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

COMPLIANCE INSPECTION REPORT FOR MOROTO REGIONAL REFERRAL HOSPITAL FOR FINANCIAL YEAR 2024/25

JUNE 2026

TABLE OF CONTENTS

LIST OF TABLES

ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
CC	Contracts Committee
CIPS	Chartered Institute of Purchasing and Supply
EC	Evaluation Committee
ESHS	Environment, Social, Health, Safety
FY	Financial Year
GCC	General Conditions of Contract
LPO	Local Purchase Order
LTD	Limited
MBA	Master's in Business Administration
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
RFQ	Request for Quotations
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
SOR	Statement of requirements
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Moroto Regional Referral Hospital, covering a representative sample of 10 procurement transactions totalling UGX 305,685,660 for the Financial Year 2024/2025.

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Moroto Regional Referral Hospital's procurement and disposal system and processes with the provisions of the PPDA Act Cap 205 and the PPDA Regulations 2014 and 2023, and to assess the level of procurement and disposal performance over the audit period.

Based on the findings of the procurement and disposal audit exercise, the performance of Moroto Regional Referral Hospital for the Financial Year 2024/2025 was Moderately Satisfactory, with a weighted average risk rating of 58.2%, as detailed in Chapter 3 of the report.

The moderately satisfactory performance was due to the following issues:

1. **Understaffed Procurement and Disposal Unit.** Section 28(1)(c) of the PPDA Act, Cap. 205, mandates that the Accounting Officer establish an adequately staffed Procurement and Disposal Unit (PDU). The Authority found that the PDU was understaffed, with only one officer serving as a Procurement Officer, whereas the approved hospital procurement structure provides for a Procurement Officer and a Procurement Assistant. An understaffed Procurement and Disposal Unit could lead to inefficiencies that might cripple the procurement system, hence the Entity's failure to deliver services optimally to the intended beneficiaries.

2. **Lack of an Internal Auditor**
   Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 sets out the roles of an Internal Audit Department within an Entity. The Authority found that the Entity lacked an Internal Auditor. The Internal Audit Department within a Procuring and Disposing Entity is responsible for reviewing procurement and disposal processes. This includes auditing procurement methods and associated payments to ensure that supplies, works, or services are properly ordered, received, verified, and paid for. Additionally, the Internal Audit Department must assess disposal procedures to confirm that disposals are conducted appropriately and, where applicable, that payments due to the procuring and disposing entity are duly received. The absence of an Internal Audit Department in the Entity indicates weak internal controls and may lead to poor performance of the procurement and disposal function.

3. **Failure to fully implement 64% of the previous audit recommendations.**
   Section 10 (1) (a) of the PPDA Act, Cap. 205 requires an Entity to take corrective action in response to the Authority's recommendations, as may be necessary in the circumstances to rectify the breach. The Authority found that the Entity had received its previous audit report for the Financial Year 2022/2023 on 25th January 2024. Of the 11 recommendations, four (36%) were fully implemented, three (28%) were partially implemented, and the remaining four (36%) were not implemented. Failure to fully implement audit recommendations undermines the effectiveness of the procurement function, exposes the Entity to ongoing risks of non-compliance and inefficiency, and indicates a weak implementation mechanism within the Entity.

4. **Failure to fully implement the Procurement plan**. Section 60 (7) of the PPDA Act, Cap. 205 states that 'A Procuring and Disposing Entity shall on a quarterly basis and in any other case, whenever necessary, review and update its procurement plan'. The Authority noted that the Entity did not fully execute its procurement plan for the Financial Year 2024/2025. Whereas the Entity planned to spend UGX 1,004,331,323 on procurement, the Authority noted that the Entity carried out procurements worth UGX 748,999,175 (75%), resulting in an implementation variance of UGX 255,332,148 (25%). A low procurement plan implementation rate denies delivery of services to the intended beneficiaries and exposes the Entity to risks of budgetary cuts in subsequent periods due to non-performance, resulting in failure to meet planned objectives.

5. **Failure to reserve procurements for Women, Youth and PWDs.** According to Guideline 11 of 2024, Section 2.1(i), every Procuring and Disposing Entity is required to allocate at least 15% of its annual procurement plan budget to registered associations representing Women, Youth, and Persons with Disabilities. The audit found that the procurement plan was developed without incorporating provisions to reserve portions of procurement for these designated groups. Failure to include women, youth, and Persons with Disabilities frustrates the Government of Uganda's efforts to increase their participation in public procurement.

6. **Splitting procurements.** Regulation 10 (1) of the PPDA (Rules and Methods for the Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023 states that "*a Procuring and Disposing Entity shall not split a procurement requirement where the supplies, works, or non-consultancy services may be procured under a single contract.*" The Authority found that in three procurements worth UGX 29,999,700, splitting was done to avoid competitive bidding. Splitting procurement requirements bypasses thresholds that require other competitive methods. This compromises transparency and fairness in supplier selection and ultimately hinders the Entity from achieving value for money.

7. **Inadequately drafted bidding documents.** Regulation 37 (1) (d) of the PPDA (Rules and Methods for the Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 requires entities to include in the statement of requirements for works the bills of quantities or activity schedules. Section 67 (2) (a) of the PPDA Act, Cap. 205 requires all solicitation documents to detail the terms and conditions which shall apply to any resulting contract. The Authority found inadequacies in the bidding documents for two procurements worth UGX 177,901,760. These included omission of some parts in the bidding documents, such as contract forms, failure to attach Bills of Quantities, among others. Insufficient information in bidding documents can cause bidders to misinterpret the Entity's requirements, resulting in poorly prepared bids. Similarly, it may also lead to confusion among bidders and give rise to potential disputes between bidders and the Entity.

8. **Unjustified use of direct procurement.** Section 49 of the PPDA Act, Cap. 205 requires all procurements and disposals to be conducted in a manner that maximises competition and achieves value for money. The Authority noted that the Entity unjustifiably used the direct procurement method instead of the Request for Quotation and micro-procurement methods in four procurements totalling UGX 125,499,700. The use of the direct procurement method without adequate justification limits competition and value for money and can be misused to award contracts to preferred suppliers without competition, undermining the principles of fairness and transparency.

9. **Failure to issue call-off orders.** Contrary to Guideline 10/2014 on the use of Framework Contracts for the procurement of Supplies, Works, and Non-Consultancy services, the Authority found that the Entity did not issue call-off orders for five procurements totalling UGX 162,167,360. Despite the Entity having framework contracts in place with service providers for motor vehicle repair services, catering and hotel services, and assorted stationery and toner, call-off orders were not issued. This is because the Entity was issuing system-generated Local Purchase Orders (IFMS LPOs) directly to providers before raising call-off orders under the framework contracts. Failure to issue call-off orders under framework contracts undermines effective monitoring of procured volumes and delivery schedules, thereby weakening spend accountability.

10. **Failure to dispose of obsolete items.** Regulation 2(1) of the PPDA (Disposal of Public Assets) Regulations 2023 requires an Accounting Officer, in each financial year, to cause the public assets of a Procuring and Disposing Entity to be reviewed and to identify the public assets to be disposed of in the following financial year. Despite the Entity having items due for disposal, no disposal was conducted during the financial year 2024-2025. Failure to dispose of obsolete items hinders the realisation of value for money, as financial resources remain tied up in unused items that continue to depreciate.

11. **Failure to appoint a Contract Manager**
    Regulation 50(1) of the PPDA Contracts Regulations 2023 requires an Accounting Officer to appoint a person from the User Department as the Contract Manager. The Authority found that the Accounting Officer failed to appoint Contract Managers for four procurements totalling UGX 153,831,360. Failure to appoint Contract Managers can lead to poor performance during contract implementation, as there are no designated personnel to track contractual milestones, submission schedules, and performance timelines.

12. **Failure to have provisions regarding Environment, Social, Health and Safety issues, including Gender issues, in the statement of requirements.** Section 66 of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity to take into account environmental protection and social inclusion aspects. The Authority found that, in the procurement of the construction of a private wing at Moroto Regional Referral Hospital, valued at UGX 95,500,000, ESHS aspects were not included in the bidding document, resulting in their absence from the resulting contract. Failure to include ESHS aspects in bidding documents and contracts may lead to significant risks, including environmental damage, health threats to workers, and public health concerns.

Key Recommendations:

1. The Accounting Officer should;
    i. Expedite the recruitment process with the Ministry of Public Services to have the Procurement and Disposal Unit appropriately staffed in accordance with Section 28 1 (c) of the PPDA Act, Cap 205;
    ii. Fast-track engagements with the Ministry of Public Service and the Accountant General's Office to have the position of Internal Auditor at the Entity filled so as to strengthen internal controls and processes in the Entity;
    iii. Establish and appoint a dedicated task force responsible for effective monitoring and implementation of all audit recommendations. The taskforce must put in place a robust mechanism to guarantee that all recommendations are systematically tracked and enforced in compliance with Section 10 (1) (a) of the PPDA Act, Cap 205.

iv. Always endeavour to execute all planned procurements in order to deliver services to the intended beneficiaries and avoid returning unspent balances to the consolidated fund, and, along with management, regularly carry out a review of the implementation of the procurement plan. In the event that amendments are made to departmental work plans, the procurement plan should be updated in accordance with Section 60(7) of the PPDA Act, Cap. 205, and Regulation 4 of the PPDA (Procurement Planning) Regulations 2023.
v. Earmark 15% of the annual procurement plan for award of contracts to registered associations of Women, Youth, and Persons with Disabilities in accordance with Guideline 11 of 2024, Section 2.1 (i), which mandates reserving at least 15% of the annual procurement budget for these groups;
vi. Aggregate all similar procurements and use competitive procurement methods to ensure competition and value for money in accordance with Section 49 of the PPDA Act, Cap 205;
vii. Adhere to Regulation 10 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023 and avoid splitting of requirements that can be procured as a single contract. A split should only be made if it offers a clear and calculable economic or technical advantage.
viii. Wherever appropriate, utilise framework contracts in accordance with guideline 10/2014, Guidance on use of Framework Contracts for procurement of Supplies, Works and Non-Consultancy services aimed at providing an efficient, cost-effective and flexible means to procure works, services or supplies that are required continuously or repeatedly over a set period of time;
ix. Use the board of survey report or a User Department to identify all assets to be disposed of in accordance with Regulation 2 (2) of the PPDA (Disposal of Public Assets) Regulations 2023 and draft a disposal plan;
x. Cause a review of the Entity's assets to identify the public assets to be disposed of in the following financial year, in accordance with Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations;
xi. Appoint Contract Managers for every contract in accordance with Regulation 50 (1) of the PPDA Contracts Regulations 2023; and
xii. Task Heads of User Departments to prepare statements of requirements that are inclusive of ESHS aspects in accordance with Regulation 34 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2. The Contracts Committee should:
   i. Scrutinise all bidding documents for quality before approval in line with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations 2023;
   ii. Together with the Head, Procurement and Disposal Unit, promote the use of competitive procurement methods to ensure competition and value for money in accordance with section 49 of the PPDA Act, Cap. 205. Where the direct procurement method is used, the Entity should adhere to the provisions spelt out in Regulations 24 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

3. The Head, Procurement and Disposal Unit should:
   i. Include bills of quantities when preparing bidding documents for procurements under works in accordance with Regulation 37 (1) (d) of the PPDA (Rules and Methods for the Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023

and

ii. Issue call-off orders to service providers whenever the Entity enters into a framework contract. The call-off orders activate the framework contract by clearly specifying the goods or services required and the unit prices in line with Guideline 10/2014 on the use of Framework Contracts for procurement of Supplies, Works, and Non-Consultancy services.

4. Heads of User Departments should initiate a process for the disposal of public assets where the board of survey report of the entity recommends the disposal of a public asset in accordance with Regulation (3) (2) (Disposal of Public Assets) Regulations, 2023.

Moroto Regional Referral Hospital should implement the recommended action plan on pages 17-18 of the compliance inspection report.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection of Moroto Regional Referral Hospital, covering a representative sample of 10 procurement transactions worth UGX 305,685,660 for the Financial Year 2024/2025. The audit reviewed the procurement structures, procurement and asset disposal processes, and contract performance in accordance with the Public Procurement and Disposal of Assets Act Cap 205 and the attendant PPDA Regulations.

1.2 Overall Objective

The overall objective of the audit was to assess and establish the degree of compliance of Moroto Regional Referral Hospital's procurement system, process and disposal process with the provisions of the Public Procurement and Disposal of Public Assets Act, Cap 205, and the PPDA Regulations, 2023, and to assess the level of procurement performance over the audit period.

The specific objectives were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act Cap 205 and the attendant PPDA Regulations regarding the performance of the procurement structures and the conduct of the procurement process;
2. Assess the extent to which the Entity's disposal process complies with the provisions of the PPDA Act Cap 205 and the PPDA (Disposal of Public Assets) Regulations 2023; and
3. Assess the efficiency and effectiveness of contract implementation, including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process.

1.3 Audit Scope

The audit involved a review of the procurement and disposal processes, general compliance issues, and contract implementation on a sample basis. The audit covered a representative sample of 10 procurement transactions for the Financial Year 2024/2025. The list of sampled transactions is contained in Annex 2. Table 1 below details the distribution of the transaction population and the sample.

Table 1: Distribution of the Transaction Population and Sample

	POPULATION			SAMPLE		PERCENTAGE	
S/No.	Procurement method	Value (UGX)	No	Value (UGX)	No	No	Value
1.	**Open bidding**	498,358,543	72	180,185,960	6	8.3	36.2
2.	**Request for Quotation**	50,000,000	3	0	0	0	0
3.	**Direct**	125,499,700	4	125,499,700	4	100	100
4.	**Micro**	75,140,932	8	0	0	0	0
	TOTAL	**748,999,175**	**87**	**305,685,660**	**10**	**11.49**	**40.81**

1.4 Methodology

The Authority examined records and documents for each sampled procurement transaction and/or disposal, and obtained the relevant evidence to form audit conclusions. This involved a review of the Entity's procurement and disposal planning, initiation, bidding, evaluation, contract placement and related processes. At the end of the document review, a physical verification was undertaken to assess the level of contractual delivery and fit for purpose.

During the audit, the Authority conducted interviews with staff from the Procurement and Disposal Unit and the User Departments to gather crucial qualitative information on the internal control systems and processes in place.

The inspection commenced on **15th September 2025** and a debrief meeting to address all pending issues arising from the audit was held with the Entity's management and staff on **19th September 2025**, before the auditors began preparing the management letter. The Authority prepared the management letter, which was sent to the Entity on **8th April 2026**, requesting a management response by **13th April 2026**; the response was submitted on **15th May 2026**.

On completion of data collection and before writing the report, the Regional Manager reviewed the working papers for completeness. The working papers contain a detailed chronology of findings for each sampled transaction. The audit report presents the key findings and conclusions.

CHAPTER TWO: KEY FINDINGS AND RECOMMENDATIONS

2.1 Compliance by the Entity with the general provisions of the PPDA Act, Cap. 205, and attendant PPDA Regulations with regard to the performance of the procurement structures and the conduct of the procurement process

2.1.1 Procurement structures

The key players in the procurement structure at Moroto Regional Referral Hospital include the Director, as the Accounting Officer; the Contracts Committee; the Procurement and Disposal Unit; and the User Departments.

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

i. Accounting Officer

Section 28(1) of the PPDA Act, Cap. 205, gives the Accounting Officer overall responsibility for the successful execution of procurement, disposal and contract management within the Procuring and Disposing Entity. The Director, Dr. Pande Stephen Legesi, was designated as the Accounting Officer of the Entity for the Financial Year 2024-2025.

ii. Composition of the Contracts Committee

Section 28 (1) (a) of the PPDA Act, Cap. 205 requires the Accounting Officer to establish a Contracts Committee in accordance with the PPDA Act; the Authority found that the Contracts Committee was fully constituted. Details are provided in Table 2 below:

Table 2: List of Contracts Committee Members

No.	Name	Position	Date of Appointment	Job Title
1.	Simon Ondoga	Chairperson	13th December 2023	Senior Nutritionist
2.	Rachael Nakabonge	Member	13th December 2023	State Attorney
3.	Benard Emaju	Member	13th December 2023	Clinical Officer
4.	Earnest Omongole	Member	13th December 2023	Principal Occupational Therapist
5.	Solomon Ezama	Secretary	22nd March 2023	Senior Psychiatric Clinical Officer

iii. Understaffed Procurement and Disposal Unit

Section 28 (1) (c) of the PPDA Act, Cap. 205 provides that the Accounting Officer shall cause the establishment of a Procurement and Disposal Unit staffed at an appropriate level. The audit found that the Entity's Procurement and Disposal Unit was inadequately staffed and was being managed by the Procurement Officer, who served as the Head, Procurement and Disposal Unit.

Implication

An inadequately staffed Procurement and Disposal Unit could lead to inefficiencies that might cripple the procurement system, hence failure by the Entity to deliver services optimally to the intended beneficiaries.

Authority's comment

The Entity did not respond to the finding.

Recommendation
The Accounting Officer should follow up with the Ministry of Public Services to ensure the Procurement and Disposal Unit is appropriately staffed in accordance with Section 28 (1) (c) of the PPDA Act, Cap 205.

2.1.2 Lack of an Internal Auditor
Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 sets out the roles of an Internal Audit Department within an Entity. The Authority found that the Entity lacked an Internal Auditor. The Internal Audit Department within a Procuring and Disposing Entity is responsible for reviewing procurement and disposal processes. This includes auditing procurement methods and associated payments to ensure that supplies, works, or services are properly ordered, received, verified, and paid for. Additionally, the Internal Audit Department must assess disposal procedures to confirm that disposals are conducted appropriately and, where applicable, that payments due to the procuring and disposing entity are duly received.

Implication
The absence of an Internal Auditor within the Entity is a sign of weak internal controls that may result in poor performance of the procurement and disposal function.

Management response
It is true that the Entity lacks an internal auditor. Efforts made to the Ministry of Finance, particularly the Accountant General's Office, to have an Internal Auditor deployed to the entity have been futile; however, as an entity, we have sought the services of the District Internal Auditor, who is currently covering the internal audit function.

Authority's comment
The Authority noted the entity's response. However, although management has indicated that the District Internal Auditor is currently providing interim internal audit support, this arrangement may not provide adequate, dedicated oversight of the Entity's procurement and disposal activities. The absence of a fully fledged Internal Auditor compromises the effectiveness of internal control systems, risk management, compliance monitoring, and independent assurance over procurement and disposal processes.

Recommendation
The Accounting Officer should fast-track engagements with the Ministry of Public Service and the Accountant General's Office to fill the position of Internal Auditor at the Entity, thereby strengthening internal controls and processes.

2.1.3 Failure to fully implement 64% of the previous audit recommendations
Section 10 (1) (a) of the PPDA Act, Cap. 205 requires an Entity to take corrective action on the Authority's recommendations, as may be necessary in the circumstances to rectify the breach. The Authority found that the Entity had received its previous audit report for the Financial Year 2022/2023 on 25th January 2024. Of the 11 recommendations, four (36%) were fully implemented, three (28%) were partially implemented, and the remaining four (36%) were not implemented, as detailed in Table 3 below:

Table 3: Implementation of previous audit recommendations

No.	Recommendation	Status
The Accounting Officer should:		

No.	Recommendation	Status
1.	Engage the Ministry of Public Service and the Accountant General's Office to ensure that the position of Internal Auditor at the Entity is filled so as to strengthen internal controls and processes in the Entity	Not implemented
2.	Ensure that the procurement and disposal plan of the Entity is periodically reviewed and updated in accordance with Section 58 (4) of the PPDA Act, 2003, as amended, in order to improve the Entity's plan absorption and performance	Partially implemented
3.	Expedite the disposal of the Entity's obsolete assets in accordance with PPDA (Disposal of Public Assets) Regulations No.14 of 2014 to avoid further loss in value of the assets	Not implemented
4.	Prevail upon the User Department Heads and Contract Managers to efficiently manage contracts and ensure that progress and completion reports are prepared in time to back up payment claims from service providers to avoid delayed payments	Not implemented
5.	Task Heads of User Departments to always prepare and make available contract management records to the Procurement and Disposal Unit to ensure that each procurement action file is complete in accordance with Regulation 53 (3) (vii) of the PPDA (Contracts) Regulations, 2014	Partially implemented
6.	Write to the Permanent Secretary, Ministry of Defence and Veteran Affairs, requesting copies of documents such as the Memorandum of Understanding that was signed between the two Entities, bills of quantities, drawings, lay-outs and any other relevant correspondence regarding the procurement for the construction of the Oxygen plant facility. This will enable the Entity to have its own complete file for the project for purposes of accountability and effective contracts management	Partially implemented
7.	Ensure that when the newly nominated Contracts Committee members are approved by the PS/ST and duly appointed, they are inducted into their roles and responsibilities by the Authority	Not Implemented

Implication

Failure to fully implement audit recommendations undermines the effectiveness of the procurement function, exposes the Entity to ongoing risks of non-compliance and inefficiency, and indicates a weak implementation mechanism within the Entity.

<u>Management Response</u>

Management acknowledges the anomaly; certain recommendations in the previous audit were not implemented. However, going forward, management pledges to always implement the recommendations highlighted by the Authority.

Recommendation

The Accounting Officer should establish and appoint a dedicated task force to effectively monitor and implement all audit recommendations. The task force must put in place a robust mechanism to ensure that all recommendations are systematically tracked and enforced in compliance with Section 10(1)(a) of the PPDA Act, Cap 205.

2.1.4 Failure to fully implement the Procurement plan

Section 60 (7) of the PPDA Act, Cap. 205 states that *'A Procuring and Disposing Entity shall on a quarterly basis and in any other case, whenever necessary, review and update its procurement plan'*. The Authority noted that the Entity did not fully execute its procurement plan for the Financial Year 2024/2025. Whereas the Entity planned to spend UGX 1,004,331,323 on procurement, the Authority noted that the Entity carried out procurements worth UGX 748,999,175 (75%), resulting in an implementation variance of UGX 255,332,148 (25%). Table 4 below summarises information about the procurement plan, budget and utilisation of funds.

Table 4: Procurement Plan Implementation

Analysis of Procurement spend	
Total procurement plan value inclusive of VAT (UGX)	**1,004,331,323**
Procurement spend value inclusive of VAT (UGX)	748,999,175
Procurement plan Implementation Rate (%)	**75**
Budget variance (UGX)	255,332,148
Budget variance (%)	**25**

Implication

A low implementation rate of the procurement plan prevents the delivery of services to the intended beneficiaries and exposes the Entity to the risk of budgetary cuts in subsequent periods due to non-performance, resulting in failure to meet planned objectives.

Management Response

The PS/ST directed that all entities should deal with UBA fuel management, which accounts for 25% of the procurement plan

Authority's comment

The Authority noted the Entity's response; however, no documentary evidence was provided to support the submission. Fuel accountabilities were not submitted to the Authority for verification.

Recommendations

The Accounting Officer should:

- Always endeavour to execute all planned procurements in order to deliver services to the intended beneficiaries and avoid returning unspent balances to the consolidated fund;
- Along with management, regularly carry out a review of the implementation of the procurement plan. In the event that amendments are made to departmental work plans, the procurement plan should be updated in accordance with Section 60(7) of the PPDA Act, Cap 205, and Regulation 4 of the PPDA (Procurement Planning) Regulations 2023.

2.1.5 Failure to reserve procurements for Women, Youth and PWDs

According to Guideline 11 of 2024, Section 2.1(i), every Procuring and Disposing Entity is required to allocate at least 15% of its annual procurement plan budget for the award of contracts to registered associations representing Women, Youth, and Persons with Disabilities. The audit revealed that the procurement plan was developed without incorporating provisions to reserve portions of procurement for these designated groups.

Implication
Failure to include Women, Youth, and Persons with Disabilities frustrates the Government of Uganda's efforts to increase their participation in Public Procurement.

Management Response
Management has acknowledged the anomaly. As it is a fairly new phenomenon, it was an oversight not to reserve procurements for this category of people. However, going forward, the entity will ensure that women's groups, youth, and PWDs are incorporated into the procurement plan. We suggest that PPDA champions sensitisation to the reserve scheme, given that the population is unaware of it.

Authority's comment
The Authority noted the Entity's response. In this regard, the Authority is actively engaged in various sensitisation initiatives, including training, capacity building programmes, public procurement cadre forums, and other related activities, all aimed at equipping Entities with the necessary knowledge on emerging issues in public procurement in Uganda

Recommendation
The Accounting Officer should earmark 15% of the annual procurement plan for the award of contracts to registered associations of Women, Youth, and Persons with Disabilities, in accordance with Guideline 11 of 2024, Section 2.1(i), which mandates reserving at least 15% of the annual procurement budget for these groups.

2.1.6 Splitting procurements
Regulation 10(1) of the PPDA (Rules and Methods for the Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023 provides that "a Procuring and Disposing Entity shall not split a procurement requirement where the supplies, works, or non-consultancy services may be procured under a single contract." The Authority found that in three procurements worth UGX 29,999,700, splitting was carried out to avoid competitive bidding. The entity used the direct procurement method instead of a request for quotation, as shown in Table 5 below:

Table 5: Procurements where splitting was done

S/No	Details of procurements	Contract Amount (UGX)
1.	Repair works on plumbing at the mental ward	9,999,900
2.	General modification and repair of the maternity ward	9,999,900
3.	Erecting medical shade equipment shade	9,999,900
Total		**29,999,700**

Implication
Splitting procurement requirements bypasses thresholds that require other competitive methods. This compromises transparency and fairness in supplier selection and ultimately hinders the Entity from achieving value for money.

Management Response
Regarding splitting procurements, the Entity received supplementary funds two weeks before the end of the financial year, making it impractical to consider competitive procurement methods given the lengthy processes involved and the limited time available. However, the

institution opted for micro-procurement, an acceptable method to ensure that the objective for which the funds were released is achieved and to prevent the funds from returning to the consolidated funds.

Authority's comment

The Authority noted the Entity's response. While micro procurement is an acceptable procurement method under the PPDA legal framework, the Entity did not provide adequate justification to demonstrate that splitting the requirements offered a clear and quantifiable social, economic, or technical advantage.

Furthermore, the Entity failed to comply with the requirements governing micro procurement, which require the solicitation of quotations from at least three providers where practicable. The Authority observed that only one bidder was shortlisted and considered, thereby limiting competition and undermining the principles of transparency, fairness, and value for money in public procurement.

Recommendations

The Head, Procurement and Disposal Unit should:

- Aggregate all similar procurements and use competitive procurement methods to ensure competition and value for money in accordance with Section 49 of the PPDA Act, Cap 205.
- Adhere to Regulation 10 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023 and avoid splitting of requirements that can be procured as a single contract. A split should only be made if it offers a clear and calculable economic or technical advantage.
- Wherever appropriate, utilise framework contracts in accordance with guideline 10/2014, Guidance on use of Framework Contracts for procurement of Supplies, Works and Non-Consultancy services aimed at providing an efficient, cost-effective and flexible means to procure works, services or supplies that are required continuously or repeatedly over a set period of time.

2.1.7 Inadequately drafted bidding documents

Regulation 37(1)(d) of the PPDA (Rules and Methods for the Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 requires entities to include the bills of quantities or activity schedules in the statement of requirements for works. Section 67(2)(a) of the PPDA Act, Cap. 205 requires all solicitation documents to set out the terms and conditions that shall apply to any resulting contract. The Authority found inadequacies in the bidding documents for two procurements worth UGX 177,901,760. These included omissions of certain parts in the bidding documents and the failure to attach the Bills of Quantities, among others. The procurements are set out in Table 6 below.

Table 6: Procurements with inadequacies in the bidding documents

S/No	Subject of procurement	Contract Amount (UGX)	Inadequacies in the bidding document	Management Response
1.	Construction of a private wing at Moroto Referral Hospital	95,500,000	Lacked Bills of Quantities	*It's true that at the time of the audit, bills of quantities were not on file;*

S/No	Subject of procurement	Contract Amount (UGX)	Inadequacies in the bidding document	Management Response
				however, this has been rectified.
2.	Hotel services and catering (Under framework)	82,401,760	• Erroneously including the Stores as the point of delivery for the catering services, under the statement of requirements, delivery and completion schedule. • Bidding document lacked the contract forms under section 9, i.e., the agreement and call-off order.	*Including stores as a point of delivering services was an oversight; going forward, this anomaly will be harmonised.*
Total		**177,901,760**		

Implication
Insufficient information in the bidding documents can cause bidders to misinterpret the Entity's requirements, resulting in poorly prepared bids. Similarly, it may also lead to confusion among bidders and give rise to potential disputes between bidders and the Entity.

Authority's comment
The Authority noted the Entity's response. However, regarding the procurement for the Construction of a Private Wing at Moroto Referral Hospital, the Entity's claim that the matter had been rectified could not be verified, as no documentary evidence was provided to support the submission.

Recommendations
1. The Head, Procurement and Disposal Unit should;
   - Include the bills of quantities when preparing bidding documents for works procurement in accordance with Regulation 37(1)(d) of the PPDA (Rules and Methods for the Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023.
   - Include all sections of the bidding document before issuance so that bidders receive the comprehensive information needed to prepare responsive and competitive bids.
2. The Contracts Committee should scrutinise all bidding documents for quality before approval, in line with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations 2023.

2.1.8 Unjustified use of the direct procurement method
Section 49 of the PPDA Act, Cap. 205 requires all procurements and disposals to be conducted in a manner that maximises competition and achieves value for money. The Authority noted

that the Entity unjustifiably used the direct procurement method instead of Request for Quotation in four procurements worth UGX 125,499,700 as indicated in Table 7 below:

Table 7: Procurements where direct procurement was done

S/No	Details of procurements	Contract Amount (UGX)
1.	Construction of a private wing at Moroto Regional Referral Hospital	95,500,000
2.	Repair works on plumbing at the mental ward	9,999,900
3.	General Modification and repair of the maternity ward	9,999,900
4.	Erecting medical shade equipment shade	9,999,900
Total		**125,499,700**

Implication

- Using the direct procurement method without adequate justification limits competition and value for money.
- Direct procurement can be misused to award contracts to preferred suppliers without competition, thereby undermining the principles of fairness and transparency.

Management response

Management acknowledges the Auditor's concerns. Item number one in Table 6 concerned procurement for private wing construction, which was handled by a request for quotation. Items two to four were handled under micro-procurement, given that the supplementary funds were received two weeks before the end of the financial year, making it impractical to use competitive procurement methods due to the lengthy process involved and the limited time available at the time.

Authority's comment

The Authority noted the Entity's response; however, the Entity did not provide the Contracts Committee minutes to demonstrate that the request-for-quotation method, rather than the direct procurement method, was approved for the procurement of the construction of a private wing at Moroto Referral Hospital. In the absence of such documentation, the Authority was unable to verify that the request-for-quotation method was applied. Additionally, during review, only one bidder, M/s Lookoror General Stores Ltd, was invited.

In regard to items two to four, the Authority noted the practical challenges faced by the Entity in the late disbursement of supplementary funds. However, while such challenges are understood, they do not override the Entity's obligation to adhere to competitive procurement methods. The use of the micro procurement method does not warrant using direct procurement without justification.

Recommendation

The Contracts Committee and the Head, Procurement and Disposal Unit, should promote the use of competitive procurement methods to ensure competition and value for money in accordance with section 49 of the PPDA Act, Cap. 205. Where the direct procurement method is used, the Entity should comply with the provisions set out in Regulation 24 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023

2.1.9 Failure to issue call-off orders

Contrary to Guideline 10/2014 on the use of Framework Contracts for the procurement of Supplies, Works, and Non-Consultancy services, the Authority found that the Entity did not issue call-off orders for five procurements totalling UGX 162,167,360. Despite the Entity having framework contracts in place with service providers for motor vehicle repair services, the provision of catering and hotel services, the provision of assorted stationery and toner, and call-off orders, no orders were issued. This is because the Entity was issuing system-generated local purchase orders (LPOs) directly to suppliers instead of raising call-off orders under the framework contracts. These procurements are indicated in Table 8 below:

Table 8: Procurements where call-off orders were not issued

S/No	Subject of procurements	Contract Amount (UGX)
1.	Repair or replacement of faulty parts for MV UG 6470M	24,217,000
2.	Provision of meals for vulnerable patients	82,401,760
3.	Repair of MV UAY 205V	36,539,600
4.	Supply of stationery	8,336,000
5.	Supply of toner	10,673,000
Total		**162,167,360**

Implication

Failure to issue call-off orders under framework contracts undermines effective monitoring of procured volumes and delivery schedules, thereby weakening spend accountability.

Management response

It is true that call-off orders for motor vehicle maintenance were not issued in some cases due to challenges in identifying and gauging the costs of repairs. It is complicated to attach a cost to a repair, unlike routine maintenance, whose costs are readily available in the framework contracts, particularly the price schedule. Similarly, it was difficult to ascertain the actual number of vulnerable patients to be served meals, as the numbers always fluctuated due to discharges from wards and new admissions at different intervals, rendering it impossible to prepare call-off orders.

Authority's comments

The Authority has noted the Entity's response and acknowledges the operational challenges in estimating motor vehicle repair costs and in projecting meal quantities for vulnerable patients. However, the Authority wishes to clarify that these challenges do not relieve the Entity of its obligation to issue call-off orders under its framework contracts.

With respect to motor vehicle repairs, the Entity is advised to develop, in subsequent framework arrangements, a comprehensive schedule of spare parts for routine vehicle maintenance, to be incorporated into the framework contract. In instances where required repairs fall outside the scope of the listed spare parts, the Entity may explore alternative procurement methods available under the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

Regarding the provision of meals to vulnerable patients, it should be noted that framework contracts are specifically designed to address procurement scenarios where quantities cannot be determined in advance. Accordingly, meals may be procured on a call-off order basis under such arrangements, and the Entity is expected to utilise this mechanism going forward.

Recommendations

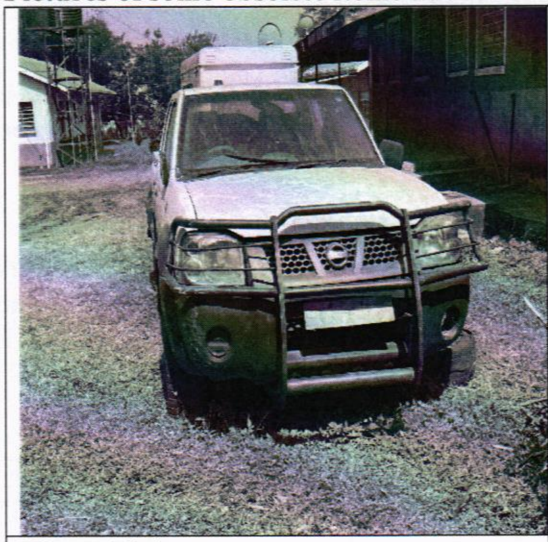
The Head, Procurement and Disposal, should issue call-off orders to service providers whenever the Entity enters into a framework contract. These orders activate the framework contract by specifying the required goods or services and the unit prices, in line with Guideline 10/2014 on the use of Framework Contracts for the procurement of Supplies, Works, and Non-Consultancy services.

2.2 Compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap 205 and the PPDA (Disposal of Public Assets) Regulations 2023

2.2.1 Failure to dispose of obsolete items

Regulation 2(1) of the PPDA (Disposal of Public Assets) Regulations 2023 requires an Accounting Officer, in each financial year, to cause the public assets of a Procuring and Disposing Entity to be reviewed and to identify the public assets to be disposed of in the following financial year. Despite the Entity having items due for disposal, no disposal was carried out by the Entity in the financial year 2024-2025.

Pictures of some obsolete items due for disposal

	
Nissan Pickup	**Land rover ambulance**

Implications

- Failure to prepare a disposal plan leads to unnecessary storage of assets due for disposal, which takes up valuable space, reduces operational efficiency, and accelerates depreciation in value.
- Failure to dispose of obsolete assets hinders the realisation of value for money, as financial resources remain tied up in unused items that continue to depreciate over time.

Management Response

It is true that items intended for disposal have not been disposed of. This was mainly because the Board of Survey had not assessed the obsolete items at the time of the audit. However, the Board of Survey has now conducted an assessment of the items, and a report has been produced. The Entity wrote to the Ministry of Works to carry out an independent assessment to provide appropriate reserve prices for the obsolete items. The institution has yet to receive a report on reserve prices to guide the disposal process.

Authority's comment

The Authority has noted the Entity's response and urges the Entity to expedite the process of obtaining feedback from the Ministry of Works and Transport on the reserve prices.

Recommendations

The Accounting Officer should;

- Cause a review of the Entity's assets to identify the public assets to be disposed of in the following financial year, in accordance with Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations.
- Use the board of survey report or a User Department to identify all assets to be disposed of in accordance with Regulation 2 (2) of the PPDA (Disposal of Public Assets) Regulations 2023 and draft a disposal plan.
- User departments should initiate a process for the disposal of public assets where the board of survey report of the entity recommends the disposal of a public asset in accordance with Regulation (3) (2) (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 appoint Contract Managers

Regulation 50(1) of the PPDA Contracts Regulations 2023 requires an Accounting Officer to appoint a person from the user department as the contract manager. The Authority found that the Accounting Officer did not appoint Contract Managers in four procurements worth UGX 153,831,360, as indicated in Table 9 below:

Table 9: Procurements where contract managers were not appointed

No.	Subject of Procurement	Contract Amount (UGX)
1.	Provision of meals for vulnerable patients	82,401,760
2.	Repair of MV UAY 205V	36,539,600
3.	Repair of replacement of faulty parts for MV UG 6470M	24,217,000
4.	Supply of toner	10,673,000
	Total	**153,831,360**

Implication

Failure to appoint Contract Managers can lead to poor performance during contract implementation, as there is no designated personnel to track contractual milestones, submission schedules, and performance timelines.

Management Response

It is true that in some cases contract managers were not appointed. Management acknowledges the anomaly. Going forward, contract managers shall be appointed for subsequent contracts. However, for vehicle maintenance, we always seek the opinion of the District Engineer, and for minor civil works we utilise the services of the hospital mason.

Authority's comment

The Authority noted the Entity's response. However, the practice of seeking the District Engineer's opinion on vehicle maintenance and utilising the hospital mason's services for minor civil works, while commendable, should not replace the formal appointment of Contract Managers.

Recommendation

The Accounting Officer should appoint Contract Managers for every contract in accordance with Regulation 50 (1) of the PPDA Contracts Regulations 2023.

2.3.2 Failure to have clear provisions regarding Environment, Social, Health and Safety issues, including Gender issues, in the statement of requirements

Section 66 of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity to take into account environmental protection and social inclusion aspects. The Authority found that, in the procurement of the construction of a private wing at Moroto Regional Referral Hospital, valued at UGX 95,500,000, ESHS aspects were not included in the bidding document.

Implication

Failure to include ESHS aspects in the bidding document may lead to significant risks, including environmental damage, health threats to workers, and public health concerns.

Management Response

ESHS is a relatively new phenomenon in public procurement; we are yet to customise it in our statement of requirements.

Authority's comment

The Authority has noted the Entity's response; however, the Entity's failure to incorporate ESHS provisions should not be attributed to a lack of awareness. The Authority urges the Entity to take immediate steps to mainstream ESHS considerations in all its procurements.

Recommendation

The Authority has noted the Entity's response; however, the Accounting Officer should task Heads of User Departments to prepare statements of requirements that are inclusive of ESHS aspects in accordance with Regulation 34 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section will present the scores by area assessed for different audit questions.

3.1 Overall Audit Conclusion

The performance of Moroto District Local Government for the Financial Year 2024/2025 was moderately satisfactory, with an overall weighted average risk rating of 58.2%

3.2 Entity's Performance

The risk rating was weighted to determine the Entity's overall risk level. The weighting was derived using the average weighted index as shown in Table 10 below:

Table 10: Summary of performance of Moroto Regional Referral Hospital

Risk Category	Number of Sampled Procurements	% No	Value (UGX)	% Value	Weights	Total weighted average	
						By No.	By Value
High	4	40	125,499,700	41	0.6	24	24.6
Medium	2	20	106,618,760	34.8	0.3	6	10.4
Low	3	30	55,548,600	18.1	0.1	3	1.8
Satisfactory	1	10	18,018,600	5.9	0	-	-
Total	**10**	**100**	**305,685,660**	**100**	**1**	**33**	**36.9**

Weighted Average (By no.) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{33}{60} \times 100 = 55\%$

Weighted Average (By Value) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{36.9}{60} \times 100 = 61.5\%$

The average weighted risk rating = $\frac{55 + 61.5}{2} = \mathbf{58.2}$

Table 11: The risk rating

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

3.3 Chart representation of risk rating

Figure 1: Chart Representation of Risk Rating by Value

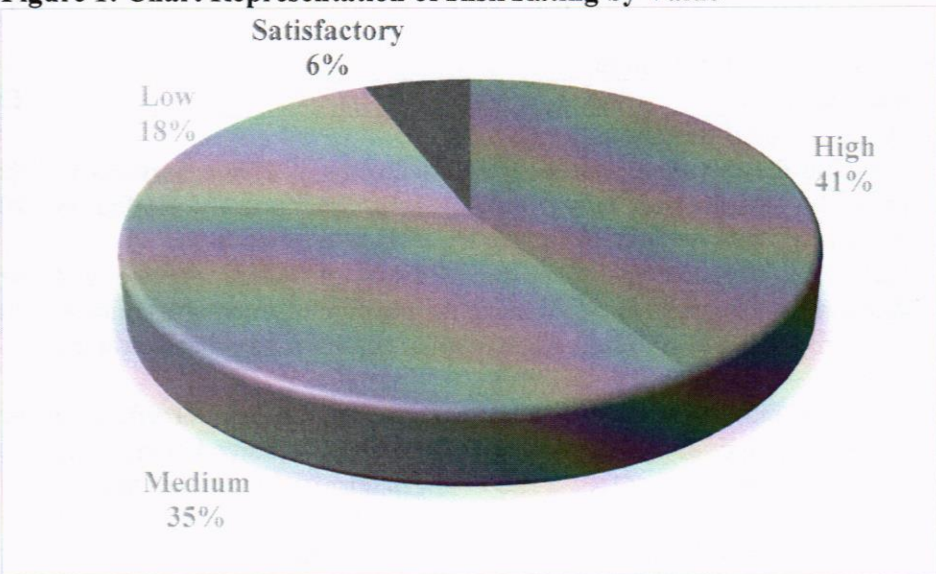
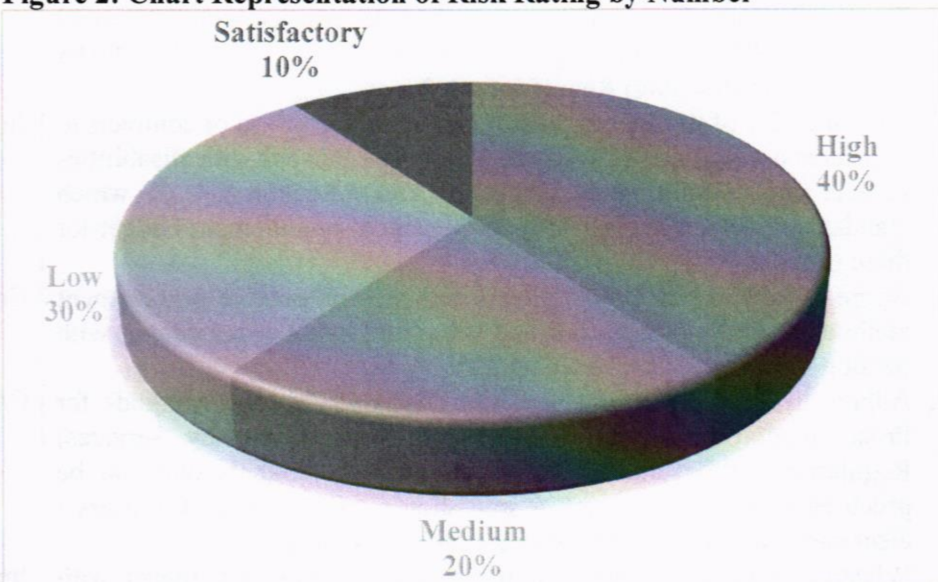


Figure 2: Chart Representation of Risk Rating by Number



Recommended Action Plan

Moroto Regional Referral Hospital implement the following recommendations in Table 12 within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 12: Recommended Action plan

S/No.	Recommendation	Target Date
1.	The Accounting Officer should;	
	i. Expedite the recruitment process with Ministry of Public Services to have the Procurement and Disposal Unit appropriately staffed in accordance with Section 28 1 (c) of the PPDA Act, Cap 205;	September 2026
	ii. Fast track engagements with the Ministry of Public Service and Accountant General's Office to have the position of Internal Auditor at the Entity filled so as to strengthen internal controls and processes in the Entity;	September 2026
	iii. Establish and appoint a dedicated taskforce responsible for effective monitoring and implementation of all audit recommendations. The taskforce must put in place a robust mechanism to guarantee that all recommendations are systematically tracked, and enforced in compliance with Section 10 (1) (a) of the PPDA Act, Cap 205;	Immediate
	iv. Always endeavor to execute all planned procurements in order to deliver services to the intended beneficiaries and avoid returning unspent balanced to the consolidated fund and along with management, regularly carry out a review of the implementation of the procurement plan. In the event that amendments are made to departmental workplans, the procurement plan should be updated in accordance with Section 60 (7) of the PPDA Act, Cap 205 and Regulation 4 of the PPDA (Procurement Planning) Regulations 2023;	Immediate
	v. Earmark 15% of the annual procurement plan for award of contracts to registered associations of Women, Youth, and Persons with Disabilities in accordance with Guideline 11 of 2024, Section 2.1 (i) which mandates reserving at least 15% of the annual procurement budget for these groups;	July 2026
	vi. Aggregate all similar procurements and use competitive procurement methods to ensure competition and value for money in accordance with Section 49 of the PPDA Act, Cap 205;	Continuous
	vii. Adhere to Regulation 10 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023 and avoid splitting of requirements that can be procured as a single contract. A split should only be made if it offers a clear and calculable economic or technical advantage;	Continuous
	viii. Wherever appropriate, utilise framework contracts in accordance with guideline 10/2014, Guidance on use of Framework Contracts for procurement of Supplies, Works and Non-Consultancy services aimed at providing an efficient, cost effective and flexible means to procure works, services or supplies that are required continuously or repeatedly over a set period of time;	Immediate
	ix. Use the board of survey report or a User Department to identify all assets to be disposed of in accordance with Regulation 2 (2) of the PPDA (Disposal of Public Assets) Regulations 2023 and draft a disposal plan;	August 2026

S/No.	Recommendation	Target Date
	x. Cause a review of the Entity's assets to identify the public assets to be disposed of in the following financial year in with Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations; xi. Appoint Contract Managers for every contract in accordance with Regulation 50 (1) of the PPDA Contracts Regulations 2023; and xii. Task Heads of User Departments to prepare statements of requirements that are inclusive of ESHS aspects in accordance with Regulation 34 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	August 2026 Immediate Continuous
2.	The Contracts Committee should: i. Scrutinise all bidding documents for quality before approval in line with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations 2023 and ii. Together with the Head, Procurement and Disposal Unit promote the use of competitive procurement methods to ensure competition and value for money in accordance with sections 49 of the PPDA Act, Cap. 205. Where the direct procurement method is used, the Entity should adhere to the provisions spelt out in Regulations 24 of the PPDA (Rules and Methods for Procurement of Supplies Works and Non-Consultancy Services) Regulations, 2023.	Continuous Continuous
3.	The Head, Procurement and Disposal Unit should: i. Include bills of quantities when preparing bidding documents for procurements under works in accordance with Regulation 37 (1) (d) of the PPDA (Rules and Methods for the Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023 and ii. Issue call-off orders to service providers whenever the Entity enters into a framework-contracts. The call-off orders activate the framework contract by clearly specifying the goods or services required and the unit prices in line with Guideline 10/2014 on the use of Framework Contracts for procurement of Supplies, Works, and Non-Consultancy services.	Immediate Immediate
4.	Heads of User Departments should initiate a process for disposal of public assets where the board of survey report of the entity recommends for the disposal of a public asset in accordance with Regulation (3) (2) (Disposal of Public Assets) Regulations, 2023	August 2026

ANNEXES

ANNEX 1: RISK RATING PER CASE

No	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	**Subject:** Construction of a private wing at Moroto Referral Hospital **Reference:** MRTRH/WRKS/24-25/00001 **Contract Value**: UGX 95,500,000 **Procurement method:** Direct Procurement **Contractor:** Lookoror General Stores	• Lacked Bills of Quantities • Unjustified use of direct Procurement • Failure to appoint contract manager • Lacked contract progress reports
2.	**Subject:** Repair works on plumbing at Metal ward **Reference:** MRTRH/WRKS/24-25/00009 **Contract Value**: UGX 9,999,900 **Procurement method:** Direct Procurement **Contractor:** Sitetech (U) Ltd	Unjustified use of direct procurement method
3.	**Subject:** General Modification and repair of maternity ward **Reference:** MRTRH/WRKS/24-25/00011 **Contract Value**: UGX 9,999,900 **Procurement method:** Direct Procurement **Contractor:** Sitetech (U) Ltd	Unjustified use of direct procurement method
4.	**Subject:** Erecting medical shade equipment shade **Reference:** MRTRH/WRKS/24-25/00012 **Contract Value**: UGX 9,999,900 **Procurement method:** Direct Procurement **Contractor:** Sitetech (U) Ltd	Unjustified use of direct Procurement method

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
5.	**Subject:** Repair of replacement of faulty parts for MV UG 6470M **Reference:** MRTRH/NCONS/24-25/00003-5 **Contract Value**: UGX 24,217,000 **Procurement method:** Open Bidding **Contractor:** Mago Elgon Motors Ltd	• Failure to issue call off order to service provider • Failure to appoint a Contract Manager
6.	**Subject:** Provision of meals for vulnerable patients **Reference:** MRTRH/NCONS/24-25/00004-1 **Contract Value**: UGX 82,401,760 **Procurement method:** Open Bidding **Contractor:** Asine Investments Limited	• Lacked call off order to service provider • Failure to appoint a Contract Manager

No	LOW RISK CONTRACTS	REASONS FOR LOW RISK
7.	**Subject:** Repair of MV UAY 205V **Reference:** MRTRH/NCONS/24-25/00003-14 **Contract Value**: UGX 36,539,600 **Procurement method:** Open Bidding **Contractor:** Mago Elgon Motors (U) Limited	• Failure to issue call off order to service provider • Failure to appoint a Contract Manager
8.	**Subject:** Supply of stationery **Reference:** MRTRH/SUPLS/24-25/00002-8 **Contract Value**: UGX 8,336,000 **Procurement method:** Open Bidding (FW)	Failure to issue call off order to service provider

No	LOW RISK CONTRACTS	REASONS FOR LOW RISK
	Contractor: DNO Uganda Limited	
9.	**Subject:** Supply of toner **Reference:** MRTRH/SUP/24-25/0002-9 **Contract Value**: UGX 10,673,000 **Procurement method:** Open Bidding **Contractor:** DNO Uganda Limited	• Failure to issue call off order to service provider • No contract manager appointment

Satisfactory contracts

10.	Procurement of Workshop spare parts **Reference:** MRTRH/SUP/24-25/0005-1 **Contract Value**: UGX 18,018,600 **Procurement method:** Open Bidding (F/W) **Contractor:** Crown Healthcare (U) Ltd

Annex 2: Transaction list and rating per case

No	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk Rating
1.	MRTRH/WRKS/24-25/00001	Construction of a private wing at Moroto Regional Referral Hospital	Direct Procurement	Lookoror General Stores Ltd	95,500,000	High
2.	MRTRH/WRKS/24-25/00009	Repair works on plumbing at Mental ward	Direct Procurement	Sitetech (U) Ltd	9,999,900	High
3.	MRTRH/WRKS/24-25/00011	General Modification and repair of the maternity ward	Direct Procurement	Sitetech (U) Ltd	9,999,900	High
4.	MRTRH/WRKS/24-25/00012	Erecting medical shade equipment shade	Direct Procurement	Sitetech (U) Ltd	9,999,900	High
5.	MRTRH/NCONS/24-25/00003-5	Repair or replacement of faulty parts for MV UG 6470M	Open Bidding	Mago Elgon Motors Ltd	24,217,000	Medium
6.	MRTRH/NCONS/24-25/00004-1	Provision of meals for vulnerable patients	Open bidding	Asine Investments Limited	82,401,760	Medium
7.	MRTRH/NCONS/24-25/00003-14	Repair of MV UAY 205V	Open bidding	Mago Elgon Motors (U) Limited	36,539,600	Low
8.	MRTRH/SUPLS/24-25/00002-8	Supply of stationery	Open bidding	DNO Uganda Limited	8,336,000	Low
9.	MRTRH/SUP/24-25/0002-9	Supply of toner	Open bidding	DNO Uganda Limited	10,673,000	Low
10.	MRTRH/SUP/24-25/0005-1	Workshop spare parts	Open bidding	Crown Healthcare (U) Ltd	18,018,600	Satisfactory
				Total	**305,685,660**	

Annex 3: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	Such procurements were considered to have serious weaknesses that could cause material financial loss or pose risks to the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	**Planning:** Lack of or failure to procure within the approved plan	This implies emergencies and the use of the direct procurement method, which affects competition and value for money.
		Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals and usurping the powers of the PDU.	This implies the use of less competitive methods, which affects transparency, accountability and value for money.
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct evaluation.	This implies financial loss from awarding contracts at higher prices or from shoddy work resulting from failure to recommend an award to a responsive bidder.
		Record Keeping: Missing procurement files and key records within the files, namely, the solicitation document, submitted bids, evaluation report, and contract.	This implies that one cannot ascertain the audit trail, namely, whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies a lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent, and the services have not been received by the intended beneficiaries
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	**Planning:** Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		Bidding Process: Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-	This implies lack of efficiency, standardisation and avoiding competition.

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	qualified firms and splitting procurement requirements.	
		Procurement Structures: Lack of procurement structures	This implies a lack of independence of functions and powers, as well as 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 a lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendments and variations, resulting in delayed contract completion and a 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. 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	**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.

RISK	DESCRIPTION	AREA	IMPLICATION
	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.