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

REPORT ON THE COMPLIANCE INSPECTION OF ARUA SCHOOL OF COMPREHENSIVE NURSING FOR FINANCIAL YEAR 2024/2025

JUNE 2026

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ACRONYMS

ESHS	Environmental, Social Health and Safety
FY	Financial Year
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Arua School of Comprehensive Nursing for the financial year 2024/2025 and reviewed ten procurement and disposal transactions.

The overall objective of the compliance inspection 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, PPDA Regulations, 2023, PPDA Guidelines, 2024 and the level of procurement performance over the inspection period.

From the findings of the compliance inspection, the performance of Arua School of Comprehensive Nursing for the FY 2024/2025 was **moderately satisfactory** with an overall weighted average risk rating of **40.34%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the report.

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

1. Failure to fully implement 62.5% (5 out of 8) of the recommendations contained in the PPDA Audit Report for FY 2022/2023, contrary to Section 10 (1) (a) of the PPDA Act, Cap. 205. This non-compliance impairs the Entity's capacity to deliver public services economically and efficiently.

2. The Entity implemented 38.4% of its FY 2024/2025 procurement plan, leaving a variance of UGX. 768,493,700 in unexecuted procurements, contrary to Section 60 (2) (d) of the PPDA Act, Cap. 205. Consequently, the Entity failed to achieve its annual procurement objectives and denied services to the intended beneficiaries.

3. Limited competition in five procurements worth UGX. 168,809,200 with only one or two bids received per procurement, contrary to Section 49 of the PPDA Act, Cap. 205. Low bidder participation restricted the Entity's ability to secure the most favorable market prices for its procurement needs thereby compromising the attainment of value for money.

4. Failure to appoint Contract Managers in nine procurements worth UGX. 542,146,200, contrary to Regulation 50 (1) and (3) of the PPDA (Contracts) Regulations, 2023. This exposed the Entity to risks of delayed project completion and poor-quality goods/services because no one was accountable for tracking deliverables, timelines and performance.

5. Absence of payment records for nine procurements worth UGX. 542,146,200, contrary to Section 33 (o) of the PPDA Act, Cap. 205. This anomaly compromised financial accountability and restricted the inspection trail, making it difficult to verify whether value for money was achieved.

6. Non-disposal of unserviceable assets contrary to Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023. Delayed asset disposal increases exposure to pilferage and drives down asset value due to deterioration.

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

1. The Accounting Officer should:
   i. Task the key stakeholders (i.e., Head, Procurement and Disposal Unit, Contracts Committee and Heads of User Departments) to work together to develop a corrective action plan to guide the implementation of the Authority's recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205.
   ii. Institute a quarterly review mechanism to monitor the procurement plan execution against the cash flows/budget releases, ensuring that unexecuted procurements are formally amended, deferred, or removed from the procurement plan before the close of the financial year in accordance with Section 60 (7) of the PPDA Act, Cap. 205.
   iii. Develop a structured, time-bound framework with specific completion dates for refining payment timelines and conducting bidder trend research, in order to restore bidders' confidence in the Entity and promote competition as required by Section 49 of the PPDA Act, Cap. 205.
   iv. Appoint Contract Managers and task them to prepare contract management plans in accordance with Regulation 50 (1) and (3) of the PPDA (Contracts) Regulations, 2023.
   v. Constitute a team to undertake the Board of Survey to identify assets due for disposal in accordance with Regulation 2 (2) of the PPDA (Disposal of Public Assets) Regulations, 2023.
   vi. Task the Head, Procurement and Disposal Unit to prepare the disposal plan in consultation with the User Departments in accordance with Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023.

2. The Head, Procurement and Disposal Unit should maintain and archive records of the procurement process on each respective action file in accordance with Section 33 (o) of the PPDA Act, Cap. 205.

Arua School of Comprehensive Nursing should implement the recommendations in the recommended action plan on **pages 16 - 17** of this report.

CHAPTER 1: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Arua School of Comprehensive Nursing for the financial year 2024/2025 and reviewed ten sampled procurement and disposal transactions. The inspection 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, PPDA Regulations, 2023 and PPDA Guidelines, 2024.

1.2 Compliance inspection objectives

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

The specific objectives of the compliance inspection were to:

1. Establish the level of compliance by the Procuring and Disposing Entity with the general provisions of the PPDA Act, Cap. 205, PPDA Regulations, 2023 and PPDA 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

Arua School of Comprehensive Nursing, established in 1972, is a Government founded health training institution located in the North-Western Region (Nile) of Uganda, in Arua District. The School initially trained enrolled nurses and midwives. In 2001, it transitioned to offering a Certificate in Enrolled Comprehensive Nursing in line with the Government's Primary Health Care goals, later expanding in 2009 to include diploma-level programs in comprehensive nursing, general nursing, and midwifery.

According to Section 28 of the PPDA Act, Cap. 205, the Accounting Officer has the overall responsibility for the successful execution of procurement and disposal processes in a Procuring and Disposing Entity. The Accounting Officer of Arua School of Comprehensive Nursing during the financial year under review was Ms. Betty Angujeru Pacutho, the Principal.

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: Contracts Committee Membership

No.	Name	Job Title	Position on Committee	Date of Appointment
1.	Mr. Moris Anguyo	Health Tutor	Chairperson	23rd December 2024

No.	Name	Job Title	Position on Committee	Date of Appointment
2.	Mr. Albert Atanze	Health Instructor	Member	23rd December 2024
3.	Ms. Catherine Khisa	Senior Health Tutor	Member	23rd December 2024
4.	Mr. Martin Egatio	IT Instructor	Member	23rd December 2024

According to Section 33 (a) 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 Ms. Agatha Ujeo.

1.4 Compliance inspection scope

The inspection involved a review of the procurement process, disposal process, general compliance issues and contract implementation of ten transactions under the financial year 2024/25 (***Appendix 1***).

1.5 Methodology

On 4th March 2026, the Entity was notified about the inspection exercise. A sample of ten procurement transactions conducted in the financial year 2024/2025 was selected based on stratified random sampling. A launch meeting was held on 9th March 2026 between the PPDA team and the Entity's officials.

Three officers conducted the exercise under the supervision of the Regional Manager, Northern Region. 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 management.

On completion of file review, the team met with various stakeholders to discuss and obtain clarifications on some of the preliminary findings. A debrief meeting was held on 11th March 2026 between the team and the Entity's officials. A management letter was issued to the Entity for management's response on 15th May 2026 and the Entity's responses to the issues raised were received on 1st June 2026.

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

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

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

2.1.1 Failure to implement 62.5% of the PPDA audit recommendations of the FY 2022/2023

Pursuant to Section 10 (1) (a) of the PPDA Act, Cap. 205, any violation of the Act, Regulations, or Guidelines subjects the Entity to mandatory corrective measures to remedy the breach, as directed by the Authority.

The Authority found that out of the eight recommendations issued in the Audit Report for the FY 2022/2023, the Entity implemented three (37.5%) recommendations, while two (25%) were partially implemented and three (37.5%) not implemented as detailed in Table 2 below. This anomaly was due to the Entity's ineffective internal controls to enforce full implementation of all the Authority's recommendations.

Table 2: Status of Implementation of audit recommendations for FY 2022/2023

Recommendation	Status	Management Response
The Accounting Officer should:		
1. Task Contract Managers to execute their assigned responsibilities as required by Regulation 52 and 50 (3) of the PPDA (Contracts) Regulations, 2023.	Partially implemented	*1. Management pledged to fully implement the recommendation of ensuring contract managers execute their assigned obligations.*
2. Put in place measures to enforce compliance of service providers with ESHS in all projects implemented in the Entity, including appointing ESHS project focal point persons where appropriate.	Not implemented	*2. Management pledges to ensure compliance of service providers with regards to ESHS requirements execution in all the projects to be implemented by the Entity, as required, in the next financial year 2026/2027.*
3. Institute a board of survey to evaluate and assess the status of the assets of the Entity for disposal and also ensure that the obsolete assets are disposed of in accordance with Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023.	Not implemented	*3. Management has constituted the Board of Survey with the following members:* *i. Mr. Henery Aniku Sunday.* *ii. Mr. Ezrras Agadiaku.* *iii. Mr. Moris Anguyo.* *iv. Mr. Daniel Alukodikodi.* *v. Ms. Agatha Ujeo.* **Authority's comment** Management's appointment of the Board of Survey was acknowledged. However, because the asset

Recommendation	Status	Management Response
		identification and valuation had not commenced and the FY 2022/2023 disposal backlog remains unresolved, the finding was maintained.
The Head, Procurement and Disposal Unit should affirm that each project executed in the Entity has complete procurement files with records from procurement plan to contract closure, as required in Section 31 (o) of the PPDA Act, 2003, and as detailed in the PPDA guideline 10/2024 on procurement and disposal records to be kept by the Entity.	Not implemented	*Management will ensure the Head, Procurement and Disposal Unit works hand in hand with the Accounts Department to have all the payment records on each procurement file to ensure all the files are complete.*
User Departments should always prepare and provide detailed statement of requirements in compliance with Regulation 34 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023, when initiating procurements.	Partially implemented	*Management and the Head, PDU will ensure that User Departments submit comprehensive and detailed statement of requirements in compliance with Regulation 34 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023.*

Implication

Failure to fully implement the Authority's recommendations impairs the Entity's capacity to deliver public services economically and efficiently.

Recommendations

1. The newly inaugurated Governing Council should exercise strict oversight over the School's administration, ensuring that business continuity plans are in place so that leadership transitions or illnesses do not halt institutional compliance and statutory obligations.
2. The Accounting Officer should:
   i) Through administrative protocols, formally delegate interim officers during leadership absences, to execute the mandatory procurement and disposal activities and prevent disruptions in accordance with Section 41 (a) of the PPDA Act, Cap. 205.
   ii) Task the key stakeholders (i.e., Head, Procurement and Disposal Unit, Contracts Committee and Heads of User Departments) to work together to develop a corrective action plan to guide the implementation of the Authority's recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205.

2.1.2 Procurement plan implementation in the financial year 2024/2025

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

According to the analysis of the procurement plan and monthly report submissions to the Authority, the Entity implemented only 38.4% of its FY 2024/2025 procurement plan, leaving a variance of UGX. 1,271,438,686 in unexecuted procurements as detailed in Table 3 below. This was attributed to weak procurement planning (such as unrealistic cost estimates leading to budget mismatches) and monitoring by the Entity.

Table 3: Procurement plan implementation analysis for FY 2024/2025

Description	Amount (UGX)
Total procurement plan value (UGX)	2,064,658,880
Total procurement spend value (UGX)	793,220,194
Procurement plan implementation rate (%)	38.4
Procurement plan implementation variance (UGX)	1,271,438,686

Notably, the Entity failed to update its procurement plan to remove 11 unimplemented procurements worth UGX. 768,493,700 listed in Table 4 below:

Table 4: Unimplemented planned procurements

No.	Subject of Procurement	Estimated Amount UGX)
1.	Purchase of school pick up.	270,000,000
2.	Provision of newspapers.	2,000,000
3.	Special meals and drinks (hotel services and conference facilities).	72,280,000
4.	Supply of small kitchen equipment.	25,000,000
5.	Supply of fuel, oil and lubricants.	79,213,700
6.	Minor works (renovations).	252,000,000
7.	Postage and courier.	1,000,000
8.	Supply of sugar and tea leaves.	30,000,000
9.	Supply of nursing books.	37,000,000
	Total	**768,493,700**

Implication

With a low procurement plan implementation rate of 38.4%, the Entity failed to achieve its annual procurement objectives and denied services to the intended beneficiaries during the financial year 2024/2025.

Management Response

The above procurements were carried out at departmental levels on a cash basis through micro procurement except the purchase of school pick-up and supply of sugar and tea leaves which were not implemented because of lack of sufficient funds and also changes in management due to the illness of the sitting Principal then. Management has, however, rolled these items over to be procured in the next financial year.

Authority's comment

Management's recourse to fragmented micro-procurements on a cash basis at User Departmental levels was irregular because of the following:

- Whereas items Nos. 2 & 7 fell under the micro procurement threshold, there was no evidence that the Accounting Officer delegated authority to User Departments to undertake these procurements.
- The threshold for items Nos. 3, 4, 5, 6 and 8, exceeded that of micro procurement i.e., UGX. 10 million and below for works; and UGX. 5 million and below for supplies/consultancy/non-consultancy services as per Guideline No.1 of 2024 (Thresholds for Procurement Methods) that was issued on 5th February 2024. This meant that, these requirements should have been implemented through the Procurement and Disposal Unit as required by Section 33 (a) of the PPDA Act, Cap. 205.

Furthermore, while the deferral of the vehicle and consumer goods purchases to the next financial year was noted, the Entity failed to formally amend the procurement plan during the financial year 2024/2025 under review.

Recommendations

The Accounting Officer should:

1. Institute a quarterly review mechanism to monitor the procurement plan execution against the cash flows/budget releases, ensuring that unexecuted procurements are formally amended, deferred, or removed from the procurement plan before the close of the financial year in accordance with Section 60 (7) of the PPDA Act, Cap. 205.
2. Delegate authority to User Departments to undertake micro procurements as per the thresholds prescribed in Guideline No.1 of 2025 (Thresholds for Procurement Methods) that was issued on 15th September 2025 i.e., UGX. 20 million and below for works; and UGX. 10 million and below for supplies/consultancy/non-consultancy services; or a lower limit set by the Contract Committee as per Regulation 22 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-consultancy Services) Regulations, 2023. Otherwise, all procurements should be undertaken by the PDU in accordance with Section 33 (a) of the PPDA Act, Cap. 205.

2.1.3 Inconsistent Income Tax Clearance Certificate (TCC) requirement in the bidding document

Section 76 (2) of the PPDA Act, Cap. 205 provides that: *"All solicitation documents shall fully and comprehensively detail the evaluation methodology and criteria which shall apply."*

The Authority found inconsistencies in the requirement of the TCC in the bidding document for supply of wood fuel and charcoal worth UGX. 29,000,000. Whereas under Part 1- Section 2 of the bid data sheet, ITB 11.1 (h) required bidders to submit a valid TCC for the FY 2023/2024 addressed to Arua School of Comprehensive Nursing; Clause 3.2 (c) of the Eligibility Criteria under Section 3: Evaluation Methodology and Criteria required bidders to submit a copy of a valid TCC or equivalent, without specifying the year. This anomaly was attributed to inadequate bidding document review by the Procurement and Disposal Unit and the Contracts Committee before approval for issuance to potential bidders.

Implication

The inconsistent TCC requirements in the bidding document subjected bidders to misinterpretation of the Entity's actual TCC requirement and created ambiguity for the Evaluation Committee, which could have compromised the objectivity and outcome of the evaluation process.

Management Response

The Entity acknowledged the error and pledged to thoroughly verify the bidding documents before issue in the subsequent procurements. However, the Evaluation Committee noticed the error during evaluation and waived off the requirement by passing any bidder that provided a valid tax clearance certificate addressed either to Arua School of Comprehensive Nursing or any other organization.

Recommendations

1. The Procurement and Disposal Unit should develop clear, precise and uniform eligibility and evaluation criteria to safeguard the objectivity of the bid evaluation process in accordance with Section 76 (2) of the PPDA Act, Cap. 205.
2. The Contracts Committee should conduct thorough reviews of bidding documents to ascertain completeness and appropriateness of all requirements, before approving them for issuance in accordance with Section 30 (g) of the PPDA Act, Cap. 205.

2.1.4 Low bidder participation

Section 49 of the PPDA Act, Cap. 205 requires the Entity to conduct all procurement and disposal activities in a manner that maximizes competition and guarantees the attainment of value for money.

The Authority noted low bidder response where one/two bids were received in five procurements worth UGX. 168,809,200 in Table 5 below under framework arrangement. During the debrief of the Accounting Officer, the Entity management informed the authority that the low bidder response rate was due to delayed payments of providers beyond the 30-day period.

Table 5: Procurements with low bidder participation

No.	Subject of procurement	Contract Amount (UGX)	Number of bids received
1.	Supply of assorted printed materials.	5,100,000	2
2.	Supply of assorted school clinical uniforms Lot A.	94,640,200	2
3.	Supply of assorted school clinical uniforms Lot B.	41,058,000	2
4.	Supply of assorted plumbing materials.	18,363,000	1
5.	Supply of electrical materials.	9,648,000	1
	Total	**168,809,200**	**8**

Implication

Low bidder participation restricts the Entity's ability to secure the most favorable market prices for its procurement needs which affects attainment of value for money.

Management Response

Management acknowledged the anomaly identified. The Accounting Officer will ensure that the Procurement and Disposal Unit carries out regular research on bidder participation trends to identify and address the obstacles so as to promote genuine competition while increasing supplier interest. However, Management also registered concerns from service providers about the delay in payment as one of the factors that contributes to low bidder participation and there are plans to improve on the payment timelines.

Authority's comment

While Management highlighted plans to improve payment timelines and conduct research trends, the response lacked specific actionable strategies, clear key performance indicators or definitive implementation timelines.

Recommendation

The Accounting Officer should develop a structured, time-bound framework with specific completion dates for refining payment timelines and conducting bidder trend research, in order to restore bidders' confidence in the Entity and promote genuine competition as required by Section 49 of the PPDA Act, Cap. 205.

2.1.5 Inadequate composition of the Evaluation Committees

Regulation 2 (2) (b) of the PPDA (Evaluation) Regulations, 2023 requires an Evaluation Committee to have among its members a person from the Procurement and Disposal Unit. The Authority found that the Evaluation Committee composition in three procurements worth UGX. 140,798,200 (Table 6 below), lacked a representative from the Procurement and Disposal Unit.

This anomaly was attributed to the lack of a pre-evaluation compliance check by the Contracts Committee to confirm that the statutory Evaluation Committee membership was dully composed before approval.

Table 6:Procurements with inadequate Evaluation Committee composition

No.	Subject of Procurement	Contract Amount (UGX)
1.	Supply of assorted printed materials.	5,100,000
2.	Supply of assorted school clinical uniforms Lot A.	94,640,200
3.	Supply of assorted school clinical uniforms Lot B.	41,058,000
	Total	**140,798,200**

Implication

The absence of the PDU representative on the Evaluation Committee, reduced technical oversight required for quality bid evaluation exercise and exposed the Entity to regulatory non-compliance.

Management Response

The Head, Procurement and Disposal Unit acknowledged the oversight in preparation and signing of the evaluation reports and pledges to correct the anomalies as recommended by the Authority.

Authority's comment
Management's response was noted, however, it did not address the Authority's concern of failure to include a staff from the Procurement and Disposal Unit in the composition of the Evaluation Committees. The Contracts Committee failed to verify and enforce the statutory composition of the Evaluation Committees prior to approving the nominated members.

Recommendation
The Contracts Committee should reject Evaluation Committee compositions that do not include a representative from the Procurement and Disposal Unit, as required by Regulation 2 (2) (b) of the PPDA (Evaluation) Regulations, 2023.

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

2.2.1 Failure to dispose of unserviceable assets
Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023, mandates the Accounting Officer to perform a financial year asset review to identify and schedule items for disposal in the following financial year.

The Authority found that the Entity did not undertake a Board of Survey in the FY 2024/2025. Additionally, unserviceable assets originally recommended for disposal in the FY 2022/2023 remain undisposed, as shown in the photographic evidence in Appendix III. The non-disposal of the obsolete assets was caused by the Entity's failure to prepare and implement a disposal plan.

Implication
Delayed asset disposal increases exposure to pilferage and drives down asset value due to deterioration.

Management Response
Management plans to dispose of the unserviceable assets by the end of this financial year since the Board of Survey is already in place. The Head, Procurement and Disposal Unit has also engaged all the User Departments to initiate the disposal of unserviceable assets following the Board of Survey.

Authority's comment
Management's commitment to execute the disposal process by the end of the financial year was noted. However, there was no evidence submitted to support the management response i.e., the Board of Survey Report and the disposal plan.

Recommendations
The Accounting Officer should:
1. Constitute a team to undertake the Board of Survey to identify assets due for disposal in accordance with Regulation 2 (2) of the PPDA (Disposal of Public Assets) Regulations, 2023.
2. Task the Head, Procurement and Disposal Unit to prepare the disposal plan in consultation with the User Departments in accordance with Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023.

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

2.3.1 Failure to appoint Contract Managers and to prepare contract management plans

Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023 provides that: "*The Accounting Officer shall appoint a person from the User Department to be the Contract Manager.*" and Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023 provides 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 Accounting Officer did not appoint Contract Managers for nine procurements worth UGX. 542,146,200 listed in Table 7 below, and consequently, no contract management plans were prepared. This anomaly was attributed to weak contract administration and monitoring practices at the Entity.

Table 7: Procurements without Contract Manager appointments and contract management plans

No.	Subject of Procurement	Contract Amount (UGX)
1.	Supply of assorted printed materials.	5,100,000
2.	Supply of assorted school clinical uniforms Lot A.	94,640,200
3.	Supply of assorted school clinical uniforms Lot B.	41,058,000
4.	Supply of assorted plumbing materials.	18,363,000
5.	Supply of assorted food items (beans).	147,090,000
6.	Supply of assorted perishables.	187,599,000
7.	Supply of wood fuel and charcoal.	29,000,000
8.	Supply of electrical materials.	9,648,000
9.	Servicing and repair of school vehicles.	9,648,000
	Total	**542,146,200**

Implication

Without the appointment of Contract Managers and preparation of contract management plans, the Entity was exposed to risks of delayed project completion and poor-quality goods/services because no one was accountable for tracking deliverables, timelines, and performance.

<u>Management Response</u>

The Accounting Officer will ensure that appointment of Contract Mangers is done as soon as the contracts are signed in order to achieve efficiency and effectiveness in project implementation. Management plans on engaging PPDA for training of its staff and stakeholders of procurement in contract management and other procurement related areas/functions.

Recommendations

The Accounting Officer should:

1. In subsequent procurements, appoint Contract Managers in accordance with Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023.

2. Budget for training of the Entity's staff and other stakeholders of procurement on contract management in the financial year 2026/2027.
3. Task appointed Contract Managers to prepare contract management plans using Form 49 in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.

2.3.2 Missing payment records

Section 33 (o) of the PPDA Act, Cap. 205 provides that: *"A Procurement and Disposal Unit shall maintain and archive records of the procurement and disposal process."*

The Authority found that nine procurements worth UGX. 542,146,200 listed in Table 8 below, lacked payment records, due to poor record keeping and management by the Procurement and Disposal Unit.

Table 8: Procurements with missing payment records

No.	Subject of procurement	Contract Amount (UGX)
1.	Assorted printed materials.	5,100,000
2.	Assorted school clinical uniforms Lot A.	94,640,200
3.	Assorted school clinical uniforms Lot B.	41,058,000
4.	Assorted plumbing materials.	18,363,000
5.	Assorted food items (beans).	147,090,000
6.	Assorted perishables.	187,599,000
7.	Wood fuel and charcoal.	29,000,000
8.	Electrical materials.	9,648,000
9.	Servicing and repair of school vehicles.	9,648,000
	Total	**542,146,200**

Implications

The absence of payment records:

- Compromised financial accountability and prevented the verification of actual expenditures worth UGX. 542,146,200.
- Restricted the inspection trail, making it difficult to confirm whether value for money was achieved.

Management Response

We acknowledge the gap identified and pledge to ensure that all the payments records are kept on each file as required, in order to enhance transparency, accountability and the ability to verify the procurement process. The Accounting Officer further pledges to ensure that the Finance Department avails the procurement office with all copies of the payments so as to complete the procurement files as recommended by the Authority.

Recommendation

The Procurement and Disposal Unit should maintain and archive records of the procurement process on each respective action file in accordance with Section 33 (o) of the PPDA Act, Cap. 205.

2.3.3 Unit rates not included in the framework arrangement

Regulation 17 (1) of the PPDA (Contracts) Regulations, 2023 provides that: *"Under a framework contract, a bidder shall indicate the unit rate for each item."* The Authority found that the Entity did not include unit rates in the framework agreements of two procurements worth UGX. 192,699,000 listed in Table 9 below. This anomaly occurred due to inadequate contract document review by both the Procurement and Disposal Unit and the Contracts Committee.

Table 9: Framework Contracts with no unit rates

No.	Subject of Procurement	Contract Amount (UGX)
1.	Supply of assorted printed materials	5,100,000
2.	Supply of assorted perishables	187,599,000
	Total	**192,699,000**

Implications

- Absence of unit rates makes it difficult to determine the cost of individual items, thereby reducing transparency in the procurement processes.
- Without predefined unit rates, the Entity is exposed to arbitrary pricing, which may lead to inflated costs and loss of value for money.

Management Response

The omission was acknowledged in some contract documents. We pledge to ensure that there is proper verification by all the key stakeholders before contracts are signed so as to avoid such from reoccurring, however, all other contracts had unit rates attached except these two contracts mentioned above.

Recommendation

The Head, Procurement and Disposal Unit should before presentation of contracts to the Accounting Officer for signing, attach the unit rates quoted by the best evaluated bidders in compliance with Regulation 17 (1) of the PPDA (Contracts) Regulations, 2023.

2.3.4 Exceeding approved budgetary commitments on call-off orders

Regulation 7 (4) (b) of the PPDA (Contracts) Regulations, 2023 provides that: *"In the case of a framework contract, the Accounting Officer shall ascertain that the funds required for each call off order are committed prior to the release of the call off order."*

In the procurement for supply of wood fuel, the Authority found that the Entity issued eight call-off orders amounting to UGX. 36,000,000 (see Table 10 below) against a requisitioned and approved amount of UGX. 29,000,000, resulting in an excess commitment of UGX. 7,000,000. This suggested a weakness in adherence to the approved requisition amount and raised concerns regarding the effectiveness of internal controls, particularly funds commitment control and call off order issuance.

Table 10: Details of Call Off Orders with excess funds' commitment

Name of Provider	Call-Off Order Number	Date of Issuance	Call-Off Order Amount (UGX)
Dido General Merchants Ltd.	213	1st April 2024	4,000,000

Name of Provider	Call-Off Order Number	Date of Issuance	Call-Off Order Amount (UGX)
	228	1st October 2024	4,000,000
	155	23rd January 2025	4,000,000
	310	2nd June 2025	4,000,000
Jesinet Restaurant	164	15th January 2024	4,000,000
	179	11th March 2024	4,000,000
	194	4th April 2025	4,000,000
	334	25th June 2025	8,000,000
Total			**36,000,000**

Implication

Issuing call off orders above the approved requisitioned amount by UGX. 7,000,000 exposed the Entity to an unplanned expenditure potentially affecting implementation of other planned activities and/or creating domestic arrears.

Management Response

We acknowledged the anomaly. However, the call-off order was issued on 25th June 2025 for the contract which was due to expire on 30th June 2025. This was because the new contracts were not yet in place and there was an activity that required the use of firewood. The UGX. 7,000,000 was supposed to be under the budget of FY 2025/2026 which was to start on 1st July 2025. Going forward, Management will ensure that call-off orders are aligned with the budgeted amounts as recommended by the Authority and also work together as a team to avoid such anomalies from re-occurring.

Recommendation

The Accounting Officer should desist from issuing call-off orders that commit the Entity beyond the approved budget in accordance with Regulation 7 (4) (b) of the PPDA (Contracts) Regulations, 2023.

CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall compliance inspection conclusion

The performance of Arua School of Comprehensive Nursing for the financial year 2024/2025 was moderately satisfactory with an overall weighted average risk rating of 40.34%.

3.2 Entity 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 11 below:

Table 11: Summary of Performance of Arua School of Comprehensive Nursing for FY 2024/2025

Risk Rating	No.	% By No.	Value (UGX)	% By Value	Weight	Total Weighted Score	
						By No.	By Value
High	0	0	0	0	0.6	0	0
Medium	6	60	569,135,300	82.01	0.3	18	24.603
Low	4	40	124,819,531	17.99	0.1	4	1.799
Satisfactory	0	0	0	0		0	0
Total	**10**	**100**	**693,954,831**	**100**	**1**	**22**	**26.402**

$$\textbf{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \text{ X } 100 \quad = \frac{22 \text{ X } 100}{60} = 36.67\%$$

$$\textbf{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \text{ X } 100 \quad = \frac{26.402 \text{ X } 100}{60} = 44.003\%$$

$$\textbf{Combined Weighted Average} = \frac{36.67+44.003}{2} = \mathbf{40.34\%}$$

Since 40.34% falls within the 31-70% risk range, the performance of the Entity is rated moderately satisfactory as detailed in Table 12 below:

Table 12: 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: Performance by number of contracts

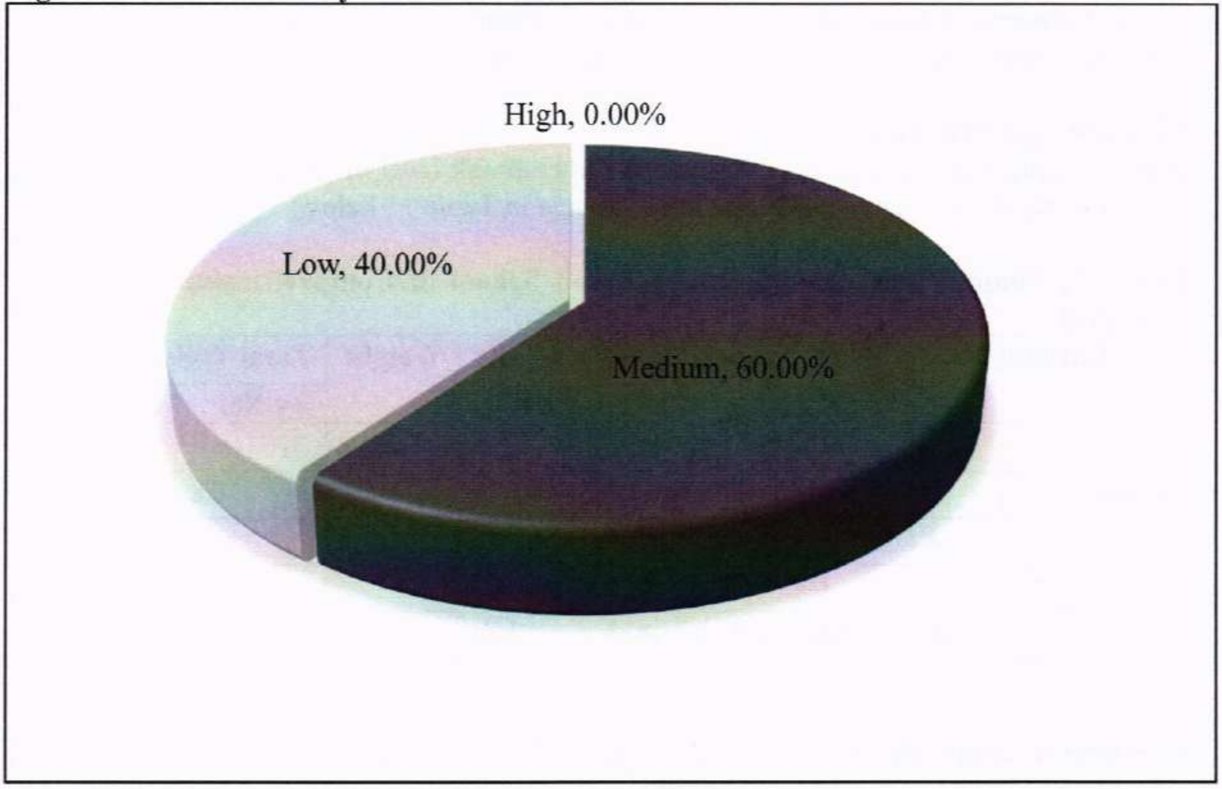
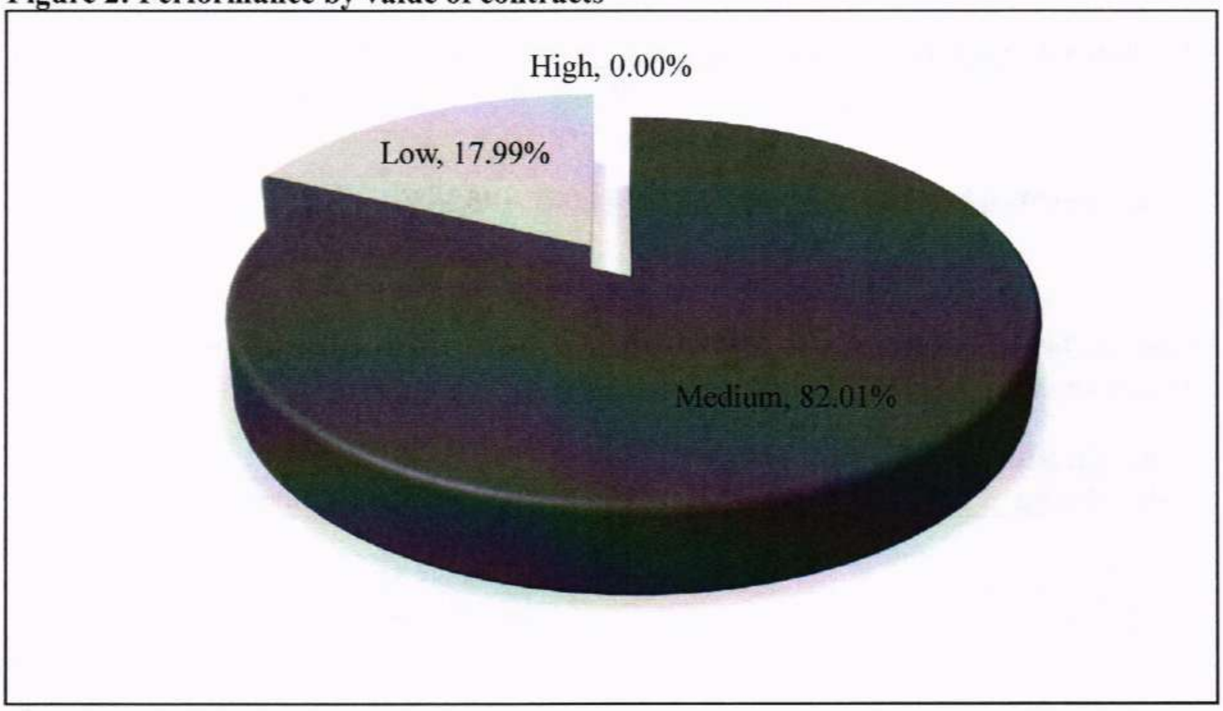


Figure 2: Performance by value of contracts



3.3 Compliance inspection opinion/conclusion

Arua School of Comprehensive Nursing's procurement and disposal activities revealed operational bottlenecks, weak internal controls and a departure from the provisions of the PPDA Act, Cap. 205. While the Entity continues to execute its mandate, its procurement and disposal system is strained by administrative inertia and a lack of rigorous monitoring. The failure to fully execute the procurement plan, paired with missing financial records and unmonitored contracts exposed the Entity to unauthorized expenditures and operational failures. This stemmed from weak oversight by the Contracts Committee, a lack of coordination between User Departments and the Procurement and Disposal Unit, and insufficient administrative continuity during leadership transitions.

Accordingly, the performance of Arua School of Comprehensive Nursing for the FY 2024/2025 was assessed as **moderately satisfactory**, with an overall weighted average risk rating of **40.34%.** To prevent operational breakdown and restore regulatory compliance, the Accounting Officer, in tandem with the newly inaugurated Governing Council, must urgently enforce a strict compliance roadmap, establish robust contract management tracking and immediately clear the backlog of outstanding audit recommendations.

3.4 Recommended Action plan

Arua School of Comprehensive Nursing should implement the recommendations, in Table 13 below:

Table 13: Recommended Action Plan

Finding	Action/ Recommendation	Responsible Officer	Timeline
Failure to implement audit recommendations.	1. The Governing Council must ensure strict oversight and business continuity (e.g., delegate interim officers) during leadership changes/ absences to prevent statutory non-compliance & procurement and disposal activity disruptions. 2. Stakeholders should collaborate to develop a corrective action plan.	Governing Council/ Accounting Officer	July 2026
Unimplemented planned procurements.	Establish budget-procurement performance reviews, and update the procurement plan.	Accounting Officer/ Procurement & Disposal Unit	Quarterly
User Departments executed procurements above the micro-procurement threshold.	1. Delegate micro procurements to User Departments, adhering to the limits set in Guideline No.1 of 2025. 2. Otherwise, all procurements should be undertaken by the PDU.	Accounting Officer	July 2026

Finding	Action/ Recommendation	Responsible Officer	Timeline
Low bidder participation.	Develop a structured, time-bound plan with deadlines for refining payment timelines and researching bidder trends to restore trust and boost competition.	Accounting Officer/ Procurement & Disposal Unit	Bi-annually
Exceeding approved budgetary commitments on call-off orders.	Desist from issuing call-off orders that commit the Entity beyond the approved budget.	Accounting Officer	July 2026
Failure to dispose of unserviceable assets.	1. Appoint a Board of Survey to identify assets ready for disposal. 2. Plan & execute disposal: Task the PDU to prepare a disposal plan and User Departments to initiate the disposal of unserviceable assets.	Accounting Officer/ Procurement & Disposal Unit/ User Departments	July 2026
Unit rates not included in the framework contracts.	Attach the best evaluated bidder's unit rates to contracts before the Accounting Officer signs.	Procurement & Disposal Unit	July 2026
Missing payment records.	Maintain and archive records on each respective action file.	Procurement & Disposal Unit	Immediate
Failure to appoint Contract Managers.	Appoint Contract Managers and task them to prepare contract management plans.	Accounting Officer	July 2026
Inadequate composition of the Evaluation Committees.	Reject any Evaluation Committee that lacks a representative from the Procurement and Disposal Unit.	Contracts Committee	July 2026
Inconsistent Income Tax Clearance Certificate requirement in the bidding document.	1. Develop uniform evaluation criteria to ensure objectivity. 2. Thoroughly review all bidding documents for completeness before approval.	Procurement & Disposal Unit/ Contracts Committee	July 2026

APPENDICES

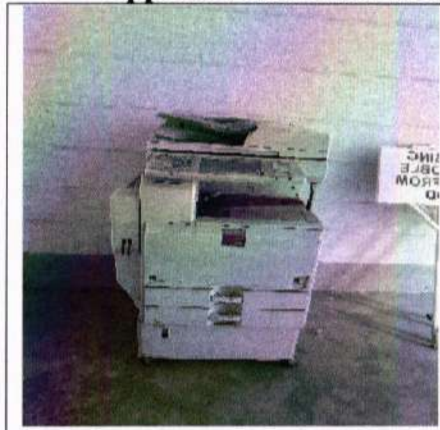
Appendix I: Sample List of Reviewed Procurement Files for FY 2024/2025

No.	Procurement Reference Number	Subject of Procurement	Method of procurement	Provider	Amount (UGX)	Risk Rating
1.	ASCN/SPLS/2024/25/0003B	Supply of assorted perishables.	Open Bidding-Framework	Alosiyo Gen Supplies	187,599,000	Medium
2.	ASCN/SPLS/2024/25/00002	Supply of wood fuel.	Open Bidding-Framework	Jecinet Restaurant/ Dido General Merchants	28,000,000	Medium
3.	ASCN/SPLS/2024/25/00003A	Supply of assorted food items (beans).	Open Bidding-Framework	Stevo Express Supply/ Rhemis Inv. Ltd.	147,090,000	Medium
4.	ASCN/SPLS/2024/25/00003	Supply of practical materials.	Open Bidding-Framework	Joint Medical Stores	12,269,531	Low
5.	ASCN/SPLS/2024/25/00003A	Supply of assorted items (posho).	Open Bidding-Framework	Erethra Investment Ltd/ Stevo Express Supply	94,700,000	Medium
6.	ASCN/SPLS/2024/25/00005	Supply of assorted plumbing materials.	Open Bidding-Framework	Chrisam Holdings Ltd.	18,363,000	Medium
7.	ASCN/SPLS/2024/25/00004	Supply of assorted printed materials	Open Bidding-Framework	Krakas General Supplies/ ICT Experts (U) Ltd.	5,100,000	Low
8.	ASCN/SPLS/2024/25/0003B	Supply of cassava flour.	Open Bidding-Framework	Stevo Express Supply/ Alosiyo Gen Supplies	47,120,000	Low
9.	ASCN/SPLS/2024/25/0004B	Supply of assorted school (clinical) uniforms.	Open Bidding-Framework	West Nile Garments & Printing services Ltd/ ICT Experts (U) Ltd.	93,383,300	Medium
10.	ASCN/SPLS/2024/25/00006	Supply of assorted electrical materials.	Open Bidding-Framework	Chrisam Holdings Ltd.	60,330,000	Low
	Total				**693,954,831**	

Appendix II: Risk Rating Criteria

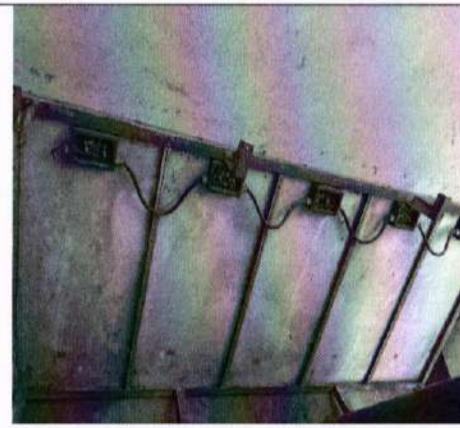
Risk	Description
High	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry risk for the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".
Medium	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.
Low	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.
Satisfactory	Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time.

Appendix III: Unserviceable assets due for disposal as at 12th March 2026

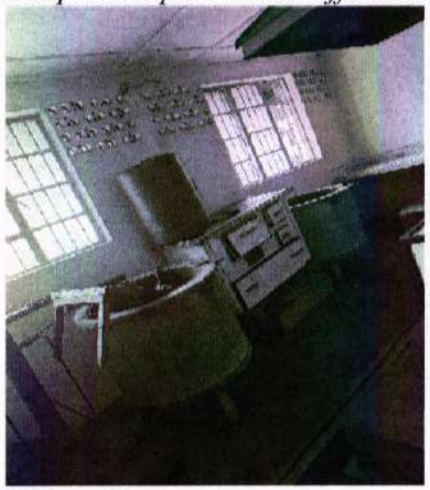


Old photocopiers in the office and on the veranda

Old tyres on the veranda

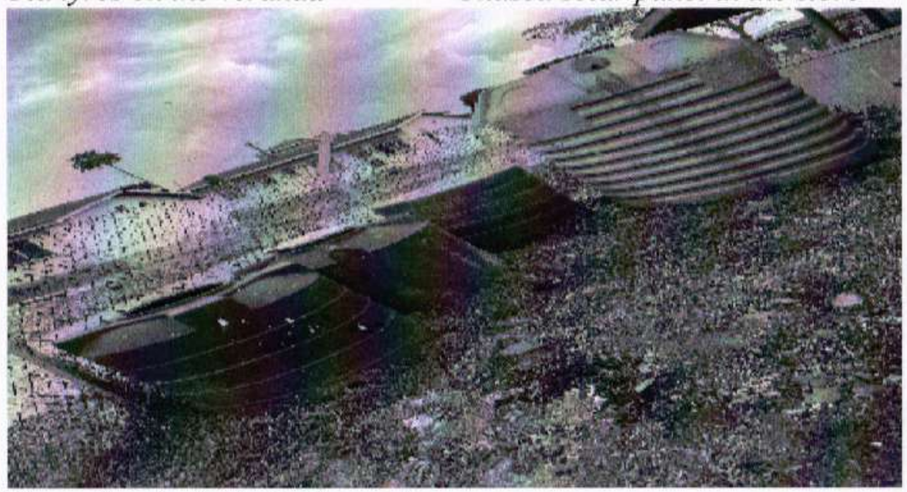


Unused solar panel in the store



Old cooking equipment store

Non-functional generator in the



Unused water tanks in the yard