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

COMPLIANCE INSPECTION REPORT FOR FINANCIAL YEAR 2024/2025

BUVUMA DISTRICT LOCAL GOVERNMENT

JUNE 2026

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ACRONYMS

ESHS	Environmental, Social, Health and Safety
FY	Financial Year
GCC	General Condition of Contract
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
UGIFT	Uganda Intergovernmental Fiscal Transfers Program
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Buvuma District Local Government for Financial Year 2024/2025 and reviewed 12 sampled procurement transactions.

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

From the findings of the compliance inspection exercise, the performance of Buvuma District Local Government for the Financial Year 2024/2025 was **Moderately Satisfactory** with an overall weighted average risk rating of **32%.** The risk rating was weighted to determine the overall risk level of the Entity as detailed in chapter three of this report.

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

1. Section 36 (2) of the PPDA Act. Cap. 205, provides that the User Department shall prepare a procurement plan based on the approved budget, which shall be submitted to the Procurement and Disposal Unit for implementation when required. The Entity failed to implement 26.5% of the procurement plan for the FY 2024/2025, denying service delivery to the intended beneficiaries.

2. Regulation 16 of the PPDA (PDE) Regulations, 2023 provides for the delegation of procurement and disposal functions by the Accounting Officer. The Accounting Officer irregularly disbursed funds worth UGX 238,000,000 meant for renovation directly to the school accounts of Namunyole Primary School, Buyuba Primary School, and Bulondo Primary School without following the due procedure as provided for under the Regulation above, exposing the Entity to the risk of misapplication and weak accountability for public funds.

3. Section 67 (2) of the PPDA Act, Cap. 205 provides that all solicitation documents shall detail the terms and conditions, which shall apply to any resulting contract; and contain the General Conditions of Contract, or a statement of the General Conditions of Contract which shall apply. In five procurements worth UGX 1,498,084,989, the Head, Procurement and Disposal Unit issued inadequate solicitation documents with unclear bid validity periods, stringent requirements and omission of Environmental and Social safeguards in the Bills of Quantities, thereby limiting bidder participation.

4. Regulation 52 (1) (b) of the PPDA (Contracts) Regulations 2023 provides that a Contract Manager shall make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract. In two procurements worth UGX 346,530,860, the Authority noted defects such as concrete spalling due to early utilization of the 4-in-1 classroom block at Bukaali Primary School thereby exposing the learners to safety hazards and a defective main entrance door of the OPD in Buwooya HC III leading to the non-utilization of the completed structure.

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

1. The Accounting Officer should:
   i. Fully implement all planned procurements and regularly update the procurement plan of the Entity to incorporate any changes in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023;
   ii. Strictly follow the established procurement processes in the execution of all procurements in accordance with Guideline No. 2 of 2025 on Procurement and Disposal for Schools; and
   iii. Submit evidence to the Authority within one month from receipt of this report to confirm whether the renovations at Namunyole, Buyuba and Bulondo Primary Schools were actually implemented.

2. The Head, Procurement and Disposal Unit should desist from including stringent requirements and instead prepare comprehensive, balanced bidding documents capturing all required components in line with Regulations 42-45 of the PPDA (Rules and Methods of Procurement for Supplies, Works and Non-consultancy services) Regulations, 2023.

3. The User Departments should include environmental and social safeguards in the Bills of Quantities in a bid to conserve and protect the environment in accordance with Regulation 37 (2) (i) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

4. The Contract Managers should prepare contract management plans on time to guide contract management in accordance with Regulation 50 (3) of the PPDA (Contract) Regulations, 2023.

5. The District Engineer should undertake works integrity tests and instruct the contractor to correct the defects on the floor and fix the door at the construction site of a 4-in-1 classroom block at Bukaali Primary School at no additional costs in line with the terms and conditions of the contract and in accordance with Regulation 52 (1) (b) of the PPDA (Contracts) Regulations 2023. Failure to correct the defects, the providers should be referred to the Authority for suspension proceedings in accordance with Section 128 of the PPDA Act, Cap. 205.

Buvuma District Local Government should implement the recommended action plan on page **17-18** of this report.

CHAPTER ONE: INTRODUCTION

1.1. Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Buvuma District Local Government for the Financial Year 2024/2025 and reviewed 12 sampled procurement transactions. The inspection involved a review of procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the PPDA Act, Cap. 205, the PPDA Regulations, 2023 and PPDA Guidelines, 2024.

1.2. Inspection Objectives

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

The specific objectives of the inspection 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, 2023 with regard to the performance of the procurement structure and conduct of the procurement process;
2. Assess the degree of compliance of the Entity's Disposal process with the provisions of the PPDA Act, Cap. 205 and the PPDA Regulations, 2023; and
3. Assess the level of 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

According to Section 28 of the PPDA Act, Cap. 205, the Accounting Officer has the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. The Accounting Officer of Buvuma District Local Government during the Financial Year under review was Mr. Isa Mbooge, the Chief Administrative Officer.

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

Table 1:Contracts Committee for the FY 2024-2025

No.	Name	Job Title	Position on Committee	Date of Appointment
1.	Ms.Suzan Kadisi	Principal Human Resource Officer	Chairperson	30th April 2025
2.	Dr. Remegio Nyanabo	Senior Medical Officer	Member	30th April 2025
3.	Mr. Adrian Mukiibi	Statistician	Secretary	16th January 2025
4.	Ms. Leticia Namukasa	Senior Asst. CAO	Member	29th August 2023

According to Section 33 of the PPDA Act, Cap. 205, all procurement or disposal activities of the Procuring and Disposing Entity except adjudication and the award of contract were to be managed by the Procurement and Disposal Unit. The Procurement and Disposal Unit during the Financial Year under review, had two staff, i.e., Mr. Cromwell Ogentho, the Senior Procurement Officer and Mr. Micheal Kanaabi, the Procurement Officer.

1.4 Scope of the compliance inspection

The compliance inspection involved a review of the procurement process, disposal process, general compliance issues and contract implementation of 12 transactions under the Financial Year 2024/2025. ***(Annex B)***

1.5 Inspection Methodology

The inspection team examined records and documents for each sampled procurement transaction and obtained the relevant evidence to derive conclusions. This involved a review of the Entity's Procurement and Disposal Planning, Initiation, Bidding, Evaluation, Contract Placement and processes. At the end of the document review, a physical verification was undertaken to ascertain the level of contractual delivery and fitness for purpose. During the compliance inspection, the team held interviews with the staff from the Procurement and Disposal Unit (PDU) and User Departments that where necessary in obtaining crucial qualitative information about the internal control systems and processes in place.

Two officers conducted the exercise under the supervision of the Regional Manager and Director Performance Monitoring – Regional Offices. During the exercise, the team examined records and documents for each of the 12 sampled procurement transactions. The team reviewed the procurement plan for the Financial Year 2024/2025.

The activity commenced on 2nd December 2025 and thereafter, a debrief meeting to discuss preliminary findings was held with the Entity's management and staff on 4th December 2025, before the procurement and disposal compliance inspection team could embark on preparation of the Management Letter. The Management Letter was sent to the Entity on 9th March 2026 with a request to submit a Management Response by 18th March 2026, which was submitted to the Authority on 5th May 2026.

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

CHAPTER TWO: FINDINGS AND RECOMMENDATIONS

2.1. COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP. 205 AND PPDA REGULATIONS, 2023 WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURE AND CONDUCT OF THE PROCUREMENT PROCESS

2.1.1 Failure to implement 26.5% of the Procurement plan

Section 36 (2) of the PPDA Act, Cap. 205, provides that the User Department shall prepare a procurement plan based on the approved budget, which shall be submitted to the Procurement and Disposal Unit for implementation when required.

The Authority found that the Entity's total procurement budget for the Financial Year 2024/25 was UGX 4,293,783,814 as noted from the Entity's amended procurement plan submitted on 5th September 2025 to the Authority. The monthly reports submitted to the Authority indicated a total procurement spend of UGX 3,153,898,972 (73.5%), implying that the Entity did not implement planned procurements estimated to be worth UGX 1,139,884,842 (26.5%) as indicated in Table 2 below:

Table 2: Procurement Plan implementation rate

Total procurement plan value (UGX)	4,293,783,814
Actual procurement spend (UGX)	3,153,898,972
Variance (UGX)	1,139,884,842
Percentage implementation rate (%)	73.5%
Variance (%)	26.5%

Implication

Failure to fully implement the procurement plan denied service delivery to the intended beneficiaries.

Management Response

No management response was provided by the Entity.

Recommendation

The Accounting Officer should fully implement all planned procurements and regularly update the procurement plan of the Entity to incorporate any changes in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023.

2.1.2 Irregular disbursement of UGX 238,000,000 for renovation directly to the school accounts of Namunyole Primary School, Buyuba Primary School, and Bulondo Primary School.

Regulation 16 of the PPDA (PDE) Regulations, 2023 provides for the delegation of procurement and disposal functions by the Accounting Officer.

The Authority found that the Entity directly disbursed funds to school accounts for renovation works in disregard of procurement procedures stipulated in the Regulation above. Further to this, according to the quarter four Internal Audit Report for FY 2024/25, the Accounting Officer disbursed funds totaling UGX 238,000,000 to Namunyole Primary School, Buyuba Primary

School, and Bulondo Primary School for renovation works without undertaking a procurement process and without supervision by the District Engineer.

Implication
This exposed the Entity to the risk of misapplication and weak accountability for public funds, including difficulty in verifying whether the funds were used strictly for the intended renovation works, increased susceptibility to unauthorized expenditures and potential loss, and undermined segregation of duties and oversight controls over procurement and contract implementation.

Management Response
- *Funds were disbursed to Namunyolo Primary school, Bulondo Primary school and Buyuba Primary school on Bugaya Island under emergency arrangements, as heavy rainfall made it impossible for students to study under trees, because the existing buildings were in a severely dilapidated condition.*
- *The established structures, namely the Head Teacher (Accounting Officer) and school management committee, were in place in accordance with the Ministry of Education and Sports guidelines 2024/2025.*
- *The Bill of Quantities were prepared by the supervisor of works and duly approved.*

Authority's comment: The Authority takes note of the responses; however, contracts committee minutes giving justification for the emergency procurement were not submitted for verification. Furthermore, the presence of the school management committee does not justify disregarding the procurement processes, the bills of quantities prepared by the Supervisor of works and contract implementation reports were also not submitted to confirm if the works were implemented; hence, the observation is maintained.

Recommendations
The Accounting Officer should:
i. Strictly follow the established procurement processes in the execution of all procurements in accordance with Guideline No. 2 of 2025 on Procurement and Disposal for Schools;
ii. Submit evidence to the Authority within one month from receipt of this report to confirm whether the renovations at Namunyole, Buyuba and Bulondo Primary Schools were actually implemented; and
iii. Appoint Contract Managers with requisite skills and experience to oversee project implementation going forward in accordance with Regulation 51 (1) of the PPDA (Contracts) Regulations 2023.

2.1.3 Failure to fully implement 26% of the previous audit recommendations
Section 10 (1) (a) of the PPDA Act, Cap. 205 provides that where there is a persistent breach of this Act or Regulations made or guidelines issued under the Act, the Authority may direct the concerned Procuring and Disposing Entity to take such corrective action, as may be necessary in the circumstances, to rectify the breach.

Buvuma District Local Government was issued an audit report for the Financial Year 2022-2023 on 9th April 2024. Out of eight recommendations made, six (75%) were fully implemented, one (13%) was partially implemented, and one (13%) was not implemented as detailed in Table 3 below:

Table 3: Implementation of previous audit recommendations

No.	Recommendation	Status
	The Accounting Officer should ensure that the assets of the Entity are reviewed and disposed of following the methods recommended under Regulations 3 of the PPDA (Disposal of Public Assets) Regulations, 2023.	Not implemented
1.	The User departments should ensure effective contract management in accordance with Regulation 13 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.	Partially implemented

Implication

Failure to implement previous audit recommendations denied the Entity the opportunity to continuously improve its procurement processes.

Management Response

Management acknowledges the Authority's observation. In accordance with the PPDA (Disposal of Public Assets) Regulations, 2023, the Entity awaited the accumulation of assets across different financial years to enable a consolidated disposal. The process has since commenced in FY 2025/2026 and is currently at the valuation stage.

Recommendations

The Authority takes note of the response and recommends that the Accounting Officer should:

i. Ensure that the assets are securely kept to safeguard their value, conduct reviews to identify more assets to be disposed of in the following financial year in accordance with Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023.

ii. Full implementation of previous audit recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205.

2.1.4 Inadequate bidding documents

Section 67 (2) of the PPDA Act, Cap. 205 provides that all solicitation documents shall detail the terms and conditions, which shall apply to any resulting contract; and contain the General Conditions of Contract, or a statement of the General Conditions of Contract which shall apply.

In five procurements worth UGX 1,498,084,989, the Head, Procurement and Disposal Unit issued inadequate bidding documents with unclear bid validity periods, stringent requirements and omission of Environmental and Social safeguards in the Bills of Quantities as indicated in Table 4 below:

Table 4: Inadequate bidding documents

No	Subject of Procurement	Amount (UGX)	PPDA Findings	Management Response
1.	Construction of Nanatale piped water scheme phase V	529,953,281	• Bid data sheet ITB 19.1 provided that bids must be valid until 31st March 2024, a date before the procurement process had started,	• *This was a typing error; the correct date was 31st March 2025.*

No	Subject of Procurement	Amount (UGX)	PPDA Findings	Management Response
			i.e., the procurement was initiated on 17th September 2024. • There was a restrictive requirement for past experience in the construction of piped water systems, requiring at least three projects each valued at UGX 500,000,000 (totaling UGX 1,500,000,000), which is approximately three times higher than the procurement estimate of UGX 538,169,800. • Request for certification of Trading License by the issuing Entity, yet this could be verified during the evaluation exercise and post-qualification. • Inappropriate contract completion date. Special Conditions of Contract (GCC 22.1) provided that the intended completion date for the works shall be 30th June 2024, which was before the procurement was initiated.	• *Given that Buvuma is a hard-to-reach area, construction costs are significantly higher and requires contractors with strong financial capacity and a proven performance record to mitigate the risk of site abandonment.* • *This requirement was intended to prevent the submission of forged documents by the bidders.* • *This was a typing error; the correct date was 30th June 2025.* **Authority's comment:** The Authority takes note of the response; however, restrictive requirements hinder potential bidders' participation and are against the principles of fairness and competition. Further, the Head, PDU should prepare comprehensive bidding documents and avoid errors.
2.	Construction of a four-classroom block at Bukaali P/S	274,371,500	Failure to include required Environmental and Social safeguards in the Bills of Quantities.	*Management acknowledged the observation, attributed it to an oversight, and*

No	Subject of Procurement	Amount (UGX)	PPDA Findings	Management Response
3.	Construction of subcounty offices	299,849,446		*committed to addressing it going forward.*
4.	Renovation of OPD at Buwooya HC	72,159,360		
5.	Supply of materials for tarmacking of Mutesa-Buruku & Daaki Road in Buvuma T/C	321,751,402	Restrictive requirement. ITB 11(h) required bidders to submit evidence of past performance for at least three projects, each valued at UGX 300,000,000 (totaling UGX 900,000,000), which is approximately three times more than the procurement estimate of UGX 322,440,000.	*Given that Buvuma is a hard-to-reach area, construction costs are significantly higher and require contractors with strong financial capacity and a proven performance record to mitigate the risk of site abandonment.* **Authority's comment.** The Authority takes note of the response; however, restrictive requirements hinder potential bidders' participation and are against the principles of fairness and competition.
	Total	**1,498,084,989**		

Implications

i. Issuance of inadequate and stringent requirements in bidding documents limited bidder participation in the procurement process.

ii. The omission of environmental and social safeguards in the Bills of Quantities led to inadequate consideration of environmental protection by contractors, resulting in environmental degradation and negative impacts on the local communities.

Recommendations

1. The Head of Procurement and Disposal Unit should:
   i. Desist from including stringent requirements and instead prepare comprehensive, balanced bidding documents capturing all required components in line with Regulations 42-45 of the PPDA (Rules and Methods of Procurement for Supplies, Works and Non-consultancy services) Regulations, 2023; and
   ii. Require potential bidders to demonstrate experience on projects whose value is equal to the estimated cost of the project when the project is to be implemented within one year.
2. The User Departments should include environmental and social safeguards in the Bills of Quantities in a bid to conserve and protect the environment in accordance with Regulation 37 (2) (i) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.2. COMPLIANCE OF THE ENTITY DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, CAP. 205 AND PPDA REGULATIONS 2023.

2.2.1 Failure to dispose of assets

Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023 provides that for the purposes of disposal planning, an Accounting Officer shall, in each financial year, cause the public assets of a Procuring and Disposing Entity to be reviewed, to identify the public assets to be disposed of in the following financial year.

The Authority reviewed the Entity's Board of Survey Report dated 7th August 2025 and found that assets earmarked for disposal had not been disposed of in the Financial Year 2024/25.
The list of items recommended for disposal in the Board of Survey report, is indicated in Table 5 below:

Table 5: Assets recommended for disposal in the Board of Survey Report

No.	Item	Unique Identifier (tag/registration Number)	Comment
1.	FAW tipper truck	LG 0002-26	Grounded for 5 years, dispose
2.	JMC pick up double cabin	LG 003-26	Grounded, dispose
3.	Motorcycle Yamaha	LG 0009-26	Poor- dispose
4.	Motorcycle Jialing	LG 0139-36	Dispose
5.	Motor Cycle	LG 0004-026	Dispose
6.	Motor Cycle	UDW 568R	Dispose
7.	Grader	LG 0001-026	
8.	Boat engine	Yamaha 15	Poor- dispose
9.	Speed boat	Health ambulance HIV/CHAI	Dispose
10.	Photocopier	Water dept -LaserJet	Dispose
11.	Modem	Water dept. orange network	Not functional, dispose
12.	Operating table	Theatre Buvuma HCIV	Old, dispose of
13.	Broken patient bed	Buvuma HCIV	Not functional, dispose
14.	Printer hp	E73797EBN450700	Dispose
15.	Kyocera Photocopies	Health	Dispose
16.	Printer	BDC/PDU/PR/01	Dispose
17.	Broken bed		Dispose
18.	Oxygen concentrator		Dispose
19.	Patient bed		Broken, dispose of
20.	Suction machine		Not functional, dispose
21.	Stethoscope		Not functional, dispose
22.	Spare calfs for adults		Non functional
23.	Ambubags	Ambubag	Not functional, dispose
24.	Ambubags	Ambubag	Not functional, dispose
25.	Digital BP		Non functional
26.	Digital BP		Not functional, dispose
27.	Digital BP		Not functional, dispose
28.	Digital BP		Non functional

No.	Item	Unique Identifier (tag/registration Number)	Comment
29.	Stethoscope		Not functional, dispose
30.	Patient bed		Broken, dispose
31.	Patient bed		Broken
32.	Weighing scale adult		Broken, dispose
33.	BP machine	Fazzin Italy	Nonfunctional, dispose
34.	Microscope		
35.	Generator	TERA MPP/E/47	Never been used, dispose
36.	Knapsack sprayer	Power	Tubbing's eaten by rats, dispose
37.	Desktop station		Not functional, dispose
38.	Dell Desktop monitor	BDLG/EDUC/MT/01	Not functional, dispose
39.	Dell Desktop monitor	SIFSDP/BUV/UNDP/NPA	Poor- dispose
40.	Dell CPU	BDC/PLN/CPU/01	Poor- dispose
41.	CPU	FINMAPIII/BVM/DLG/CPU/18-01	Dispose
42.	Desktop computers	FINMAPIII/BVM-DLG/MON/18-02	Dispose
43.	Desktop computers	FINMAPIII/BVM-DLG/MON/18-06	Dispose
44.	Desktop computers	FINMAPIII/BVM-DLG/MON/18-08	Dispose
45.	Desktop computers	FINMAPIII/BVM-DLG/MON/18-10	Dispose
46.	Laptop	Assistant Engineering Officer, Water	Dispose
47.	CPU	FINMAPIII/BVM-DLG/CPU/18-06	Dispose
48.	CPU	BDC/CAO/CPU/01	Not functional, dispose
49.	GPS vet	VET	Not functional, dispose
50.	Printer	VET	Non functional
51.	UPS	MGLSD-YLP-UPS-092	Not functional, dispose
52.	Office chair	PDU	Broken, dispose
53.	Office table	BDC/PDU/TB01	Broken, dispose
54.	Office chair		Broken, dispose
55.	Office table	BDC/EDUC/TB01	Broken, dispose
56.	Office chair	BDC/EDUC/CHO1	Broken, dispose
57.	Book shelf	BDC/EDUC/BS01	Broken, dispose
58.	Filling Cabinet	BDC/PDU/FC01	Broken, dispose
59.	Office table	BDC/NR/TBO1	Broken, dispose
60.	Office table	BDC/DCAO/TB01	Broken, dispose
61.	Office table	BDC/CL/TB01	Broken, dispose
62.	Filling Cabinet	BDC/FN/FC/01	Broken, dispose
63.	Office chair	PHRO	Broken, dispose
64.	Office chair	PHRO	Broken, dispose
65.	Wooden bookshelf	Service commission	Broken, dispose
66.	Office table	BDC/PL/TB/01	Broken, dispose
67.	Executive rocking chair	Planning unit	Broken, dispose
68.	Office table	BDC/PL/TB/02	Broken, dispose
69.	Two-door metallic filing cabinet	Planning unit	Dispose

No.	Item	Unique Identifier (tag/registration Number)	Comment
70.	Wooden bookshelf	Procurement	Dispose
71.	Office chair	Communications	Dispose
72.	Water tank	District headquarters	Dispose
73.	Water tank	District headquarters	Dispose
74.	Water tank	District headquarters	Dispose

Implication

Obsolete assets occupy space that could have been utilised for other purposes, hence ineffective and inefficient use of space and pose a health and safety hazard.

Management Response

Management acknowledges the Authority's observation. In accordance with the PPDA (Disposal of Public Assets) Regulations, 2023, the Entity awaited the accumulation of assets across different financial years to enable a consolidated disposal. The process has since commenced in FY 2025/2026 and is currently at the valuation stage.

Recommendation

The Authority takes note of the response and recommends that the Accounting Officer should ensure that the assets are securely kept to safeguard their value, conduct reviews to identify more assets to be disposed of in the following financial year in accordance with Regulation 2 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 Change of Contract Terms

In the procurement of supply and delivery of ICT Equipment, science kits, and chemical reagents for Bweema Seed Secondary School worth UGX 210,546,038, a comparison of the bidding document and the contract agreement revealed that the Accounting Officer signed a contract with altered contract terms from those in the bidding document, as indicated in Table 6 below:

Table 6:Change of contract terms from those in the Bidding Document

Subject of Procurement	Amount (UGX)	Requirements in the bidding document	Contract agreement	Management Response
Supply and delivery of ICT Equipment, science kits and chemical Reagents for Bweema Seed Secondary School	210,546,038	Special Conditions of Contract (GCC 16.1). The structure of payments shall be 20% advance payment and 80% after delivery verification and acceptance.	Special Conditions of Contract (GCC 16.1). The structure of payments shall be 30% of the total contract price. 65% upon supply/ delivery and verification and 5% upon successful installation.	*Management acknowledged the observation, attributed it to an oversight, and committed to addressing it going forward.*
		Special Conditions of Contract (GCC 28). Liquidated damages shall be 0.05%	Special Conditions of Contract (GCC 28). Liquidated damages shall be 1%	
Total	**210,546,038**			

Implication

Change of contract terms may trigger disputes and disagreements during contract execution.

Recommendation

The Head, Procurement and Disposal Unit should desist from making changes to the contract terms at contract signing, and where the need arises, seek Contracts Committee approval with sufficient justification in accordance with Regulation 54 (6) of the PPDA (Contracts) Regulations, 2023.

2.3.2 Failure to file Contract Management records

Section 33 (o) of the PPDA Act, Cap. 205, provides that a Procurement and Disposal Unit shall maintain and archive records of the Procurement and Disposal process.

In eight procurements worth UGX 5,101,945,101, the Entity failed to file Contract Management records of contract management plans form 49, payment vouchers, certificates and completion reports, among others, in the respective files as indicated in Table 7 below:

Table 7: Procurements with missing Contract Management Plans

No.	Subject	Amount (UGX)	Missing records	Management Response
1.	Construction of Namatale piped water scheme phase V	529,953,281	Contract Management Plan (Form 49)	*Management acknowledged the observation, attributed it to an oversight, and committed to addressing it going forward.*
2.	Design, supply and installation of irrigation equipment	245,241,100		
3.	Supply of Medical Equipment under UGIFT	117,805,000		
4.	Consultancy construction supervision of Namatale piped water scheme, phase V	29,264,000		
5.	Supply of materials for tarmacking of Mutesa-Buruku & Daaki Road in Buvuma T/C	321,751,402		
6.	Supply and delivery of ICT Equipment, science kits and chemical Reagents for Bweema Seed Secondary School	210,546,038		
7.	Rehabilitation of boreholes	21,544,000		
8.	Construction of Bweema Seed Secondary School under the UGIFT project	3,625,840,280	Contract management records (certificate of completion, final payment, implementation plan form 45 and project handover report)	*No response was provided*
	Total	**5,101,945,101**		

Implication
Failure to prepare contract management plans limited effective monitoring and supervision during contract implementation.

Recommendations
1. Contract Managers should prepare Contract Management Plans in a timely manner to guide contract management in accordance with Regulation 50 (3) of the PPDA (Contract) Regulations, 2023.
2. Head, Procurement and Disposal Unit should archive all contract management records in their respective files in accordance with Section 33 (o) of the PPDA Act, Cap. 205.

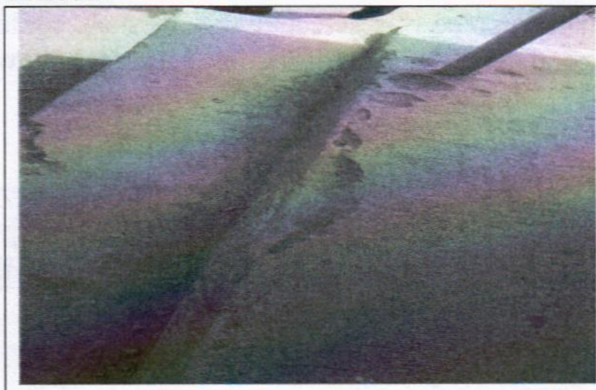
2.3.3 Issues noted during physical verification.

i. Defects in the construction of a 4-in-1 classroom block at Bukaali Primary School

Regulation 52 (1) (b) of the PPDA (Contracts) Regulations 2023 provides that a Contract Manager shall make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract.

In the procurement for the construction of a 4-in-1 classroom block at Bukaali Primary School worth UGX 274,371,500, the Authority found that some sections of the floor had been affected by concrete spalling as indicated in Figure 1 below:

Figure 1: Defects in the construction of a 4-in-1 classroom block at Bukaali Primary School.



Concrete spalling, photo taken on 4th December 2025

Photo taken on 4th December 2025

Implication
Concrete spalling implied deterioration of the classroom block, thus reducing the durability of the works.

Management Response
The concrete spalling was due to early utilization of the buildings by the school management without clearance from the building control officer and because of that, children were studying under trees yet they were heavy rains.

Authority's comment: The Authority takes note of the response; however, no documentary evidence was presented to confirm whether the defects were corrected.

Recommendation
The District Engineer should undertake works integrity tests and instruct the Contractor to correct the defects on the floor at no additional costs in line with the terms and conditions of the contract and in accordance with Regulation 52 (1) (b) of the PPDA (Contracts) Regulations, 2023.

ii. Defects in the renovation of an OPD at Buwooya HC III

Regulation 52 (1) (b) of the PPDA (Contracts) Regulations 2023 provides that a Contract Manager shall make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract.

In the procurement for renovation of an OPD at Buwooya HC III worth UGX 72,159,360, the Authority found that one of the doors at the main entrance was defective and, as such, could not lock. As a result, the structure had not been occupied at the time of the inspection, as shown in Figure 2 below:

Figure 2: Defects in the Renovation of an OPD at Buwooya HC III

The door on the left-hand side of the building was not closing (photo taken on 4th December 2025)

Implication

Failure to rectify the defect led to non- occupancy of the renovated OPD and may further lead to deterioration of the building occasioned by non-occupancy.

Recommendation

The District Engineer should instruct the Contractor to rectify the defects by fixing the door properly in accordance with the defect liability provisions and Regulation 52 (1) (b) of the PPDA (Contracts) Regulations, 2023.

Management Response

All the defects were corrected before paying retention.

Authority's comment: The Authority takes note of the response; however, no documentary evidence was presented to confirm whether the defects were corrected.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1. Overall Inspection Conclusion

The performance of Buvuma District Local Government for the Financial Year 2024/2025 was **Moderately Satisfactory** with an overall weighted average risk rating of **32%**.

3.2. Entity's risk assessment

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 8 below:

Table 8: Risk Computation

Risk Category	No.	No.%	Value (UGX)	Value. %	Weights	Total Weighted Average	
						By No.	By Value
High	0	0	0	0	0.6	0	0
Medium	3	25	3,972,371,140	68.7	0.3	7.5	20.6
Low	9	75	1,808,874,067	31.3	0.1	7.5	3.1
Satisfactory	0	0	0	0	0	0	0
Total	12	100	**5,781,245,207**	**100**	**1**	**15**	**23.7**

Weighted Average (By no.) $= \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{15}{60} \times 100 = 25\%$

Weighted Average (By Value) $= \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{23.7}{60} \times 100 = 40\%$

Combined Weighted Average $= \frac{25+40}{2} = 32\%$

Since **32%** falls within the 31-70 risk range, the performance of the Entity is rated **Moderately Satisfactory** as detailed in Table 9 below:

Table 9: Risk Rating Table

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

Figure 3: Risk Rating by Number

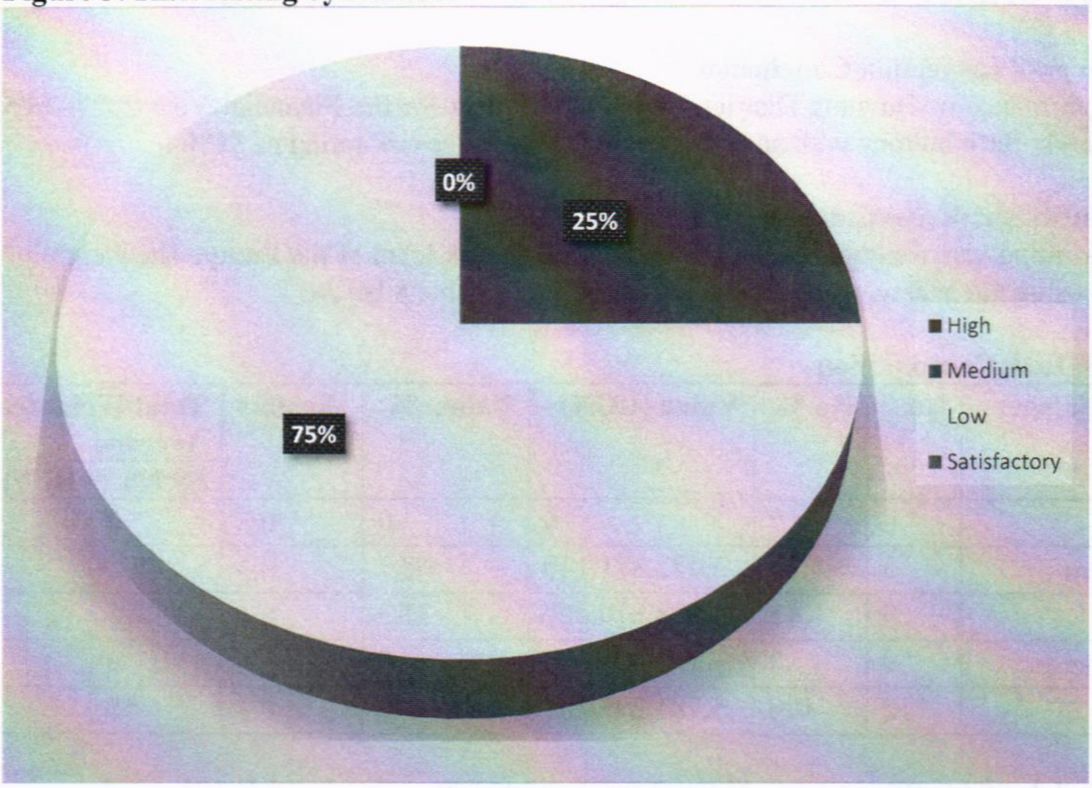
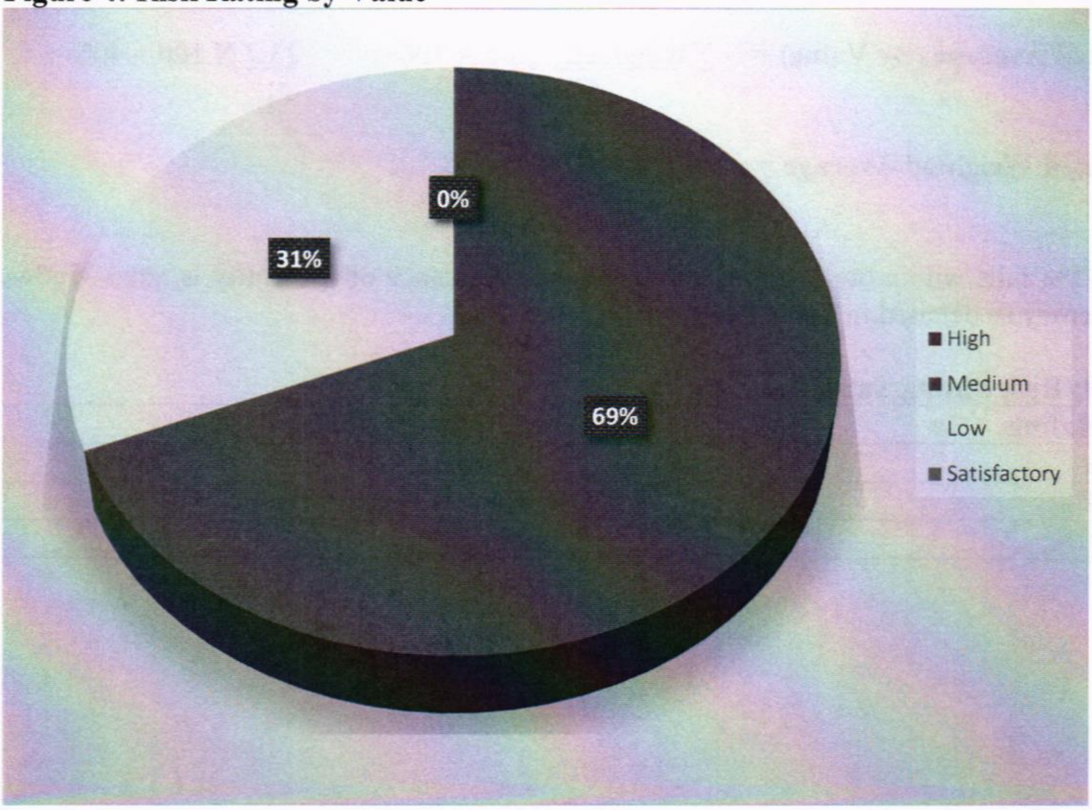


Figure 4: Risk Rating by Value



3.3. Inspection Opinion/Conclusion

The Procurement and Disposal activities of Buvuma District Local Government for the Financial Year 2024/2025 were generally conducted in compliance with the provisions of the PPDA Act, Cap. 205, the PPDA Regulations, 2023, and PPDA Guidelines, 2024. The Entity maintained the required procurement and disposal structures, and with the disposal activities yet to be conducted as recommended in the board of survey report.

However, the inspection identified several control and performance weaknesses that require management attention. These include not implementing 26.5% of the procurement plan, inadequate bidding documents, irregular disbursement of funds to school accounts, failure to fully implement previous audit recommendations and failure to dispose of obsolete assets.

While these weaknesses did not materially undermine the overall integrity of the procurement system, they indicate deficiencies in procurement planning, contract management, disposal process 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 Buvuma District Local Government for the FY 2024/2025 is assessed as **Moderately Satisfactory**, with an overall weighted average risk of **32%**, but requiring targeted management interventions to strengthen procurement efficiency, contract management and compliance with statutory and regulatory requirements.

3.4. Recommended Action Plan

Buvuma District Local Government should implement the following recommendations in Table 10 below within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 10 : Action Plan

Finding	Recommended Action	Responsible Officer	Timeline
Failure to implement 26.5% of the Procurement plan	Fully implement all planned procurements and regularly update the procurement plan of the Entity to incorporate any changes in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023	Accounting Officer	Continuous
Irregular disbursement of UGX 238,000,000 for renovation directly to the school accounts of Namunyole Primary School, Buyuba Primary School, and Bulondo Primary School.	Strictly follow the established procurement processes in the execution of all procurements in accordance with Guideline No. 2 of 2025 on Procurement and Disposal for Schools; and Submit evidence to the Authority within one month from receipt of this report to confirm whether the renovations at Namunyole.	Accounting Officer	November 2026

Finding	Recommended Action	Responsible Officer	Timeline
Failure to fully implement 26% of the previous audit recommendations	Full implementation of previous audit recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205.	Accounting Officer	November 2026
Inadequate bidding documents	Desist from including stringent requirements and instead prepare comprehensive, balanced bidding documents capturing all required components in line with Regulations 42-45 of the PPDA (Rules and Methods of Procurement for Supplies, Works and Non-consultancy services) Regulations, 2023.	Procurement and Disposal unit	Continuous
Failure to dispose of assets	Accounting Officer should ensure that the assets are securely kept to safeguard their value, conduct reviews to identify more assets to be disposed of in the following financial year in accordance with Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023.	Accounting Officer	November 2026
Change of Contract Terms	The Head, Procurement and Disposal Unit should desist from making changes to the contract terms at contract signing, and where the need arises, seek Contracts Committee approval with sufficient justification in accordance with Regulation 54 (6) of the PPDA (Contracts) Regulations, 2023.	Procurement and Disposal Unit	Continuous
Defects in the construction of a 4-in-1 classroom block at Bukaali Primary School and the renovation of an OPD at Buwooya HC III	The District Engineer should undertake works integrity tests and instruct the Contractor to correct the defects on the floor at no additional costs in line with the terms and conditions of the contract and in accordance with Regulation 52 (1) (b) of the PPDA (Contracts) Regulations, 2023.	District Engineer	November 2026

Annex A: Summary Case by Case

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
	Nil	
NO	**MEDIUM RISK CONTRACTS**	**REASONS FOR MEDIUM RISK**
1.	Ref No: Buvu829/Wrks/24-25/00002 Construction of a four-classroom block at Bukaali P/S Provider: Fatah Investments Ltd Contract Amount: UGX 274,371,500	• Failure to include Environmental and Social safeguards in the bills of quantities • Defects noted on one of the floors
2.	Ref No: BUVU829/Wrks/24-25/ Renovation of OPD at Buwooya HC Provider: Jalum Holdings Ltd Contract Amount: UGX 72,159,360	• Failure to include Environmental and Social safeguards in the bills of quantities • Defective door that does not lock
3.	MOES-UgiFT/WORKS/20-21/00004-26 Construction of Bweema Seed Secondary School under the UGIFT project Provider: Robich Engineering Services Ltd Open Domestic Bidding Contract Amount: Ugx 3,625,840,280	Missing contract management records (certificate of completion, final payment, implementation plan form 45 and project handover report)

NO	LOW RISK CONTRACTS	REASON FOR LOW RISK
1.	Ref No: Buvu829/Spls/24-25/00006 Supply and delivery of ICT Equipment, science kits and chemical Reagents for Bweema Seed Secondary School Provider: Lot 1: JIB Capital Ltd Ugx 157,893,038 Lot 2: A.N Damulira UGX 52,653,000	• Change of Contract terms • Failure to prepare a contract implementation plan
2.	Ref No: Buvu829/Wrks/2024-25/00004 Construction of Nanatale piped water scheme phase V Provider: Kanyenya Engineering Works Ltd Contract Amount: UGX 529,953,281	• Inadequate and restrictive bidding document • Failure to prepare a contract implementation plan
3.	BUVU829/WRKS/24-25/000 Construction of subcounty offices Provider: Maple Technical Services Contract Amount: UGX 299,849,446	Failure to include Environmental and Social safeguards in the bills of quantities
4.	Ref No: BUVU829/SPLS/24-25/00004 Supply of materials for tarmacking of Mutesa-Buruku & Daaki Road in Buvuma T/C Provider: Prime Contractors Limited Contract Amount: UGX 321,751,402	Restrictive requirements in the bidding document.
5.	Ref No: Buvu829/SRVCS/24-25/00001 Consultancy for construction supervision of Namatale piped water scheme phase v	Failure to prepare a contract implementation plan

	Provider: Adriax Consults SMC Ltd Contract Amount: Ugx 29,264,000	
6.	Ref No: Buvu829/Wrks/24-25/00003 Completion of a parent 2 classroom block at Namiti P/S. Provider: Nash and Harrah Uganda Limited Contract Amount: UGX 32,916,800	Failure to prepare a contract implementation plan
7.	Ref No: MOH/Buvu829/Supls/2024 -25 /00023 Supply of Medical Equipment under UGIFT Provider: Nairobi Enterprises (U) Ltd Contract Amount: UGX 117,805,000	Failure to prepare contract implementation plan
8.	Ref No: Buvu829/Wrks/24-25/00007 Design, supply and installation of irrigation equipment Provider: Relief line Uganda Ltd Contract Amount: UGX 245,241,100	Nil
9.	Ref No: Buvu829/wrks/2024-25/00005 Rehabilitation of boreholes Direct procurement Provider: Buvuma Hand Pump Mechanic Association Contract Amount: UGX 21,544,000	Nil

Annex B: Sample List for Buvuma District Local Government for Financial Year 2024/2025

No	Proc Reference No	Subject of procurement	Method of Procurement	Service provider	Contract amount (UGX)
1.	BUVU829/WRKS/2024-25/00004	Construction of Namatale piped water scheme phase V	RDB	Kanyenya Engineering Works Ltd	529,953,281
2.	BUVU829/WRKS/24-25/00007	Design, supply and installation of irrigation equipment	RFQ	Relief Line Uganda Ltd	245,241,100
3.	BUVU829/WRKS/24-25/00002	Construction of a four-classroom block at Bukaali P/S	RFQ	Fatah Investments Ltd	274,371,500
4.	BUVU829/WRKS/24-25/000	Construction of subcounty offices	RFQ	Maple Technical Services	299,849,446
5.	BUVU829/WRKS/24-25/	Renovation of OPD at Buwooya HC	RFQ	Jalum Holdings Ltd	72,159,360
6.	BUVU829/SRVCS/24-25/00001	Consultancy construction supervision of Namatale piped water scheme phase v	RFQ	Adriax Consults SMC Ltd	29,264,000
7.	BUVU829/SPLS/24-25/00004	Supply of materials for tarmacking of Mutesa-Buruku & Daaki Road in Buvuma T/C	RFQ	Prime Contractors Limited	321,751,402
8.	BUVUM829/WRKS/24-25/00003	Completion of a parent 2 classroom block at Namiti P/S	RFQ	Nash and Harrah Uganda Limited	32,916,800
9.	BUVU829/SPLS/24-25/00006	Supply and delivery of ICT Equipment, science kits and chemical Reagents for Bweema Seed Secondary School	RFQ	Lot 1: JIB Capital Ltd	157,893,038
				Lot 2: A.N Damulira	52,653,000
10.	BUVU829/WRKS/2024-2025/00005	Rehabilitation of boreholes	Direct procurement	Buvuma Hand Pump Mechanic Association	21,544,000
11.	MOH/BUVU829/SUPLS/2024-25/00023	Supply of Medical Equipment under UGIFT	ODB	Nairobi Enterprises (U) Limited	117,805,000
12.	MOES-UgiFT/WORKS/20-21/00004-26	Construction of Bweema Seed Secondary School under the UGIFT project	Open Domestic Bidding	Robich Engineering Services Ltd	3,625,840,280
	Total				**5,781,242,207**

Annex C: 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 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 caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files, namely, solicitation document, submitted bids, evaluation report and contract.	This implies that one cannot ascertain the audit trail, namely, whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies a lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent, and the services have not been received by the intended beneficiaries
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	**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	This implies a lack of efficiency, standardization and avoiding competition.

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	and records of issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	
		Procurement Structures: Lack of procurement structures	This implies a lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail, namely, whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million, and a lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendments and variations, which lead to unjustified 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 are not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business	**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 a lack of transparency.

RISK	DESCRIPTION	AREA	IMPLICATION
	matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low", provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.		

SATISFACTORY

Relates to the 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.