399,000 |
| 19. | NMS/NCONS/23-24/00101 | Provision of catering services to NMS staff | Open Domestic Bidding/National | Keba investments Ltd | 1,540,384,272 |
| 20. | NA | Supply of various pharmaceuticals, ARVs and medical supplies from local manufacturers | Direct Procurement | Quality Chemicals Limited | 173,323,050,026 |

| No | Procurement Reference Number | Subject of Procurement | Procurement Method | Service Provider | Contract Amount in UGX |
|-----|------------------------------|--|-----------------------------|---------------------------------|------------------------|
| 21. | NA | Supply of various pharmaceuticals from local manufacturers | Direct Procurement | Vvsaol Pharmaceuticals Ltd | 22,415,050,409 |
| 22. | NA | Supply of various pharmaceuticals from local manufacturers | Direct Procurement | Kampala Pharmaceuticals Ltd | 36,154,333,200 |
| 23. | NA | Supply of various pharmaceuticals from local manufacturers | Direct Procurement | Gittoes Pharmaceuticals Ltd | 31,390,382,910 |
| 24. | NA | Supply of various pharmaceuticals from local manufacturers | Direct Procurement | Micro-Haem Sciences Ltd | 18,182,570,360 |
| 25. | N/A | Supply of Pharmaceuticals | Direct Procurement (Direct) | Shreeji Pharmaceuticals Limited | 172,233,550 |
| 26. | N/A | Supply of pharmaceuticals | Direct Procurement | Southern Range Nyanza Ltd | 167,900,000 |
| 27. | N/A | Supply of Pharmaceuticals | Direct Procurement | Biomedics Products Ltd | 23,578,244 |
| 28. | N/A | Disposal of grounded Motor vehicles | N/A | N/A | 473,254,167 |
| | TOTAL | | | | 307,645,625,857 |

APPENDIX 3: RISK RATING CRITERIA

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

| RISK | DESCRIPTION | AREA | IMPLICATION |
|--|--|--|---|
| MEDIUM | Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority. | Planning: Lack of initiation of procurements and confirmation of funds. | This implies committing the Entity without funds thereby causing domestic arrears. |
| | | Bidding Process: Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms, and splitting procurement requirements. | This implies a lack of efficiency, standardization, and avoiding competition. |
| | | Procurement Structures: Lack of procurement structures | This implies a lack of independence of functions and powers and interference in the procurement process. |
| | | Record Keeping: Missing Contracts Committee records and incomplete contract management records. | This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process. |
| | | Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders. | This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal. |
| Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. | | | |

| RISK | DESCRIPTION | AREA | IMPLICATION |
|---------------------|--|--|---|
| | | Aspects of gender, social inclusion, environment, health, and safety are not covered by the contractor during contract implementation. | |
| LOW | Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practices. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures. | Planning: Lack of procurement reference numbers. | This leads to failure to track the procurements which leads to poor record-keeping. |
| | | Bidding Process: Not signing the Ethical Code of Conduct | This leads to failure to declare a conflict of interest and a lack of transparency. |
| SATISFACTORY | Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time. | | |