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

COMPLIANCE INSPECTION REPORT FOR KABALE UNIVERSITY FOR THE FINANCIAL YEAR 2024/2025

JUNE 2026

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ACRONYMS

Cap	Chapter
CC	Contracts Committee
ESHS	Environmental, Social, Health and Safety
FY	Financial Year
HPDU	Head, Procurement and Disposal Unit
Ltd	Limited
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection on the procurement and disposal activities of Kabale University that covered a representative sample of ten procurement transactions worth UGX 8,315,275,625 in the Financial Year 2024/2025.

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

From the findings of the compliance inspection, the performance of Kabale University for FY 2024/2025 was **moderately satisfactory** with an overall weighted average risk rating of **43.2%.** The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of this inspection report.

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

1. Guideline No. 11 of 2024 on Reservation Schemes to Promote the Participation of Associations of Women, Youth, and Persons with Disabilities requires Entities to reserve at least 15% of their annual procurement budget and all procurements below UGX 30,000,000 to Special Interest Groups and indicate them in the monthly reports submitted to the Authority. The Entity failed to comply with this requirement in FY 2024/2025, thus, depriving of SIGs the opportunity to benefit from government spending which in turn increases income inequality.

2. Contrary to Section 60 of the PPDA Act Cap. 205 which requires entities to undertake procurement planning in a rational manner to achieve value for money and reduce procurement costs. The Entity had weaknesses at the planning and initiation process for three procurements worth UGX 6,914,782,239. These included inadequate consideration of lifecycle costs and failure to prepare multi-year procurement plans for phased projects, which results into poor project implementation, increased lifecycle costs, and reduced value for money.

3. Regulation 47(3) of the PPDA (Rules and Methods for the Procurement of Works, Supplies, and Non-Consultancy Services) Regulations, 2023 states that "*the evaluation criteria shall be used to assess compliance with the statement of requirements, the technical and financial ability of a bidder to perform the contract, and the availability of the required resources*." However, the Authority found that the Procurement Disposal Unit prepared solicitation documents which were subsequently approved by the Contracts Committee for issuance to the bidders, yet they did not have adequate evaluation criteria such as stating the required personnel, experience, equipment and minimum turnover to assess the technical capacities of the bidders in seven procurements worth UGX 8,253,271,058. This exposed the Entity to a risk of awarding contracts to incompetent providers, thus, poor contract performance.

4. Regulation 2 (2b) of the PPDA (Evaluation) Regulations, 2023 requires the Evaluation Committee to have among its members, "a member of the Procurement and Disposal Unit". Wording stating "a member" and not members, the law implies one PDU representative. The Head, Procurement and Disposal Unit nominated three members of the PDU to participate in evaluation of phase II construction works of the engineering block a 4 storied building at Nyabikoni campus worth UGX 6,751,424,239. This act affects independence and objectivity in the evaluation process.

5. Section 91 of the PPDA Act, Cap. 205 provides for the use of direct procurement as a sole source procurement method for procurement requirements where exceptional circumstances prevent the use of competition. The Authority found that two procurements worth UGX 7,120,132,585 were implemented by the Entity using direct procurement method irregularly without proper justification. Whereas the Entity stated continuity as the reason for use of direct procurement method, the works exceeded the 15% provision of the value of the original contract contrary to Contrary to Regulation 25(2) of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023. The works were 156.9% of the original contract value and higher unit rates were used for the same products which resulted into obtaining non-competitive prices, hence not achieving value for money in the procurements.

6. Regulation 3(1) of the PPDA (Disposal of Public Assets) Regulations, 2023 requires User Departments or departments responsible for assets to initiate the process of disposal in line with the approved disposal plan. The Entity did not dispose of obsolete assets despite the recommendations by the Annual Board of Survey Report for FY 2023/2024. This deprives Government of revenue, exposes the assets to vandalism, and further loss in value through deterioration.

7. Section 66 of the PPDA Act, Cap. 205 states that "*Procurement and Disposing Entities shall, for each procurement, take into account environmental protection, social inclusion, and stimulating innovation.*" The Entity did not plan, incorporate in the statements of requirements, implement, and report on the ESHS measures for the construction works and procurement of supplies. Environmental screening was not conducted, and specifications or provisions for ESHS activities were not included in the Bills of Quantities for five construction works worth UGX 8,113,634,235. The operational and maintenance aspects of the procured supplies in two procurements worth UGX 139,636,823 were not put into consideration. This puts the site occupants, project beneficiaries, and communities where the projects are located at risk of harmful effects arising from the projects and may compromise achievement of value for money for the procurements as the cost of operation, maintenance, availability of spare parts, access to after sales services and disposal may be difficult and expensive to deal with through the life span of the equipment as compared to the initial purchase price.

8. Contrary to Clause 12.1 of the General Conditions of the framework Contract agreement between Kabale University and Shell Kabale fuel station for supply of fuel, the Authority found irregularities like delivering fuel without prior orders, no end user accountability or mileage tracking to verify how fuel was utilized by respective vehicles and unfair distribution of orders

among the awarded contractors such as Rubis fuel station that did not receive any orders. These compromise fairness, accountability and transparency in the procurement process.

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

1. The Accounting Officer should:
   i. Enforce reservation of at least 15% of the Entity's procurement plan and all procurements below UGX 30,000,000 for Special Interest Groups and have them reported in the monthly submissions to the Authority, in accordance with PPDA Guideline No. 11 of 2024 on Reservation Schemes for Women, Youth, and Persons with Disabilities;
   ii. Cause for the disposal of the obsolete assets using appropriate methods and submit to the Authority a report on the disposal in accordance with Regulation 46(3) of the PPDA (Disposal of Public Assets) Regulations, 2023.; and
   iii. Enforce end-user accountability for supplied fuel that reflects the vehicle registration numbers, dates of consumption, distances to be covered and purpose and strengthen contract management to ensure adherence to the agreed contract terms.

2. The Procurement and Disposal Unit should:
   i. Prepare multi-year procurement plans for phased projects in accordance with Section 60(6) of the PPDA Act, Cap. 205;
   ii. In order to accurately estimate lifecycle costs of items to be procured during procurement initiation, seek technical advice where required, in accordance with Regulation 3(3)(b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023;
   iii. Set and include specific evaluation criteria that fits requirements of the procurement, in accordance with Regulation 47(3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023; and
   iv. Undertake due diligence prior to shortlisting providers to confirm their availability and willingness to bid at the required time, and their capacity to meet the eligibility and qualification requirements of the tender in accordance with Regulation 53(4) (b & c) of the PPDA (Rules and Method of the Procurement of Supplies, works and Non consultancy Services) Regulations, 2023; and
   v. Always nominate only one member of PDU to the Evaluation Committee as enshrined under Regulation 2 (2b) of the PPDA (Evaluation) Regulations, 2023.
   vi. Always conduct rational procurement planning, taking into account realistic contract implementation timelines.

3. The Contracts Committee should:
   i. Always confirm that the statement of requirements, proposed evaluation methodology and criteria in the solicitation documents are appropriate, suitable and complete for each procurement in accordance with Regulation 10(a & b) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 so as to avoid any room for doubt or assumptions by bidders that may result in to non-responsive bids;
   ii. Only approve the use of the direct procurement method for additional works or continuity related works not exceeding 15% of the original contract value as enshrined under

Regulation 25 of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023; and

iii. Verify that all contract time extensions are fully justified, properly quantified, and supported by approved work programs and relevant contract documentation before approval in accordance with General conditions of the Contract.

4. The User Departments and Head Procurement and Disposal Unit should always put into consideration life cycle costs and environmental aspects when preparing statements of requirements for supplies in accordance with Regulation 35 (2)(e) of the PPDA (Rules and Methods for procurement of supplies, works and non-consultancy services) Regulations, 2023.

5. The Contract Managers should always monitor implementation of the required ESHS measures and report on them in the progress and completion reports to achieve sustainability in accordance with Section 66 of the PPDA Act, Cap. 205; and

6. The Internal Auditor should verify all payment requests to confirm adequate supporting documentation and delivery of goods, works or services before payment in accordance with Regulation 27(a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

7. The Environmental Officer should conduct environmental screening or environmental impact assessment where necessary for all projects to inform the specifications for ESHS in the statements of requirements.

Kabale University should implement the recommended action plan on pages 27 to 30 of this report.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection on the procurement and disposal activities of Kabale University that covered a representative sample of ten procurement transactions worth UGX 8,315,275,625 in the Financial Year 2024/2025. 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 and the attendant PPDA Regulations.

1.2 Objective of the Compliance Inspection

The overall objective of the compliance inspection was to assess and establish the degree of compliance of the procurement and disposal system and processes of the Entity with the provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations.

The specific objectives of the inspection were to assess the:

1. Compliance of the Entity with the provisions of the PPDA Act, Cap. 205 and attendant PPDA Regulations with regard to the performance of the procurement structures and conduct of procurement processes;

2. Compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap. 205 and attendant PPDA Regulations; and

3. Efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process.

1.3 Structure of the Entity

Section 28 (1) (a) and (c) of the PPDA Act, Cap. 205 specifically gives the responsibility to the Accounting Officer to cause the establishment of a Procurement and Disposal Unit and Contracts Committee staffed at an appropriate level. The Entity had an established Contracts Committee and Procurement and Disposal Unit at the time of the inspection as detailed below:

a) Accounting Officer

Section 28(1) of the PPDA Act, Cap. 205 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. Mr. Johnson Munono Baryantuma, the University Secretary was designated as the Accounting Officer of the entity during the FY 2024/2025.

b) Procurement and Disposal Unit

The Procurement and Disposal Unit was constituted of three staff: a Senior Procurement Officer, and two Procurement Officers. The details of the PDU staffing are in Table 1 below:

Table 1: Staff in the Procurement and Disposal Unit

No.	Name	Academic & Professional qualifications &certifications	Job title	Date of appointment
1.	Chressy Karibwije	MBA, BPLM, MCIPS, PGD(PPM),	Senior Procurement Officer	01/6/2023
2.	Bruce J. Twongyeirwe	MBA, CIPS, PGD	Procurement Officer	17/04/2019
3.	Ruth Kobusingye	MBA, CIPS	Procurement Officer	01/11/2025

c) Contracts Committee composition.

The Contracts Committee was composed of five members whose terms of office were still valid as of 2nd April 2026. The composition of the Contracts Committee is detailed in Table 2 below:

Table 2: Contracts Committee composition

No	Name	Job Title	Position on CC	Appointment Date	Tenure
1.	Dr. Rogers Akatwijuka	Senior Lecturer	Chairperson	2/09/2024	3 Years
2.	Judith Ahimbisibwe	Senior Legal Officer	Secretary	27/07/2025	3 Years
3.	Dr. Caroline Masiko Murezi	Lecturer	Member	27/07/2025	3 Years
4.	Eng. Philip Tibenderana	Assistant Lecturer	Member	27/07/2025	3 Years
5.	Dr. Monica Rulonga Kanyesigye	Deputy Academic Registerer	Member	27/07/2025	3 Years

1.4 Scope of the Compliance Inspection

The Authority carried out a compliance inspection from 30th March 2026 to 2nd April 2026. The exercise covered a sample of ten procurement transactions worth UGX 8,315,275,625 conducted during the Financial Year 2024/2025, and a review of procurement structures and the procurement plan performance. The list of sampled transactions is contained under Appendix 2 and the analysis of the population and sample is shown in Table 3 below:

Table 3: Analysis of population and sample selected

Procurement method	Population Value (UGX)	Sample Value (UGX)	% Value	Population No.	Sample No.	% No.
Direct Procurement	7,441,336,010	7,120,132,585	96%	9	2	22%
Framework	5,851,160,886	58,287,567	1%	1139	2	0%
Micro Procurement	59,346,053	3,717,000	6%	25	1	4%
Quotation	2,040,293,217	334,519,193	16%	128	4	3%
Restricted bidding	798,619,280	798,619,280	100%	1	1	100%

Procurement method	Population Value (UGX)	Sample Value (UGX)	% Value	Population No.	Sample No.	% No.
Grand Total	**16,190,755,446**	**8,315,275,625**	**51%**	**1,302**	**10**	**1%**

1.5 Inspection Methodology

On 12th March 2026, the Entity was notified about the inspection exercise. A sample of ten procurement transactions conducted in Financial Year 2024/2025 was selected based on stratified random sampling. A compliance inspection launch meeting was held on 30th March 2026 between the inspection team and the Entity's officials. using the Contracts Committee minutes, the contracts register, and quarterly procurement and disposal reports.

Three officers conducted the exercise under the supervision of the Regional 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 the 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 the 2nd April 2026 between the inspection team and the Entity's officials. A management letter was issued to the Entity on 30th April, 2026 for management's response on 7th May 2026, however the Entity's responses were received on 18th May, 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. The report presents the key findings and conclusions.

1.6 Reporting

The findings are identified by exception, the level of risk and the recommendation. The procurements are rated in four categories according to the weakness identified namely; high risk, medium risk, low risk and satisfactory. The definition of the risk rating is in Appendix 1.

CHAPTER TWO: FINDINGS AND RECOMMENDATIONS OF THE AUTHORITY

2.1 COMPLIANCE WITH THE PPDA ACT, CAP. 205, AND ATTENDANT REGULATIONS REGARDING THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND THE CONDUCT OF THE PROCUREMENT PROCESSES.

2.1.1 Failure to implement 27% of the Authority's previous recommendations

Section 10(1)(a) of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity to take corrective action if there is a persistent breach of the Act, regulations, or guidelines as directed by the Authority. Eleven recommendations for the compliance inspection of FY 2022/2023 issued in December 2023 were to be implemented by April 2024. However, three recommendations representing 27% of those issued were not implemented as shown in Table 4 below:

Table 4: Unimplemented previous recommendations

No.	Recommended Action	PPDA Finding	Management Response
1.	The Accounting Officer should task the appropriate User Departments responsible for the management of all obsolete assets that were valued and earmarked for disposal to initiate their disposal processes for them in accordance with Regulation 3 (l) of the PPDA (Disposal of Public Assets) Regulations, 2014.	The University had not conducted any disposal by the time of the audit.	*The current status on disposal is that the process has started and an adhoc board of survey is now in place. Some obsolete items in the University library have been disposed of and the remaining items are planned to be disposed of in the FY 2026/2027.* **Authority's Comment** The Authority reviewed the management response and found no evidence attached to prove that the disposal process had started.
2.	The HPDU and Contracts Committee should quality assure all prepared solicitation documents for accuracy and consistency before submitting them to the Contracts Committee for approval in accordance with Regulation 32 of PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations. 2014	Solicitation documents were found with inadequacies in seven procurements	*The challenge in this was caused by new issued PPDA documents which we are still internalizing. To improve on that the entity requested for the PPDA training which was done on 27/01/2026. With the training we hope to improve in this matter in the subsequent procurements.* **Authority's Comment** The Authority reviewed the management response and noted that some of the inadequacies included failure to include technical evaluation criteria in the bidding documents. This had nothing to do with new documents issued by the Authority.
3.	Management should investigate the reasons deterring bidders from participating in the procurement process of the Entity and take action	The Entity was still faced with low bidder participation	*Bidders are always invited through emails and they receive bids by filling PP Form 8. Since there are new reforms in place like e-supplier registration, requirements of e receipts and EFRIS, some bidders have*

No.	Recommended Action	PPDA Finding	Management Response
	accordingly and sensitize bidders so as to improve the level of confidence in the procurement processes of the Entity to maximize completion in accordance with Section 46 of the PPDA Act, 2003.		*declined to show interest in bidding. Others have little interest for IT related systems. Going forward the entity plans to engage bidders through training and sensitize them on the new changes in the procurement processes.*

Implication

Failure to implement audit recommendations compromises the effectiveness and efficiency of the procurement function in the Entity thus hindering continuous performance improvements.

Recommendation

The Accounting Officer should implement all recommendations issued by the Authority in order to improve the procurement and disposal system within the entity, and provide updates to the Authority in accordance with Section 10(4) of the PPDA Act, Cap. 205. This could be through tasking the Contracts Committee and Internal Audit to monitor, track and enforce the implementation of the recommendations within a given time frame.

2.1.2 Procurement planning and implementation

Review of the Entity's procurement plan for FY 2024/2025 and reports on procurement and disposal submitted to the Authority, revealed the following issues:

a) Failure to implement 11% the approved procurement plan

Section 60 of the PPDA Act, Cap. 205 gives entities the mandate to plan and implement procurements based on their approved budgets. A review of the Entity's procurement plan and monthly reports for the Financial Year 2024/2025 revealed that the Entity had a total planned procurement value of UGX 18,141,762,000, however, it implemented procurements worth UGX 16,190,755,446, representing 89% of the approved plan, which resulted into a variance of UGX 1,951,006,554 representing 11% not implemented. The implementation details are shown in Table 5 below:

Table 5: Procurement plan implementation rate

Total procurement plan value inclusive VAT (UGX)	18,141,762,000
Total procurement spend value inclusive VAT (UGX)	16,190,755,446
Procurement Plan Implementation Variance (UGX)	1,951,006,554
Procurement Plan Implementation Rate	89%

Implication

Failure to fully implement all planned procurements compromises the achievement of the annual service targets set by the Entity and increases the risk of future budget cuts.

Management Response

The Entity shall regularly update the procurement plan to reflect changes in procurements.

Authority's Comment

The Authority reviewed the management response and noted that the Entity did not provide the reason for failure to fully implement its procurement plan.

Recommendation

The Procurement and Disposal Unit should on a quarterly basis and in any other case, wherever necessary, review and update the procurement plan to reflect any changes in the work plans in accordance with Section 60(7) of the PPDA Act, Cap. 205.

b) Failure to plan and implement reservation schemes for Special Interest Groups (SIGs)

Guideline No. 11 of 2024 on Reservation Schemes to Promote the Participation of Associations of Women, Youth, and Persons with Disabilities requires Entities to reserve at least 15% of their annual procurement budget and all procurements below UGX 30,000,000 for bidding among Special Interest Groups and indicate them in their monthly reports submitted to the Authority. The Entity did not comply with this requirement in all the procurement activities conducted in the FY 2024/2025. This was attributed to lack of Special Interest Groups prequalified with the Entity.

Implication

Failure to reserve procurements for the disadvantaged groups deprives them of the opportunity to benefit from government spending which in turn increases income inequality.

Management Response

The policy has just started and currently we advertised and indicated it in the advert for prequalification and frame work contracts. The Entity has started its implementation.

Recommendation

The Accounting Officer should enforce reservation of at least 15% of the Entity's procurement plan and all procurements below UGX 30,000,000 for Special Interest Groups and have them reported in the monthly submissions to the Authority, in accordance with PPDA Guideline No. 11 of 2024 on Reservation Schemes for Women, Youth, and Persons with Disabilities.

c) Inadequate procurement planning and initiation

Contrary to Section 60 of the PPDA Act, Cap. 205 which requires entities to undertake procurement planning in a rational manner to achieve value for money and reduce procurement costs. A review of the procurement files revealed weaknesses at the planning and initiation process of three procurements worth UGX 6,914,782,239, these included inadequate consideration of lifecycle costs and failure to prepare multi-year procurement plans for phased projects. Procurements with weaknesses at planning and initiation are indicated in Table 6 below:

Table 6: Procurements with inadequacies at planning and initiation

No	Subject of Procurement	Amount (UGX)	PPDA Findings
1.	Phase II construction works of the engineering block a 4 storeyed building at nyabikoni campus	6,751,424,239	Contrary to Section 60(6) of the PPDA Act, Cap. 205, the Entity did not prepare a multi-year procurement plan for the projects

No	Subject of Procurement	Amount (UGX)	PPDA Findings
2.	Construction of perimeter wall phase 1 at the northern end of main campus	113,368,500	
3.	Supply of a specialised digital led rotary evaporator	49,989,500	Inadequate consideration of lifecycle costs in the procurement of equipment, including operational, maintenance, installation, and training requirements over its 10–15-year useful life, and the replacement needs for critical components such as vacuum seals, tubing, and glass parts.
Total		**6,914,782,239**	

Implication
This results in poor project implementation, increased lifecycle costs, and reduced value for money.

Management Responses

1. *Phase II construction works of the engineering block a 4 storeyed building at Nyabikoni campus and construction of a perimeter wall phase 1 at the northern end of main campus were planned under a phased manner because of budget constraints which does not permit engaging a contractor in a multi-year contract arrangement. Going forward we shall seek for guidance on technical operation of the policies in place and the Entity shall consider long term construction procurements under a multiyear procurement plan.*
2. *For the supply of a specialized digital led rotary evaporator, lifecycle costs were not considered and going forward, procurement of specialized machines shall include life cycle costs. Life cycle costing is to be incorporated in the subsequent years as users were made aware in the new policies during the training.*

Authority's comment
The Authority reviewed the management response and noted that budget constraints mentioned by the Entity did not justify failure to prepare a multi-year procurement plan since the planning framework provides for annual budget allocations for multi-year projects.

Recommendations
The Head Procurement and Disposal Unit and User Departments should:

1. Prepare multi-year procurement plans for phased projects in accordance with Section 60(6) of the PPDA Act, Cap. 205.
2. In order to accurately estimate lifecycle costs of items to be procured during procurement initiation, seek technical advice where required, in accordance with Regulation 3(3)(b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.3 Issuance of bidding documents that had inadequate evaluation criteria

Regulation 47(3) of the PPDA (Rules and Methods for the Procurement of Works, Supplies, and Non-Consultancy Services) Regulations, 2023 states that "*the evaluation criteria shall be used to* *assess compliance with the statement of requirements, the technical and financial ability of a bidder to perform the contract, and the availability of the required resources.*" However, the Authority found that the Procurement and Disposal Unit prepared solicitation documents that were subsequently approved by the Contracts Committee for issuance to the bidders, yet they did not have adequate evaluation criteria to assess the technical ability of the bidders for seven procurements worth UGX 8,253,271,058. The inadequacies in the solicitation documents are indicated in Table 7 below:

Table 7: Procurements with inadequacies in the evaluation criteria

No	Subject of Procurement	Amount (UGX)	PPDA Findings
1.	Construction of an Irish value additional processing unit at Faculty of Agriculture and Environmental Sciences	368,708,346	• The bidding document did not contain a detailed technical criterion such as personnel, experience, equipment and minimum turnover required. Instead, bidders were only required to comply with the BOQs.
2.	Construction of journalism multimedia laboratory unit between rooms 2& 3	81,513,870	
3.	Construction of perimeter wall phase 1 at the northern end of main campus	113,368,500	
4.	Supply of a specialised digital led rotary evaporator	49,989,500	The evaluation criteria did not: • Assess the availability of spare parts locally, cost, or delivery lead times of spare parts, nor the availability of competent local technical support; • Assess the bidder capacity to supply like previous experience, turnover, presence of financial resources, among others; • Omitted the mandatory regulatory requirements, specifically the National Drug Authority (NDA) Annual Import Permit and the NDA Certificate of Premises, which are required for the legal importation, storage, and supply of medical equipment and pharmaceuticals • The standard one-year manufacturer's warranty was not adequate to cover the above procurement risks.
5.	Construction of a resource centre block at main campus	798,619,280	• The minimum qualifications and experience of key personnel proposed for the Contract execution were not specified. • The average annual turnover of UGX 500M required was inadequate to assess the capability of a bidder to perform a contract worth UGX 798,984,372.

No	Subject of Procurement	Amount (UGX)	PPDA Findings
			• The required minimum value and number of contracts previously performed by bidders in similar works were not specified.
6.	Phase II construction works of the engineering block a 4 storeyed building at nyabikoni campus	6,751,424,239	• The minimum qualifications and experience of key personnel proposed for the Contract execution were not specified. • The average annual turnover of UGX 500M required was inadequate to assess the capability of a bidder to perform a contract worth UGX 6,5000,000,000. • The required minimum value and number of contracts previously performed by bidders in similar works were not specified.
7.	Supply of lab equipment and reagents for HPLC machine in the research directorate	89,647,323	• The bidding document did not provide a detailed technical criterion such as personnel, experience, equipment and others. Instead, bidders were only required to comply with the BOQs
Total		**8,253,271,058**	

Implication

Inadequate evaluation criteria exposes the Entity to a risk of awarding contracts to incompetent providers thus resulting into poor contract performance.

Management Response

The firms that were invited were already prequalified with the Entity and during the prequalification exercise, most of the technical requirements were assessed. The emphasis was on quotations to select the best bidder within the budget estimates and the methods used were request for quotation and restricted bidding.

Authority's comment

The Authority noted the management response. However, the capability and resources of prequalified bidders may change over time, and procurements may have specific requirements that must be assessed at the bidding and evaluation stage to ensure fitness for purpose. Prequalification only establishes a pool of bidders who meet the minimum general requirements necessary for the performance of works, supplies or services.

Recommendations

1. The Procurement and Disposal Unit and User departments should set and include specific evaluation criteria that fits requirements of the procurement, in accordance with Regulation 47(3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
2. The Contracts Committee should always confirm that the statement of requirements, proposed evaluation methodology and criteria in the solicitation documents are appropriate, suitable and

complete for each procurement in accordance with Regulation 10 (a & b) of the PPDA (Procuring and Disposing Entities) Regulations, 2023, so as to avoid any room for doubt or assumptions by bidders that may result into non-responsive bids.

2.1.4 Low bidder Participation

Section 49 of the PPDA Act, Cap. 205 states that'' *all procurements and disposal shall be conducted in a manner that maximizes competition and achieves value for money.''*. The Entity received only one bid in each of the two procurements worth UGX 888,266,603 conducted under the Quotations procurement method. Some of the providers that were engaged by the Authority attributed the low turnout to being shortlisted while not ready to bid and the distance of their locations from the Entity, which results into late submission of bids. The details of procurements with low bidder participation are indicated in Table 8 below:

Table 8: Procurements with low bidder participation

No.	Subject of Procurement	Amount (UGX)	No. of bidders invited	No. of bids received
1.	Supply of lab equipment and reagents for HPLC machine in the research directorate.	89,647,323	6	1
2.	Construction of a resource centre block at main campus.	798,619,280	6	1
Total		**888,266,603**		

Implication

Low competition deprives the Entity of the chance of achieving the best offers in the market in terms of price, quality and innovation.

Management response

Bidders are always invited through emails and they receive bids by filling PP Form 8, however with the new reforms in place like e-supplier registration, requirements of e receipts and EFRIS, some bidders have declined to show interest in bidding, while others have less interest for IT related systems. Going forward the entity plans to engage bidders through training and sensitize them on the new changes in the public procurement laws and regulations and other related financial management regulations.

Recommendation

The Procurement and Disposal Unit should undertake due diligence prior to shortlisting providers to confirm their availability and willingness to bid at the required time, and their capacity to meet the eligibility and qualification requirements of the tender in accordance with Regulation 53(4) (b & c) of the PPDA (Rules and Method of the Procurement of Supplies, works and Non consultancy Services) Regulations, 2023.

2.1.5 Irregularities in evaluation of bids

Contrary to Section 55 of the PPDA Act, Cap. 205 which requires that a contract shall be awarded to the bidder with the best evaluated offer, ascertained on the basis of methodology and criteria detailed in the bidding documents, the Authority found that Evaluation Committee recommended award of contracts to bidders that did not meet the requirements of the evaluation criteria set out in the bidding documents in two procurements worth UGX 7,550,043,519 as detailed in Table 9 below:

Table 9: Procurements with evaluation irregularities

No.	Subject of Procurement	Provider	Contract Value (UGX)	Evaluation Irregularity
1.	Construction of a resource center block at main campus	Famdec Technical Services Ltd	798,619,280	• Deviation from the preliminary criteria. The Evaluation Committee did not assess all preliminary criteria as specified in the bidding document, as evidence of fulfilment of tax obligations by bidders was not evaluated. • The Evaluation Committee did not conduct post-qualification of the Best Evaluated Bidder as required under the evaluation criteria in the bidding document. • Failure to conduct due diligence. The audited financial statements submitted by the Best Evaluated Bidder were of questionable validity, as they lacked an auditor's report and were only stamped by M/s MU Grich Consultants Co. Ltd, a firm not listed among registered audit firms by the Institute of Certified Public Accountants of Uganda.
2.	Phase II construction works of the engineering block a 4 storied building at Nyabikoni campus	Geses Ug Ltd	6,751,424,239	• The Evaluation Committee included three members from the Procurement and Disposal Unit, Karibwije Chrissy-SPO, Ruth Kobusingye- PO and Twongyeirwe Bruce-PO which affects independence and objectivity in the evaluation process
	Total		**7,550,043,519**	

Implication

This poses a risk of awarding contracts to providers without capacity to fulfil the Entity's requirements which affects service delivery and could be a sign of unethical tendencies with in the Entity's procurement and disposal processed.

<u>Management Response</u>

- *The firm that was invited was already prequalified with the Entity and during the prequalification exercise, most of the technical requirements were assessed. The emphasis was on quotations to select the best bidder who was within the budget estimates.*
- *The minimum number of evaluation team is three and due to the complexity of the project, it*

had many members on evaluation committee. The law does not limit the PDU staff to be on evaluation committee. Members who are not supposed to participate in evaluation are clearly spelt out in the regulations and these include: members of CC, Head of Accounts and Internal Audit Members.

Authority's comment

The Authority reviewed the management response and noted the following:

i. The evaluation criteria were specified in the bidding documents by the Entity and therefore, the bids should have been evaluated based on the set criteria in line with Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023.
ii. Regulation 2 (2b) of the PPDA (Evaluation) Regulations, 2023 requires the Evaluation Committee to have among its members, "a member of the Procurement and Disposal Unit". Wording stating "a member" and not members, the law implies one PDU representative.

Recommendations

1. The Evaluation Committees should evaluate bids based on the criteria stated in the bidding documents without deviations in accordance with the Regulation 5(1&2) of the PPDA (Evaluation) Regulations, 2023 and Section 55 of the PPDA Act, Cap. 205 in order to promote fairness, non-discrimination and transparency.
2. The Contracts Committee should, before authorising technical, financial, or combined evaluation reports in accordance with Section 31(1)(a)(iii) of the PPDA Act, Cap. 205, confirm that the evaluation process has been properly conducted and complies with the bidding requirements.
3. The Head Procurement and Disposal Unit should always nominate only one member of PDU to the Evaluation Committee as enshrined under Regulation 2 (2b) of the PPDA (Evaluation) Regulations, 2023.

2.1.6 Irregular use of direct procurement method

Section 91 of the PPDA Act, Cap. 205 provides for the use of direct procurement as a sole source procurement method for procurement requirements where exceptional circumstances prevent the use of competition. The Entity conducted two procurements worth UGX 7,120,132,585 using the direct procurement method and awarded both contracts to Geses (U) Limited, as shown in Table 10 below:

Table 10: Procurements implemented using direct procurement method

No	Subject of Procurement	Amount (UGX)
1.	Phase II construction works of the engineering block a 4 storied building at Nyabikoni campus	6,751,424,239
2.	Construction of an Irish value additional processing unit at Faculty of Agriculture and Environmental Sciences	368,708,346
	Total	**7,120,132,585**

The Authority identified the following irregularities;

i. Contrary to Regulation 25(2) of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023 which allows the use of direct procurement for additional or continuity-related works, provided that the value of the additional procurement does not exceed 15% of the value of the original contract. The Contracts Committee approved the use of direct method for Phase II construction works of the engineering block at Nyabikoni campus at UGX 6,751,424,239 representing 156.9% against the original contract of UGX 4,301,388,965.

ii. Regulation 25(1)(c) of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023 requires that, where direct procurement is used for continuity-related works, no advantage should be obtained from further competition and the prices on the extended contract should be reasonable. However, unit rates for similar items in the current contract differed from those in the original contract, raising concerns over the fairness of the prices applied, as shown in Table 11 below;

Table 11: Rate differences for the Engineering block

Item	**Phase 1 Rate (UGX)**	**Phase 2 Rate (UGX)**	**Rate Difference (UGX)**	**Phase 1 Quantity**	**Amount Difference (UGX)**
Vibrated RC Class 25 – Columns	600,000 / CM	750,000 / CM	150,000	74 CM	11,100,000
Vibrated RC Class 25 – Horizontal Beams	600,000 / CM	750,000 / CM	150,000	92 CM	13,800,000
200 mm Thick RC Walls (lift shaft + shear)	120,000 / SM	150,000 / SM	30,000	47 SM	1,410,000
Ribbed Steel Reinforcement (all diameters)	6,500 / KG	7,350 / KG	850	82,147 KG	69,824,950
Steel Fabric Mesh (A142)	14,430 / SM	16,317 / SM	1,887	1,615 SM	3,047,505
Formwork (vertical sides, beams, walls, slab soffites)	29,000 / SM	35,000 / SM	6,000	3,667 SM	22,002,000
Formwork to Slab Edges	8,700 / LM	10,500 / LM	1,800	182 LM	327,600
Saw-cut movement joint (6 mm × 150 mm)	10,000 / LM	20,000 / LM	10,000	49 LM	490,000
Flexcell expansion joint filler	15,000 / LM	25,000 / LM	10,000	49 LM	490,000
First Floor Total					**122,492,055**
Item	**Phase 1 Rate (UGX)**	**Phase 2 Rate (UGX)**	**Rate Difference (UGX)**	**Phase 2 Quantity**	**Amount Difference (UGX)**
Vibrated RC Class 25 – Columns	600,000 / CM	750,000 / CM	150,000	72 CM	10,800,000

Vibrated RC Class 25 – Horizontal Beams	600,000 / CM	750,000 / CM	150,000	92 CM	13,800,000
200 mm Thick RC Walls (lift shaft + shear)	120,000 / SM	150,000 / SM	30,000	47 SM	1,410,000
Ribbed Steel Reinforcement (all diameters)	6,500 / KG	7,350 / KG	850	80,500 KG (approx.)	68,425,000
Steel Fabric Mesh (A142)	14,430 / SM	16,317 / SM	1,887	1,615 SM	3,047,505
Formwork (vertical sides, beams, walls, slab soffites)	29,000 / SM	35,000 / SM	6,000	3,654 SM	21,924,000
Formwork to Slab Edges	8,700 / LM	10,500 / LM	1,800	182 LM	327,600
Saw-cut movement joint (6 mm × 150 mm)	10,000 / LM	20,000 / LM	10,000	49 LM	490,000
Flexcell expansion joint filler	15,000 / LM	25,000 / LM	10,000	49 LM	490,000
Total for 2nd 3rd and 4th Floors					**362,142,315**
					484,634,370
				VAT Inclusive	**571,868,557**

Implication

These irregularities led to non-compliance with the PPDA Regulations and may have resulted into obtaining non-competitive prices, hence affecting value for money.

Management Response

Since direct procurement is provided under the law and Regulations, 2023 which allows the use of direct procurement for additional or continuity-related works. Additional supplies, works or services required needed to be compatible with the existing works and it was advantageous to purchase the additional works from the original service provider depending on the nature and complexity of the project.

Authority's comment

The Authority reviewed the management response and noted that it only justified the use of direct procurement for additional or continuity-related works but did not take in to account the need to comply with varying the contract with in the 15% limit of the original contract value as the variation was 156.9%. contrary to Regulation 25(2) and 25(1)(c) of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023. Furthermore, unit rates for similar items between the original and extended contracts were unjustifiably high compromising achievement of value for money.

Recommendation

The Contracts Committee should only approve the use of the direct procurement method for additional works or continuity related works not exceeding 15% of the original contract value as enshrined under Regulation 25 of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023.

2.1.7 Errors in the contract document

Regulation 49(1) of the PPDA (Contracts) Regulations, 2023 requires that payment for any sum of money due under a contract be made only in the name of the provider stated in the contract. However, in the construction of a perimeter wall (Phase 1) at the northern end of the main campus, worth UGX 113,368,500, Part 4 of the contract agreement relating to payment details contained errors, as the account name of the provider was indicated as Famdec Technical Services Ltd instead of Bonnar Company Limited.

Implication

This indicates weak internal controls over contract document preparation and verification, increasing the risk of confusion in contract records and potential contractual disputes.

Management Response

The right contractor was Bonnar Company Limited and payment for the works done were paid directly to his account using IFMS System.

Authority's Comment

The Authority reviewed the management response and noted that, although the Entity claims to have paid the right contractor, no proof was provided to substantiate the claim.

Recommendation

The Accounting Officer should strengthen internal controls over contract preparation by ensuring that all contract documents are thoroughly reviewed and verified before signing, to confirm the consistency of key details such as the correct contractor's details are captured in the document in accordance with the PPDA Act, Cap. 205 and the attendant Regulations.

2.2 COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESSES WITH THE PROVISIONS OF THE PPDA ACT, CAP. 205 AND PPDA (DISPOSAL) REGULATIONS, 2023

2.2.1 Failure to dispose of obsolete assets

Regulation 3(1) of the PPDA (Disposal of Public Assets) Regulations, 2023 requires User Departments or departments responsible for assets to initiate the process of disposal in line with the approved disposal plan. However, the Entity did not dispose of obsolete assets despite the recommendations from the Annual Board of Survey Report for FY 2023/2024. The assets recommended for disposal are listed in Table 12 below:

Table 12: List of items recommended for disposal

S/N	Item description	Quantity	Condition
1	Shock Absorbers-Behind	02 Pcs	Scrap
2	Shock Absorbers-Front	02 Pcs	Scrap
3	Brakes-Behind	02 Pairs	Scrap
4	Brakes-Front	04 Pairs	Scrap
5	Battery-	01 Pc	Old
6	Electric Kettle	01 Pc	Out of Use
7	Batteries-Maintenance free for Backup	02 Pcs	Old
8	Wooden table-KAB/T/14	01 Pc	Broken
9	Water dispenser	01 Pc	Out of use
10	Printer-Kyocera Ecosys M2540 dn	01 Pc	Out of use
11	UPS	12 Pcs	Worn out
23	Battery-GS Heavy Duty for the Bus	01 Pc	Out of use
24	Battery-Rhino 12v/100Ah	01 Pc	Out of use
25	HP Scanjet 5590-KAB/Sc/01	01 Pc	Out of use
26	HP LaserJet Printer-P2055d	01 Pc	Out of use
27	Ridges	18 Pcs	Scrap
28	Iron sheets-pre painted, Galvanized	39 Pcs	Scrap
29	Wooden Door	01 Pc	Old
30	Window-Double shutter, Metallic with Glass	11 Pcs	Old
31	Iron Sheets- Halves	80 Pcs	Scrap
32	Iron sheets-Versatile	19 Pcs	Scrap

Implication

Failure to timely dispose of obsolete assets deprives Government of the revenue derived from disposal, exposes the assets to vandalism, and further loss in value through deterioration.

Management response

The current status on disposal is that the process has started and an adhoc board of survey is now in place. Some obsolete items in the University library have been disposed of and the remaining items are planned to be disposed of in the FY 2026/2027

Authority's comment

The Authority reviewed the management response and noted that the Entity indicated having put in place an adhoc board of survey and that some assets had been disposed of. However, no evidence was provided to this effect.

Recommendation

The Accounting Officer should cause for the disposal of the obsolete assets using appropriate methods and submit to the Authority a report on the disposal in accordance with Regulation 46(3) 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 (ESHS) REQUIREMENTS IN THE PROCUREMENT PROCESS

2.3.1 Failure to plan, incorporate in the requirements, and implement Environmental Social, Health and Safety Safeguards (ESHS) in the construction works

Section 66 of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities for each procurement to take into account environmental protection, social inclusion and stimulating innovation. The Entity did not implement ESHS aspects as detailed below:

a. Failure to plan, incorporate in the requirements, and implement Environmental Social, Health and Safety Safeguards (ESHS) in the construction works

Section 66 of the PPDA Act, Cap. 205 states that "*a Procurement and Disposing Entity shall, for each procurement, take into account environmental protection, social inclusion, and stimulating innovation.*" The Entity did not plan, incorporate in the statements of requirements, implement, and report on the ESHS measures for the construction works. Environmental screening was also not conducted, and specifications or provisions for ESHS activities were not included in the Bills of Quantities for five procurements worth UGX 8,113,634,235. The procurements with ESHS gaps are listed in Table 13 below:

Table 13: Procurements of construction works without consideration of ESHS aspects

No	Subject of Procurement	Contract value (UGX)
1.	Construction of an Irish value additional processing unit at Faculty of Agriculture and Environmental Sciences	368,708,346
2.	Construction of journalism multimedia laboratory unit between rooms 2& 3	81,513,870
3.	Construction of perimeter wall phase 1 at the northern end of main campus	113,368,500
4.	Construction of a resource centre block at main campus	798,619,280
5.	Phase II construction works of the engineering block a 4 storied building at Nyabikoni campus	6,751,424,239
	Total	**8,113,634,235**

Implication

Failure to put in place Environment and Social mitigation measures puts the site occupants, project beneficiaries, and communities where the projects are located at risk of harmful effects arising from the projects such as environmental degradation, climate change, destruction of eco systems, air pollution, depletion of natural resources, diseases such as HIV and Aids and accidents among others.

Management Response

Advice noted and subsequently ESHS is going to be part of the procurement process.

Recommendations

1. The Environmental Officer should conduct environmental screening or environmental impact assessment where necessary for all projects to inform the specifications for ESHS in the statements of requirements.
2. The Contract Managers should monitor implementation of the required ESHS measures and report on them in the progress and completion reports to achieve sustainability in accordance with Section 66 of the PPDA Act, Cap. 205.

b. Failure to plan, incorporate in the requirements, and implement Environmental Social, Health and Safety Safeguards (ESHS) in the procurement of supplies

Regulation 35 (2)(e) of the PPDA (Rules and Methods for procurement of supplies, works and non-consultancy services) Regulations, 2023 states that *"a specification shall contain a complete, precise and unambiguous description of the supplies required and shall include a functional description of the qualities,* including *any environmental or safety features required of the subject of the procurement;"*. The Entity did not put into consideration the operation and maintenance aspects of the procured supplies in two procurements worth UGX 139,636,823 as *detailed* in Table 14 below:

Table 14: Procurement of supplies without consideration of ESHS aspects

No	Subject of Procurement	Contract value (UGX)	ESHS gaps
1.	Supply of a specialized digital led rotary evaporator	49,989,500	• The Entity did not put into consideration the operation and maintenance aspects of the system to continue operating through its useful life. The estimated useful life is 10 to 15 years with some parts like vacuum seals expected to be changed every 3 to 5 months, tubing every one to two years and glass to be replaced when broken. However, the criteria did not assess the availability and cost of the spare parts locally and how long they can take to be delivered, and also availability of the local technical support. • The installation and training for usage were also not considered. The Entity did not consider covering them under warranty which was one year and propose an after sales technical service agreement from the best evaluated bidder
2.	Supply of lab equipment and reagents for HPLC machine in the research directorate	89,647,323	Operation and maintenance of equipment was not put into consideration.
	Total	**139,636,823**	

Implication

Failure to consider life cycle costs in the purchase of equipment by the Entity may compromise achievement of value for money as the cost of operation, maintenance, availability of spare parts, access to after sales services and disposal may be difficult and expensive to deal with through the life span of the equipment as compared to the initial purchase price of the equipment.

Management Response

Life cycle costing is a new trend and the entity shall intend to sensitize all stakeholder to appreciate the benefits of whole life cycle costing and plan to implement it while procuring items. This will involve having whole life costings in the budgeting process.

Recommendation

The User Departments and Head Procurement and Disposal Unit should always put into consideration life cycle costs and environmental aspects when preparing statements of requirements for supplies in accordance with Regulation 35 (2)(e) of the PPDA (Rules and Methods for procurement of supplies, works and non-consultancy services) Regulations, 2023.

2.3.2 Delayed contract completion

Regulation 52 (3) (a) (iv) of the PPDA (Contracts) Regulations, 2023 requires a Contract Manager to ascertain where appropriate, there is adequate control for the cost, quality and time of the contract. The Authority found delays in completion of two contracts worth UGX 7,120,132,585. The contracts with delays and related findings are indicated in Table 15 below:

Table 15: Procurements with delayed contract completion

No.	Subject of Procurement	Contract Value (UGX)	Contractual completion date	Observation
1.	Phase II construction works of the engineering block a 4 storied building at Nyabikoni campus	6,751,424,239	30th Nov 2025	As of 31st December 2025, the time progress was 113% while the works had achieved a physical progress of 77% and payment progress of 83% from the original completion date of 30th November 2025. The works were pending roofing as of 31st March 2026.
2.	Construction of an Irish value additional processing unit at Faculty of Agriculture and Environmental Sciences.	368,708,346	30th Nov 2025	Completion was on 19th March 2025, 110 days past the contractual end date even though it had been indicated that the procurement was an emergency and that the potato equipment was at risk of damage.
	Total	**7,120,132,585**		

Implication

Failure to complete contracts within the specified contract period leads to delayed service delivery to the intended beneficiaries.

<u>Management Response</u>
Along the project's implementation, there were challenges that required contract extensions e.g. too much rain, unreliable power supply in the region. These led to request for contract period extensions which were approved by contracts committee under their mandate.

Authority's Comment
The Authority reviewed the management response and noted that the Entity did not set realistic timelines for completion of projects taking into account the factors that may affect contract completion.

Recommendation
The User Departments and Head, Procurement and Disposal Unit should always conduct rational procurement planning, taking into account realistic contract implementation timelines.

2.3.3 Unjustified and non-compliant contract time extensions
Contrary to the clauses in the contract agreements, the Authority found unjustified and non-complaint contract time extensions in two procurements worth UGX 7,120,132,585. The procurements with unjustified and non-compliant contract time extensions and detailed findings are shown in Table 16 below:

Table 16: Procurements with unjustified and non-compliant time extensions

No.	Subject of Procurement	Contract Value (UGX)	Findings
1.	Phase II construction works of the engineering block a 4 storied building at Nyabikoni campus	6,751,424,239	• Clause 36 of the General Conditions of Contract required the Contractor to submit for approval an updated work program clearly quantifying the impact of any delay events and providing the necessary sourcing strategy. However, the contract was extended by 90 days (from 1 December 2025 to 28 February 2026) due to heavy rains, material shortages, and power interruptions without quantifying the impact of these events in the work program, and the required sourcing strategy was not submitted for approval. • The contract was further extended by 67 days to 7 May 2026, citing 16 days for the electoral process although only one day was a public holiday, 20 days for curing of ring beams which was a foreseeable activity included in the work program, 17 days for scarcity of waterproofing materials for gutters, for which the Contractor did not provide sourcing evidence upon receipt of advance payment and 14 days for excessive rains, the impact of which was not quantified or approved.
2.	Construction of an Irish value	368,708,346	Clauses 31 and 32 of the General Conditions of Contract required the Contractor to issue early

No.	Subject of Procurement	Contract Value (UGX)	Findings
	additional processing unit at Faculty of Agriculture and Environmental Sciences		warnings and hold management meetings to agree on measures to mitigate delay events and ensure timely completion. However, the contract was extended by four months (30th November 2024 to 30th March 2025), a period twice the original contract duration, due to heavy rains and unreliable power supply without quantifying the impact of the compensation events.
	Total	**7,120,132,585**	

Implication
This weakens contract management controls and exposes the entity to inefficiencies, project delays, and potential financial loss.

Management Response
Contract extensions were approved by Contracts Committee as requested by the contractor and recommended by the contract managers.

Authority's comment
The approval of extensions does not address the non-compliance with the General Conditions of Contract, including failure by the Contractor to submit an updated work program quantifying the impact of delay events and sourcing strategies under Clause 36, as well as failure to issue early warnings and hold management meetings to mitigate delay events under Clauses 31 and 32.

Recommendation
The Contract managers and the Contracts Committee should verify that all contract time extensions are fully justified, properly quantified, and supported by approved work programs and relevant contract documentation before approval in accordance with GCC Clauses 31, 32 and 36.

2.3.4 Failure by Internal Audit to verify payments
Regulation 27(a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 requires the internal audit department of a PDE to audit the method used for a procurement and the payment made to establish whether the supplies, works or services are properly ordered, received, verified and paid for in accordance with the Public Finance Management Act, 2015 and the other applicable laws. However, a review of sampled files revealed that the Internal Audit function did not verify payment requests to confirm whether payments were properly supported and whether deliverables were duly achieved in accordance with the prescribed procedures.

Implication
This weakens internal control over public funds and may result in payments for undelivered goods, works or services, leading to financial loss.

Management Response
All deliveries are verified by internal auditors. Attached are copies of delivery notes verified by internal audit.

Authority's comment
A review of records indicated that internal audit verification was done for supplies only, with no evidence of verifying payment requests for works and services to confirm that deliverables were fully achieved and paid for.

Recommendation
The Internal Auditor should verify all payment requests to confirm adequate supporting documentation and delivery of goods, works or services before payment in accordance with Regulation 27(a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.3.5 Missing contract management documents

Section 33(o) of the PPDA Act, Cap. 205 requires a PDU to maintain and archive records of the procurement and disposal process. A review of two procurement files worth UGX 6,801,413,739 revealed that contract management documents were missing from the respective files. These included payment certificates, vouchers and other supporting documents necessary to demonstrate proper contract execution and payment processing. The procurements with missing documents are shown in Table 17 below:

Table 17: Procurements with missing documents

No.	Subject of Procurement	Amount (UGX)	Missing document
1.	Phase II construction works of the engineering block a 4 storied building at Nyabikoni campus	6,751,424,239	• Interim payment certificate • Payment vouchers
2.	Supply of a specialized digital led rotary evaporator	49,989,500	Installation certificate and training report
	Total	**6,801,413,739**	

Implication
This compromises transparency and accountability in the procurement process.

Management Response
The documents indicated are available for verification.

Authority's comment
The Entity did not attach the missing documents for verification.

Recommendation
The Procurement and Disposal Unit should maintain and properly archive records of all procurement and disposal proceedings in accordance with Section 44(1) of the PPDA Act, Cap. 205.

2.3.6 Weaknesses in Framework Contract Management for Supply of Fuel

Section 100 of the PPDA Act, Cap. 2025 provides for use of framework contracts. The Entity's framework contract for supply of fuel had weaknesses in contract management relating to ordering, delivery, and consumption controls. The specific findings are outlined below:

i Contrary to Clause 12.1 of the General Conditions of Contract agreement between Kabale University and Shell Kabale fuel station, which required supplies to be delivered upon receipt of an official order, fuel was delivered without prior orders. Requisitions and Local Purchase Orders (LPOs) were instead prepared after delivery and invoicing.

ii Although fuel issuance was recorded through a fuel pump register indicating the vehicle and litres issued, there was no end-user accountability or mileage tracking to verify how the fuel was utilized by the respective vehicles.

iii There was unfairness in the distribution of orders among the awarded contractors, as Rubis fuel station was not issued any orders during the FY 2024/2025 despite signing a framework contract agreement with the Entity.

Implication
These compromise fairness, accountability and transparency in the procurement process.

Management Responses

1. *Local purchase orders are issued and subsequently fuel is consumed. Where it happened, it was as a result of special circumstances.*
2. *Fuel orders and vehicle log books provide journey distances and fuel consumed and they are attached for verification. Other officers entitled to fuel use it for to and from offices.*
3. *For the case of Rubis fuel station, a Local Purchasing Order was issued and the supplier could not deliver fuel without cash payment. As a result, the order was cancelled.*

Authority's comment
The records of journeys provided for verification indicated; dates, distances, purpose, and fuel consumed. However, they did not indicate vehicle registration numbers, limiting identification of vehicles and validation of accountability for fuel and mileage.

Recommendation
The Accounting Officer should enforce end-user accountability for supplied fuel reflects the vehicle registration number, dates of consumption, distances to be covered and purpose and strengthen contract management to ensure adherence to the agreed contract terms and where, the contractor can not deliver on a contract for various circumstances like was in the case of Rubis Fuel station, this should be documented and a report submitted to Contracts Committee for consideration.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall compliance inspection conclusion

The performance of Kabale University for the Financial Year 2024/2025 was moderately satisfactory with an overall weighted average risk rating of 43.2%

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 18 below:

Table 18: Entity's performance

Risk Rating	**No.**	**% No.**	**Value (UGX)**	**% Value**	**Weights**	**Total Weighted Score**	
						By No.	**By Value**
High	0	-	0	-	0.6	-	-
Medium	7	70	8,253,271,058	99.3	0.3	21.0	29.8
Low	1	10	40,194,346	0.45	0.1	1.0	0.0
Satisfactory	2	20	21,810,221	0.25	-	-	-
Total	**10**	**100**	**8,315,275,625**	**100**	**1**	**22**	**29.8**

Weighted Average (By No.) = $\frac{\text{Sum of Weighted Score}}{60} \text{x}100 = \frac{22}{60} \text{X } 100 = 36.7\%$

Weighted Average (By Value) = $\frac{\text{Sum of Weighted Score}}{60} \text{ x } 100 = \frac{22.2}{60} \text{ x } 100 = 49.7\%$

Overall Weighted Average Risk Rating = $\frac{36.7 + 49.7}{2} = 43.2\%$

Table 19: 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: Risk rating by Number of contracts

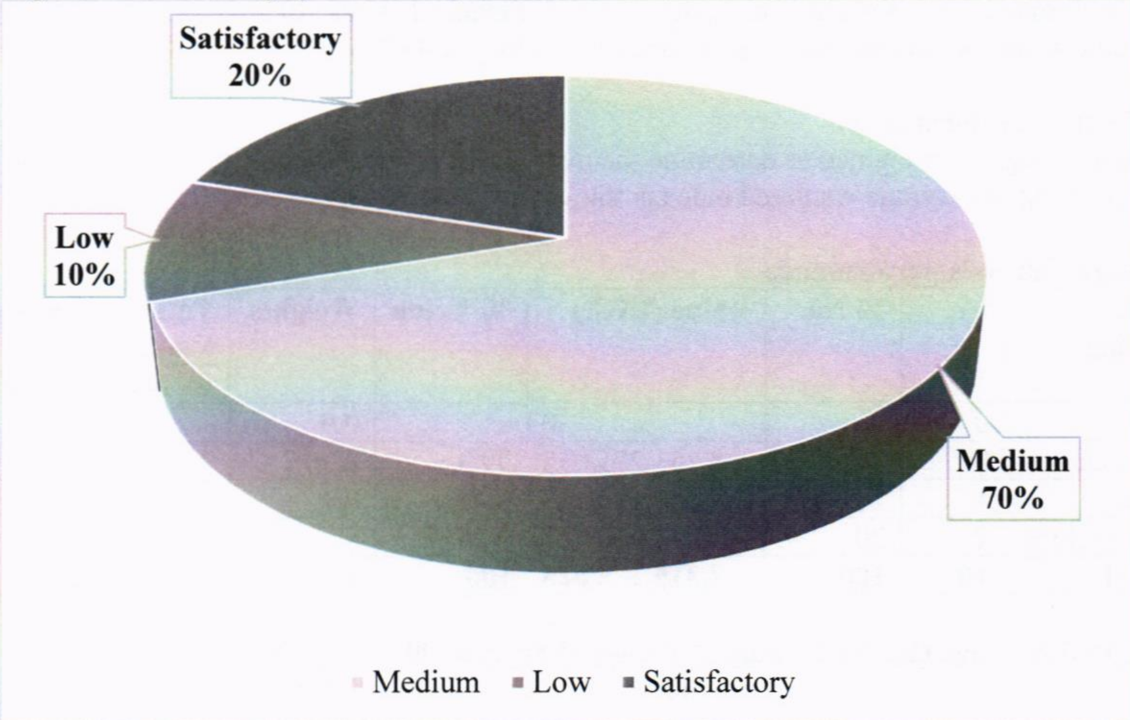
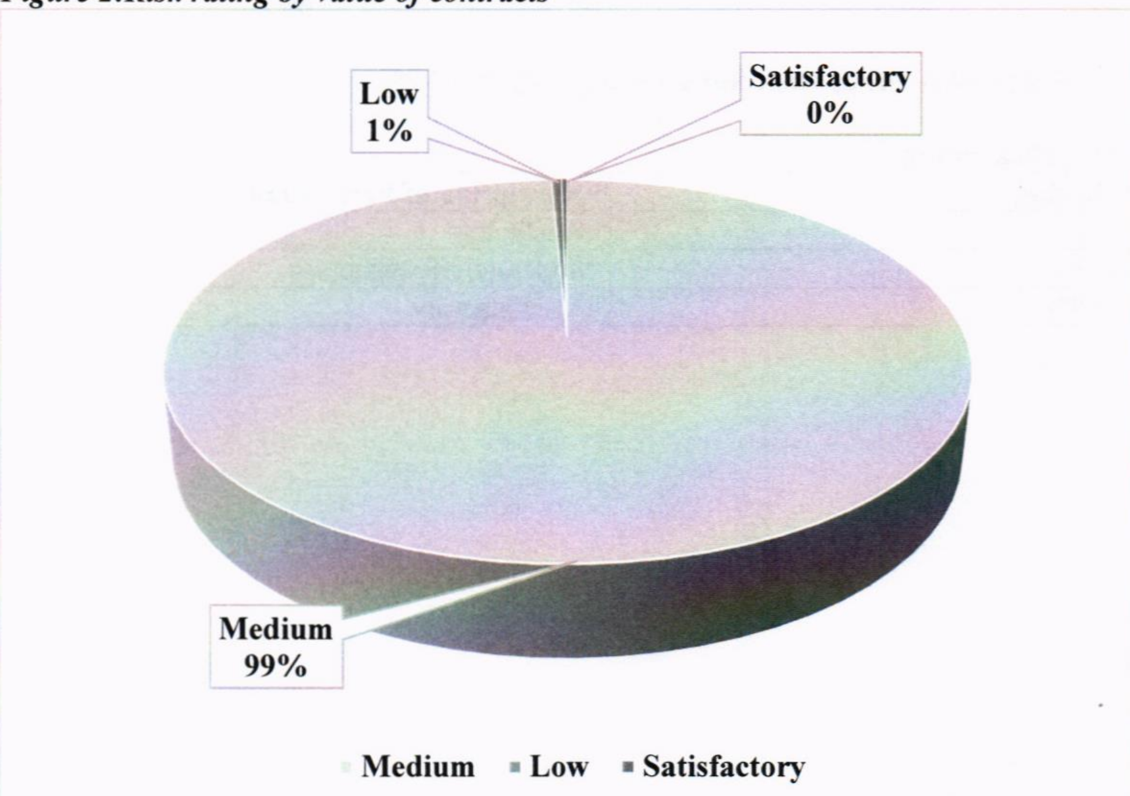


Figure 2:Risk rating by value of contracts



3.3 Inspection Opinion/Conclusion

The Procurement and Disposal activities of Kabale University for the Financial Year 2024/2025 were generally conducted in compliance with the provisions of the PPDA Act, Cap. 205, the PPDA Regulations, and PPDA Guidelines. The Entity maintained the required procurement and disposal structures.

However, the inspection identified several control and performance weaknesses that require management attention. These included non-compliance with reservations schemes for Special Interest Groups, inadequate procurement planning and initiation, issuance of bidding documents that had inadequate evaluation criteria, low bidder participation, irregularities in evaluation of bids, irregular use of direct procurement method, errors in the contract document, failure to dispose of obsolete assets, failure to incorporate ESHS requirements in procurements, delayed contract completion, unjustified contract time extensions, failure by internal audit to verify payments, missing contract management documents, and weaknesses in framework contract management for supply of fuel.

While these weaknesses did not materially undermine the overall integrity of the procurement system, they indicate deficiencies in procurement planning, initiation, contract management, financial, commitment management, and monitoring mechanisms that may adversely affect service delivery, value for money, supplier confidence, and achievement of Government policy objectives if not addressed.

Accordingly, the performance of Kabale University for the Financial Year 2024/2025 was **moderately satisfactory** with an overall weighted average risk rating of **43.2%.** This requires targeted management interventions to strengthen procurement efficiency, contract performance, and compliance with statutory requirements.

3.4 Recommended Action Plan

The Entity should implement the following recommendations in Table 20 below within the timeframe given in order to improve its performance.

Table 20: Action Plan

SN	Finding	Action/Recommendation	Responsible Officer	Timeline
1.	Failure to plan and implement reservation schemes for Special Interest Groups (SIGs)	Enforce implementation of all planned SIGs reservations in the procurement plan and ensure that they are reported in the monthly submissions to the Authority	Accounting Officer & Head, Procurement and Disposal Unit	October 2026
2.	Inadequate procurement planning and initiation	i. Prepare multi-year procurement plans for phased projects	Head, Procurement and Disposal Unit & User Departments	October 2026

		ii. In order to accurately estimate lifecycle costs of items to be procured, during procurement initiation seek technical advice where required.	Head, Procurement and Disposal Unit & User Departments	October 2026
3.	Failure to review and update the procurement plan	Review and update the procurement plan on a quarterly basis to reflect any changes in the work plans.	Head, Procurement and Disposal Unit & User Departments	October 2026
4.	Issuance of bidding documents with inadequate evaluation criteria	i. Set and include specific evaluation criteria that fits the requirements of the procurements	Head, Procurement and Disposal Unit	October 2026
		ii. Always confirm that the statement of requirements, proposed, evaluation methodology and criteria in the solicitation documents are appropriate, suitable and complete for each procurement	Contracts Committee	October 2026
5.	Low bidder Participation	Undertake due diligence prior to shortlisting providers to confirm their availability and willingness to bid at the required time, and their capacity to meet the eligibility and	Head, Procurement and Disposal Unit	October 2026

		qualification requirements of the tender		
6.	Irregularities in evaluation of bids	Should nominate members of the Evaluation Committee who have the technical skills and experience relevant for the evaluation of the procurement requirement	Head, Procurement and Disposal Unit	October 2026
		Evaluation Committees should strictly adhere to set evaluation criteria.	Head, Procurement and Disposal Unit	October 2026
7.	Irregular use of direct procurement method	Only approve the use of the direct procurement method in line with the rules and conditions set in Regulations 24 and 25 of PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023.	Contracts Committee	October 2026
8.	Errors in the contract document	Strengthen internal controls over contract preparation by ensuring that all contract documents are thoroughly reviewed and verified before signing, to confirm the consistency of key details such as the correct contractor's details.	Accounting Officer and Contracts Committee.	October 2026
9.	Failure to dispose of obsolete assets	Cause for the disposal of the remaining assets using appropriate methods and submit a report to the Authority on disposal	Accounting Officer	October 2026
10.	Failure to plan, incorporate in the requirements, and implement ESHS in	i. Always put into consideration life cycle costs and environmental	User Departments & Environment Officer	October 2026

	the construction works and supplies	aspects when preparing statements of requirements for works and supplies		
		ii. Monitor implementation of the required ESHS measures and report on them in the progress and completion reports to achieve sustainability	Contract Managers	October 2026
11.	Weaknesses in Framework Contract Management for Supply of Fuel and Inadequate accountability of fuel	Enforce end-user accountability for supplied fuel that reflects the vehicle registration numbers, dates of consumption, distances to be covered and purpose and strengthen contract management to ensure adherence to the agreed contract terms.	Accounting Officer	October 2026
12.	Delayed completion of contracts	Always ascertain that, contracts are executed and delivered within the intended completion period in accordance with the terms and conditions of the contract and in accordance with Regulation 52 (3) (i) of the PPDA (Contracts) Regulations, 2023.	Accounting Officer and Contract Managers (Contract Management Team)	October 2026

Appendix 1: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
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".	**Planning:** Lack of or failure to procure within the approved plan	This implies emergencies and 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 use of less competitive methods which affects transparency, accountability and value for money.
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct 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 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
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the	**Planning:** Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	**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 lack of efficiency, standardisation and avoiding competition.
		Procurement Structures: Lack of procurement structures	This implies 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 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 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.	**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 conflict of interest and 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.

Appendix 2: Sample List and Risk Rating

No	Subject of Procurement	Method of Procurement	Provider	Contract value (UGX)	Risk Rating	Basis for Risk Rating
1.	Construction of an Irish value additional processing unit at Faculty of Agriculture and Environmental Sciences	Direct Procurement	Geses (U) Ltd	368,708,346	Medium	• Unjustified and non-compliant contract time extensions • Delayed contract completion • Non-compliance to ESHS measures • Bidding document had inadequate evaluation criteria
2.	Construction of journalism multimedia laboratory unit between rooms 2& 3	Quotation	Macro engineering services Ltd	81,513,870	Medium	• Non-compliance to ESHS measures • Bidding document had inadequate evaluation criteria
3.	Construction of perimeter wall phase 1 at the northern end of main campus	Quotation	Bonnar co. Ltd	113,368,500	Medium	• Non-compliance to ESHS measures • Errors in contract documentation • Bidding document had inadequate evaluation criteria • Inadequate Procurement Planning and Initiation
4.	Supply of a specialized digital led rotary evaporator	Quotation	St Jude electrical & medical equipment	49,989,500	Medium	• Missing contract management documents

No	Subject of Procurement	Method of Procurement	Provider	Contract value (UGX)	Risk Rating	Basis for Risk Rating
			workshop Ltd			• Bidding document had inadequate evaluation criteria • Inadequate Procurement Planning and Initiation
5.	Construction of a resource center block at main campus	Restricted bidding	Famdec technical services Ltd	798,619,280	Medium	• Non-compliance to ESHS measures • Irregularities in evaluation of bids • Low bidder Participation • Bidding document had inadequate evaluation criteria
6.	Phase 11 Construction works of the Engineering block a 4 storied building at Nyabikoni campus	Direct Procurement	Geses (U) Ltd	6,751,424,239	Medium	• Unjustified and non-compliant contract time extensions • Delayed contract completion • Non-compliance to ESHS measures • Irregular use of Direct procurement method • Irregularities in evaluation of bids • Bidding document had inadequate evaluation criteria

No	Subject of Procurement	Method of Procurement	Provider	Contract value (UGX)	Risk Rating	Basis for Risk Rating
						• Inadequate Procurement Planning and Initiation.
7.	Supply of materials for graduation ceremony	Framework	TK Vision investments Ltd	18,093,221	Satisfactory	No exceptions
8.	Supply of lab equipment and reagents for HPLC machine in the research directorate	Quotation	Zreash biotech Ltd	89,647,323	Medium	• Low bidder Participation • Bidding document had inadequate evaluation criteria
9.	Fuel for special assignments-June 2025	Framework	First service station &Total Energies ug Ltd	40,194,346	Low	• Rubis wasn't issued any order in FY 24/25 • No consumption accountability
10.	Purchase of a printer for estates office	Micro Procurement	Limsue global investments Ltd	3,717,000	Satisfactory	No exceptions
	Total			**8,315,275,625**		