PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

"Regulating for Results"

COMPLIANCE INSPECTION REPORT FOR FINANCIAL YEAR 2024/2025

HOIMA DISTRICT LOCAL GOVERNMENT

JUNE 2026

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ACRONYMS

FY	Financial Year
GCC	General Conditions of Contract
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
DLG	District Local Government

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Hoima District Local Government for FY 2024/25, covering ten sampled procurement and disposal transactions. The inspection assessed compliance with the PPDA Act, Cap. 205, the PPDA Regulations, 2023, and PPDA Guidelines, 2024, as well as the Entity's procurement performance during the period.

Overall, the Entity's procurement and disposal activities were generally compliant with the applicable legal and regulatory framework. The required procurement and disposal structures were in place, and the disposal transactions reviewed were satisfactorily conducted. However, the inspection identified weaknesses, including failure to implement 75% of previous audit recommendations, delays in the execution of procurement activities, inviting fewer bidders than the recommended minimum, signing inadequate contracts, failure to dispose of obsolete assets identified in the Board of Survey report, and failure to obtain Performance Securing Declarations from bidders.

Although these weaknesses did not materially undermine the overall integrity of the procurement system, they revealed deficiencies in procurement planning, contract management, disposal, and monitoring that could adversely affect service delivery, value for money, supplier confidence, and achievement of Government policy objectives. The Entity's performance for FY 2024/25 was therefore assessed as **Moderately Satisfactory**, with an overall weighted average risk score of **37.8%**, requiring targeted management interventions to strengthen efficiency, contract management, and compliance.

Despite Moderate satisfaction performance, the following key exceptions were noted:

1. Section 10 (1) (a) of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity to comply with the Act and promote performance improvement in its procurement and disposal function. The Authority found that the Entity failed to fully implement 75% of the previous audit recommendations for FY 2024/2025, which hindered performance improvement of the Entity's procurement and disposal function.

2. Section 51 of the PPDA Act, Cap. 205 requires all procurement and disposal activities to be conducted in a manner that promotes economy, efficiency, and value for money. The Authority found an average delay of 105 working days across different stages of 11 procurements worth UGX 2,678,918,364. These delays exposed the Entity to price fluctuations, undermined economy and efficiency, and frustrated the timely acquisition of goods, works, and services, thereby resulting in inefficient use of public resources.

3. Regulation 20(1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 requires procurement under the quotation method to be conducted using a shortlist of at least six providers. The Authority found that, in two procurements worth UGX 222,800,000, the Entity did not invite the prescribed minimum number of bidders when using the quotation and restricted bidding methods. This weakened competition on price and quality and increased the risk of inflated costs, limited access to capable providers, and suboptimal contract outcomes.

4. Regulation 9(1) of the PPDA (Contracts) Regulations, 2023 prescribes the required contents and manner of preparation of contracts. The Authority found that the Entity signed

inadequate contracts in six procurements worth UGX 1,690,049,797. This exposed the Entity to increased risks of contractual ambiguity, disputes, weak enforcement of obligations, and challenges during contract implementation.

5. Regulations 2(1) and 2(2) of the PPDA (Disposal of Public Assets) Regulations, 2023 require a Procuring and Disposing Entity to identify assets for disposal, prepare an appropriate disposal plan, and undertake disposal in accordance with the approved plan and Board of Survey procedures. The Authority found that the Entity did not dispose of obsolete assets identified in the FY 2023/24 Board of Survey Report. This resulted in further deterioration and loss of value and exposed the assets to risks of theft and vandalism.

6. Regulation 11(2) of the PPDA (Contracts) Regulations, 2023 requires the bidding documents to specify the requirement for a performance securing declaration. The Authority found that performance securing declarations were not submitted for 11 contracts worth UGX 2,677,815,855. This weakened the Entity's contractual safeguards and limited its ability to sanction non-performing contractors in cases of delays, poor-quality works, or failure to meet contractual obligations, thereby increasing the risk of not achieving value for money.

In light of the above Exceptions, the Authority Recommends the following:

1. The Accounting Officer and Management should:
   i. Take immediate corrective action to address the outstanding audit recommendations by preparing a time-bound implementation action plan for the four recommendations not implemented and eight partially implemented. The Entity should submit the updated implementation status, together with supporting evidence, to the Authority in accordance with Section 10(1) of the PPDA Act, Cap. 205;
   ii. Direct the Contracts Committee not to approve shortlist submissions that do not meet the prescribed minimum number of providers, and require the Head, Procurement and Disposal Unit to shortlist and invite at least six qualified providers under the restricted bidding and quotation methods. This will enhance competition and promote value for money, in accordance with Regulation 53 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023;
   iii. Refrain from signing any contract unless it clearly and comprehensively sets out the obligations of each party, deliverables, implementation timelines, payment terms, remedies, and respective responsibilities, in accordance with Regulation 9 of the PPDA (Contracts) Regulations, 2023; and
   iv. Expedite the process of asset disposal in line with Regulation 2(1) of the PPDA (Disposal of Public Assets) Regulations, 2023, to avoid further loss of asset value.

2. The Head, Procurement and Disposal Unit should:
   i. Take proactive operational measures to minimize delays and enhance efficiency in procurement processes in accordance with Section 45 of the PPDA Act, Cap. 205; and
   ii. Adhere to the Regulation 11 (2) of the PPDA (Contracts) Regulations, 2023 by requiring a performance securing declaration for procurements under the restricted domestic, restricted international, quotation and direct bidding methods.

Hoima District Local Government should implement the recommended action plan on page **26** of this report

CHAPTER 1: INTRODUCTION

1.1 Background
The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Hoima District Local Government that covered 11 sampled procurement transactions under the Financial Year 2024/2025. The inspection involved a review of procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the PPDA Act, Cap. 205, 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 of Hoima Local Government District were to:
1. To establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations with regard to the performance of the procurement structures and conduct of procurement processes;
2. To assess the degree of compliance of the Entity' disposal process with the provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations; and
3. To 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 Hoima District Local Government during the Financial Year under review was Mr. Emmanuel Sempala, 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	Position	Date of Appointment
1.	Mr. Chris Kihangire	Chairperson	10th June 2025
2.	Mr. Nazarenth Kabagenyi	Member	17th June 2024
3.	Mr. Leonard Sewante	Member	8th July 2025
4.	Mr. Christopher Busajja	Member	10th June 2025
5.	Mr. Fred Isingoma	Member	23rd April, 2025

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

1.4 Scope of the Inspection

The inspection involved a review of the procurement process, disposal process, general compliance issues and contract implementation of 11 transactions under Financial Year 2024/25. (***Appendix 2***).

1.5 Methodology

On 4th March 2026 the Entity was notified of the Compliance Inspection exercise. A sample of 11 files were selected based on stratified random sampling. The launch meeting was held on 18th March 2026 between the compliance inspection team and the Entity Senior management team.

Two Senior Officers, Performance Monitoring and one officer conducted the exercise under the supervision of the Regional Manager. During the exercise. They examined records and documents for each sampled procurement transaction and obtained relevant and sufficient evidence to derive the compliance inspection conclusions. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and management.

During the compliance inspection exercise, the team met with the staff from the Procurement and Disposal Unit, Contracts Committee, Internal Audit and User Departments where necessary, to obtain crucial qualitative information about the internal control system and processes in place.

On completion of file review, the compliance Inspection team met with various stakeholders to discuss and obtain clarification on some of the preliminary findings. A debrief meeting with the Entity management and staff on was held on 20th March, 2026, before the team could embark on preparation of the management letter. The management letter was sent to the Entity on 30th April 2026 with a request to submit a management response by 11th May 2026, which was submitted on 28th May 2026.

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

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

2.1 COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP. 205 AND THE ATTENDANT PPDA REGULATIONS WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT PROCESSES.

2.1.1 Failure to implement 11.38% 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 Entity's total procurement budget for FY 2024/25, as reflected in the consolidated procurement plan, was UGX 5,375,934,712. The monthly reports submitted to the Authority indicated total procurement expenditure of UGX 4,764,118,815, representing 88.62% of the planned budget. Consequently, procurements worth UGX 611,815,897 (11.38%) were not implemented. Details of the procurement plan implementation are summarised in Table 2 below:

Table 2: Analysis of Procurement Spend

Total procurement plan value inclusive VAT (UGX)	5,375,934,712
Total procurement spend value inclusive VAT (UGX)	4,764,118,815
Implementation Rate (%)	88.86%
Implementation variance (UGX)	611,815,897
Implementation variance (%)	11.38%

Note: Extracted from the Entity's procurement and disposal reports submitted to the Authority for financial year 2024/2025.

Implication

This undermined service delivery and value for money, since a number of planned procurements were not undertaken within the year, potentially denied intended beneficiaries' goods, works and services worth UGX. 611,815,897.

<u>Management Response</u>

Management acknowledged the finding and commits to regularly reviewing and updating the procurement plan, in accordance with Section 60(7) of the PPDA Act, Cap. 205, to improve performance.

Recommendations;

The Accounting Officer and Management should regularly carry out a review of the implementation of the procurement plan and update plan with justifications for projects not to be implemented in accordance with Section 60 (7) of the PPDA Act, Cap. 205 to ensure improved performance.

2.1.2 Implementation of the Previous Audit Recommendations

Section 10 (1) of the PPDA Act, Cap. 205 provides that where there is a persistent breach of this Act or regulations made, or guidelines issued under this Act, the Authority may direct the concerned procuring and disposing entity to take corrective action as may be necessary in the circumstances to rectify the breach.

The Authority found that Hoima District Local Government did not implement 75% of the previous Audit recommendations for the performance audit. The entity had been issued its previous audit report for the Financial Year 2023/2024 in May 2025. Out of the 16 recommendations made, four (25%) recommendations were implemented, eight representing 50% were partially implemented and four (25%) were not implemented as detailed in Table 3 below:

Table 3: Previous Audit Recommendations

No.	Recommendation	Status	Management Response
1.	The Accounting Officer should put in place a strong internal mechanism and a dedicated team of staff to ensure full implementation of the Authority's previous audit recommendations.	Partially Implemented	*Management acknowledged the finding and committed to fully implementing all recommendations before the next audit*
2.	The Accounting Officer should provide the Procurement and Disposal Unit with adequate storage facilities to enable proper and safe storage of records as stipulated in Section 41 of the PPDA Act, 2023.	Not Implemented	*Management acknowledged the observation and committed to providing additional storage facilities for the Procurement and Disposal Unit in the new Administration Block at Birungu Parish.*
3.	The Accounting Officer should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance.	Partially implemented	*Management acknowledged the finding and committed to regularly review and update the procurement plan in accordance with Section 58(4) of the PPDA Act, 2003.*
4.	The Accounting Officer should establish the possible causes of the low bidder response and devise mechanisms of increasing competition in the Entity's procurement processes to achieve value for money.	Not Implemented	*Management acknowledged the finding and attributed it to less pre-qualified suppliers on the Entity's list and stated that it had engaged neighboring Entities for prequalified service provider lists to increase bidder participation and competition.*

No.	Recommendation	Status	Management Response
			Authority Comment The Authority noted Management's response and maintained the observation because the entity ought to have utilized Authority's registered suppliers and service providers list available on PPDA website.
5.	The Accounting Officer should re-assess the assets for disposal involving the relevant authorities such as Ministry of Works and Transport to ensure that the disposal plan is credible and acceptable by all stakeholders.	Not Implemented	*Management acknowledged the observations and stated that it had commenced the disposal process, with valuation reports approved and advertisement for disposal underway.* **Authority's comment:** Noted the Entity's response; however, copy of the valuation report and disposal plan were not provided for verification.
6.	The Contracts Committee should critically review bidding documents to ensure that there are no inconsistencies in accordance with Regulation 10 of the PPDA (Procuring and Disposing Entity) Regulations, 2023.	Partially Implemented	*Management acknowledged the finding and committed that the Contracts Committee will critically review bidding documents to ensure compliance with Regulation 10 of the PPDA Regulations, 2023.*
7.	The Head of PDU should Ensure that the procurement process commence only when the requisition is fully filled and funds confirmed by the Accounting Officer in accordance with Regulation 3 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023.	Partially Implemented	*Management acknowledged the finding and committed that procurements commence only after Form 5 is duly completed and approved by the Accounting Officer in accordance with Regulation 3(1) of the PPDA Regulations, 2023.*
8.	The Head of PDU should Prepare quality solicitation documents in accordance with Regulations 42, 43, 44 and 45 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	Partially Implemented	*Management acknowledged the finding and committed to preparing quality solicitation documents.*

No.	Recommendation	Status	Management Response
9.	The Head of PDU should Ensure that all records regarding procurement are properly kept and filed in their respective files in accordance with Section 41(1a) of the PPDA Act 2003.	Partially Implemented	*Management acknowledged the finding and committed to improve the record filing system.*
10.	Heads of User Department should Always confirm availability of funds to support the procurement in line with Regulation 3 (1) (c) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-consultancy Services) Regulations, 2023.	Partially Implemented	*Management acknowledged the finding and noted that Heads of User Departments have always confirmed availability of funds in line with Regulation 3(1)(c) of the PPDA Regulations, 2023.* **Authorities Comment** The Authority noted Management response but found out that some procurement requisitions had incomplete funds availability sections which implied that funds availability confirmation were not done, consequently, the query was maintained
11.	Heads of User Department should Attach statement of requirements and terms of reference at initiation according to Regulation 3 (2) (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	Partially Implemented	*Management acknowledged the finding and promised to improve*
12.	Heads of User Department and the Internal Auditor should prioritize auditing of the procurement function as required under Regulation 27 of the PPDA (Procuring and Disposing Entity) Regulations, 2023.	Not implemented	*Management acknowledged the finding and committed to prioritizing internal procurement audits in accordance with Regulation 27 of the PPDA Regulations, 2023*

Implication
This indicated weak follow-through on corrective actions, allowing control gaps to persist and increasing the risk of repeat non-compliance, inefficiencies and poor value for money.

Recommendation
The Accounting Officer should take immediate corrective action to close the outstanding recommendations by:

i. Preparing a time-bound implementation action plan for the four recommendations not implemented and eight partially implemented, and assigning each action to a named responsible officer with clear deadlines;
ii. Maintaining an implementation tracker with required evidence for each action; and
iii. Conducting quarterly management reviews of progress until full implementation is achieved, and submitting the implementation status and supporting evidence to PPDA upon request.
iv. Utilize the PPDA register of prequalified and registered providers across different categories to broaden the pool of potential bidders, increase competition, and promote value for money in future procurements

2.1.3 Irregularities at the Initiation Stage

Failure to include Reference Number on the Requisition Form

Regulation 3 (6) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-consultancy Services) Regulations, 2023, provides that a specific reference number shall be allocated to each procurement requirement at the initiation stage, using the numbering system given in the guidelines.

The Authority found that the Head, PDU did not indicate reference numbers on 11 sampled requisition forms of procurements worth UGX 2,677,815,855.

Implication

Failure to indicate reference numbers on procurement requisition forms inhibited an effective tracking trail for the procurement requirements.

Management Response

Management acknowledged the finding and committed that reference numbers on procurement requisition forms will always be indicated before the next audit.

Recommendation

The Head of Procurement and Disposal Unit must allocate a unique reference number to each procurement requirement at the initiation stage, using the numbering system specified in guidelines issued by the Authority in line with Regulation 3 (6) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-consultancy Services) Regulations, 2023.

2.1.4 Low Bidder participation

Section 49 of the PPDA Act, Cap. 205 provides that all procurement and disposal shall be conducted in a manner to maximize competition and achievement of value for money.

The Authority found low bidder response rates in five procurements worth UGX, 348,058,005 where the Request for Quotation method had been used. The Entity attracted either one or two bidders, with most sampled procurements at an average response rate of 2 bids as indicated in Table 4 below:

Table 4: Procurements with low bidder participation:

No.	Procurement details	Method of procurement	Contract Value (UGX)	Number of Bids Submitted
1.	Chain link fencing of Kigorobya seed secondary school HOIM834/MoE/WRKS/24-25/00004	Request for Quotation	133,897,491	2
2.	Supply and delivery of science equipment and reagents to kidukuru seed secondary School HOIM834/MoE/SUPLS/24-25/00005	Open Domestic Bidding	52,653,000	2
3.	Construction of a two Classroom Block at Iguru Primary School HOIM 834/ WRKS / 2024-25/00003	Request for quotations	119,242,511	2
4.	Supply of 36 (Thirty-Six) Three - Seater School Desks with Metallic Stands HOIM 834/ SPLS / 2024-25/00002	Request for quotation	10,800,000	1
5.	Construction of five stance lined VIP Latrine at Kitemba Church of Uganda HOIM 834/ WRKS / 2024-25/00014	Request for quotation	31,465,003	1
Total			**348,058,005**	**Av.2**

Implication

This reduced competitive pressure on price and quality, increasing the risk of inflated costs, limited choice of capable providers and suboptimal contract outcomes, thereby weakening value for money.

Management Response

Management acknowledged the observations and has engaged neighbouring Entities for prequalified service provider lists to enhance bidder participation and competition.

Recommendations

The Accounting Officer should direct the Head, Procurement and Disposal Unit to strengthen competition under the quotation method by:

i. Issuing RFQs to all providers on the approved shortlist and confirming their capacity/availability before invitation;
ii. Allowing adequate response time and ensuring requirements are clear and non-restrictive; and
iii. Where fewer than six bids are received, documenting the reasons and re-inviting or applying an alternative method where appropriate, to comply with Sections 48 and 49 of the PPDA Act, Cap. 205 and achieve value for money.

2.1.5 Delays in Procurement Processes

Section 51 of the PPDA Act, Cap. 205, which provides that all procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money.

The Authority found an average delay of 105 working days in the procurement processes at different stages of 11 procurements worth UGX 2,678,918,364 as indicated in Table 5 below;

Table 5: Delays in the procurement processes

	Subject of Procurement	Value (UGX)	PPDA Findings
1.	Chain link fencing of Kigorobya Secondary School HOIM834/WRKS/24-25/00004	133,897,491	• Delay by the Contracts Committee in approving the PDU submissions for 126 working days: The Accounting Officer approved the procurement on 15th April, 2024, but the Contracts Committee approval was granted on 18th October 2024.
2.	Sighting, drilling, casting, and pump testing of 8 boreholes HOIM834/WRKS/24-25/00001	211,284,900	• Delay of 71 working days by Accounting Officer to approve the requisition Form. The requisition Form was raised on 20th June 2024 but the Accounting Officer approved availability of funding on 1st October 2024. • Delay of 12 working days by PDU to submit to Contracts Committee for approval of the bidding document, method, shortlist and evaluation team from 1st October 2024 to 18th October 2024.
3.	Supply and delivery of ICT Equipment to Kidukuru seed secondary school HOIM834/MoE/SUPLS/24-25/00004	159,585,000	• Delay of 15 working days in completing bid evaluation, from 31st January, 2025 (bid opening date) to 24th February 2025 (evaluation date)
4.	Supply and delivery of science equipment and reagents to Kidukuru seed secondary school HOIM834/MoE/SUPLS/24-25/00004	52,653,000	Delay by the Contracts Committee in approving the PDU submissions for 177 working days: The Accounting Officer approved the procurement on 15th April, 2024, but the Contracts Committee approval was granted on 30th December 2024.
5.	Phase III for construction of Kibanda Piped water system in Kiganja Sub County	228,288,287	• Delay by the Contracts Committee in approving the PDU submissions for 74 working days: The Accounting Officer approved the procurement on 20th June, 2024, but the Contracts

	HOIM 834/ WRKS / 2024-25/00002		Committee approval was granted on 10th October 2024. • Delay in submitting the request to the Solicitor General for approval for 49 working days, from 17th January 2025 (date the Notice of Best Evaluated Bidder was removed) to 26th March 2025 (date the request was submitted).
6.	Construction of Staff House Kiseke Health Centre II HOIM 834/ WRKS / 2024-25/00006	225,114,116	Delay in submitting the request to the Solicitor General for approval for 49 working days, from 17th January 2025 (date the Notice of Best Evaluated Bidder was removed) to 26th March 2025 (date the request was submitted).
7.	Construction of the District Administration Block in Birungu Parish, Kitoba Sub-County HOIM 834/ WRKS / 2024-25/00030	845,485,547	Delay of 72 working days by Accounting Officer to approve the requisition Form. The requisition Form was raised on 10th December 2024 but the Accounting Officer approved availability of funding on 26th March 2025.
8.	Construction of a two Classroom Block at Iguru Primary School HOIM 834/ WRKS / 2024-25/00003	119,242,511	Delay by the Contracts Committee in approving the PDU submissions for 170 working days: The Accounting Officer approved the procurement on 15th April 2024, 2024, but the Contracts Committee approval was granted on 18th October 2024.
9.	Supply of 36 (Thirty-Six) Three -Seater School Desks with Metallic Stands HOIM 834/ SPLS / 2024-25/00002	10,800,000	Delay by the Contracts Committee in approving the PDU submissions for 170 working days: The Accounting Officer approved the procurement on 10th April 2024, 2024, but the Contracts Committee approval was granted on 18th October 2024.
10.	Construction of five stance lined VIP Latrine at Kitemba Church of Uganda HOIM 834/ WRKS / 2024-25/00014	31,465,003	Delay by the Contracts Committee in approving the PDU submissions for 170 working days: The Accounting Officer approved the procurement on 10th April 2024, 2024, but the Contracts Committee approval was granted on 18th October 2024.

11.	Design, Supply and installation of Ugift Micro scale Irrigation systems for 30 (Thirty) Selected farmers and one Demonstration Site. HOIM 834/ WRKS / 2024-25/00025	660,000,000	• Delay of 64 days in approval of the Evaluation Report, from 4th December 2024 to 5th March 2025. • Delay of 68 working days in completing bid evaluation, from 4th December 2024 (bid opening date) to 5th March 2025 (evaluation date)
	Total	**2,677,815,855**	**Av.105 days**

Implication

Prolonged procurement timelines expose the Entity to price fluctuations, lead to loss of economy and efficiency and defeat the objective of timely acquisition of goods, works, and services, resulting in inefficient utilization of public resources contrary to Section 48 of the PPDA Act, Cap. 205

Management Response

Management acknowledged the finding and promised to improve and implement the recommendations.

Recommendation

The Head, Procurement and Disposal Unit should take proactive operational measures to minimize delays and enhance efficiency in procurement processes in accordance with Section 45 of the PPDA Act, Cap. 205 which states that all procurements and Disposal shall be conducted in a manner which promotes economy, efficiency and value for money.

2.1.6 Failure to shortlist the minimum required number of bidders

Regulation 20 (1) of the PPDA ((Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 requires that procurement using the quotation method shall be by selection of bidders using a shortlist which shall have at least six providers.

The Authority found that the Entity did not invite the required minimum numbers of bidders while using the request for quotation and restricted methods of procurement in two procurements worth UGX 222,800,000. Procurement transactions without the minimum required number of bidders are indicated in Table 6 below:

Table 6 : Procurements Without the Minimum Required Number of Bidders invited

No.	Subject of Procurement	Amount (UGX)	Bidders shortlisted
1.	Sighting, drilling, casting, and pump testing of 8 boreholes	212,000,000	03
2.	Supply of 36 (Thirty-Six) Three -Seater School Desks with Metallic Stands	10,800,000	02
	Total	**222,800,000**	

Implication
Failure to shortlist the minimum required number of bidders under the restricted bidding or request for quotations methods limits competition and undermines the fundamental procurement principle of maximizing competition. Similarly, inadequate competition increases the risk of inflated prices, limited technical capacity, and suboptimal contract outcomes, thereby compromising the achievement of value for money and exposing the Entity to financial and operational risks.

Management Response
Management acknowledged the finding and stated that it had engaged neighbouring Entities to obtain pre-qualified service provider lists to improve bidder participation and competition.

Recommendations
1. The Accounting Officer should direct the Contracts Committee not to approve shortlist submissions that do not meet the prescribed minimum number of providers under the restricted bidding and quotation methods, in accordance with the applicable provisions of the PPDA regulatory framework;
2. The Head, Procurement and Disposal Unit should shortlist and invite at least six qualified providers under the restricted bidding and quotation methods to enhance competition and promote value for money, in accordance with Regulation 53 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.7 Failure to Deliver the Notice of Best Evaluated Bidder
Regulations 3 (4) and (5) of the PPDA (Contracts) Regulations, 2023 provide that a Procuring and Disposing Entity shall deliver a copy of the notice of best evaluated bidder to all the bidders and obtain proof of delivery.

The Authority found that in three procurement transactions worth UGX. 1,124,313,058 the Entity did not communicate the results of the evaluation exercise to all the bidders that participated in the bidding process in form of delivery of the best evaluated bidder notice. These procurements are detailed in Table 7 below:

Table 7: Procurements where PDU did not Deliver the Notice of Best Evaluated Bidder

No.	Subject of procurement	Value (UGX)
1.	Supply and delivery of ICT Equipment to Kidukuru Seed Secondary School HOIM834/MoE/SUPLS/24-25/00004	159,585,000
2.	Construction of a two Classroom Block at Iguru Primary School HOIM 834/ WRKS / 2024-25/00003	119,242,511
3.	Construction of the District Administration Block in Birungu Parish, Kitoba Sub County HOIM 834/ WRKS / 2024-25/00030	845,485,547
	Total	**1,124,313,058**

Implication
Failure to deliver the notices of the best evaluated bidder denied bidders an opportunity to request for clarification which could be vital for improvement of future bids or raise concerns on the outcome through administrative review.

Management Response

Management acknowledged the finding and committed to always deliver Best Evaluated Bidder notices to all participating bidders.

Recommendation

The Accounting Officer should institute controls to ensure the timely issuance and delivery of Notices of Best Evaluated Bidder to all participating bidders and require that evidence of dispatch and receipt is consistently retained on the respective procurement files, in accordance with Regulations 4 and 5 of the PPDA (Contracts) Regulations, 2023.

2.1.8 Signing of Inadequate Contracts

Regulation 9(1) of the PPDA (Contracts) Regulations, 2023 prescribes the required contents and manner of preparation of contracts.

The Authority found irregularities in the signed contracts for six procurements worth UGX 1,690,049,797. The contracts omitted key provisions, including requirements for performance securing declarations and submission of works programs, among others, as detailed in Table 8 below;

Table 8: Procurements with inadequate contracts

No.	Subject of Procurement	Value (UGX)	Finding
1.	Chain link fencing of Kigorobya seed secondary school HOIM834/WRKS/24-25/00004	133,897,491	• The Entity did not request for a Performance Securing Declaration under GCC 52. • GCC 17.1 stated a completion period of 90 days, which was in contradiction to the contract period of 5 months stated in the Agreement part of the signed contract.
2.	Sighting, drilling, casting, and pump testing of 8 boreholes HOIM834/WRKS/24-25/00001	211,284,900	• GCC 52.1 did not state the need for a Performance Securing Declaration. • GCC 17.1 stated completion period of 90 days which was in contradiction to the contract period of 5 months stated in the Agreement part of the signed contract
3.	Phase III for construction of Kabanda Piped water system in Kiganja Sub County HOIM 834/ WRKS / 2024-25/00002	228,288,287	• The contract did not provide for the requirement of a performance securing declaration. • The contract did not provide for program of works under GCC 27 of the special conditions of contract which stated that it was not required.
4.	Construction of Staff House Kiseke Health Centre II	225,114,116	• The contract did not provide the requirement for performance securing declaration.

No.	Subject of Procurement	Value (UGX)	Finding
	HOIM 834/ WRKS / 2024-25/00006		• The contract did not provide for the program of works under GCC 27 of the special conditions of contract which stated that it was not required.
5.	Construction of the District Administration Block in Birungu Parish, Kitoba Sub-County HOIM 834/ WRKS / 2024-25/00030	845,000,000	The provision for the address of the contractor was left blank (Street Address, floor or room number/ city/ country/ telephone/ Electronic email
6.	Construction of five stance lined VIP Latrine at Kitemba Church of Uganda HOIM 834/ WRKS / 2024-25/00014	31,465,003	• The contract did not provide for performance securing declaration. • The contract did not require submission of a works programme, as GCC 27 of the Special Conditions of Contract indicated it was not required. • Contradiction on the duration of the contract which was indicated as four months and three months (90 days).
	Total	**1,690,049,797**	

Implications
Unclear contract terms and obligations lead to misunderstandings and disputes during execution on deliverables, timelines, quality standards and remedies were not clearly defined. This may result in poor performance, substandard outputs or delayed service delivery, and can expose the Entity to financial loss through cost overruns, variation claims and compensation demands.

Management Response
Management acknowledged the finding and committed to implement all recommendations of preparing and signing comprehensive contacts.

Recommendation
The Accounting Officer should refrain from signing any contract unless it clearly and comprehensively specifies the parties' obligations, deliverables, timelines, payment terms, remedies and responsibilities, in line with Regulation 9 of the PPDA (Contracts) 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 Boarded of Items.

Regulations 2 (1) and (2) 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 noted the presence of several assets due for disposal that had not been disposed.

Figure 1: Some of the Obsolete Assets that are due for Disposal.

Photos taken on 18th March 2026 at District Headquarter

Implication

Failure to dispose of obsolete items undermined value for money, since resources remain tied up in assets that no longer support service delivery while their value continues to decline through depreciation. It also increased the risk of loss through theft, vandalism or further deterioration.

Management Response

Management acknowledged the observations and stated that it had commenced the disposal process, with valuation reports approved and advertisement for disposal underway.

Recommendation

The Accounting Officer should expedite the process of asset disposal in line with Regulation 2(1) of the PPDA (Disposal of Public Assets) Regulations, 2023 to avoid further loss of asset value. And where the absolute items belong to line Ministry, obtain necessary permission to dispose of and be able to transfer the title to the buyers.

2.3 LEVEL OF 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 request for a Performance Securing Declaration

Regulation 11(2) of the PPDA (Contracts) Regulations, 2023 provides that the bidding documents shall state the requirement for a performance securing declaration. Guideline No. 3 of 2024 on bid and performance securities which commenced on 5th February 2024 provides that a performance securing declaration shall be required for procurements under the restricted domestic, restricted international, quotation and direct bidding methods.

The Authority found that performance securing declarations were not submitted for all 11 sampled contracts worth UGX 2,677,815,855.

Implication

Without a performance securing declaration, the Entity is exposed to a heightened risk of contractor default, and contract provides no legally enforceable commitment mechanism to deter non-performance and immediate administrative remedy to sanction the provider with increasing the likelihood of financial loss, project delays, and failure to achieve value for money.

Management Response

Management acknowledged the finding and commits to enforcing performance securing declarations in accordance with Regulation 11(2) of the PPDA (Contracts) Regulations, 2023

Recommendation

The Head Procurement and Disposal Unit should adhere to Regulation 11 (2) of the PPDA (Contracts) Regulations, 2023, by requiring a performance securing declaration for procurements under the restricted domestic, restricted international, quotation and direct bidding methods.

2.3.2 Failure to Appoint Contract Managers

Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023 provides that a User Department shall nominate an existing member of staff with appropriate skills and experience, or who is supervised by a member of staff with appropriate skills and experience, as a contract manager and inform the Accounting Officer in writing copied to the internal audit department, secretary Contracts Committee and any other relevant stakeholders informing them of the designated contract managers who shall take full responsibility.

The Authority found that the Entity did not appoint contract managers in four procurements worth UGX 1,330,352,953 as indicated in Table 9 below

Table 9: **Procurements without appointment of Contract Managers**

No.	Subject of Procurement	Value (UGX)
1.	Phase III for construction of Kibanda Piped water system in Kiganja Sub County HOIM 834/ WRKS / 2024-25/00002	228,288,287
2.	Construction of Staff House Kiseke Health Centre II HOIM 834/ WRKS / 2024-25/00006	225,114,116

No.	Subject of Procurement	Value (UGX)
3.	Construction of the District Administration Block in Birungu Parish, Kitoba Sub County HOIM 834/ WRKS / 2024-25/00030	845,485,547
4.	Construction of five stance lined VIP Latrine at Kitemba C HOIM 834/ WRKS / 2024-25/00014 church of Uganda	31,465,003
	Total	**1,330,352,953**

Implication
Failure to appoint contract managers with technical experience of the subject matter and dedicated oversight roles reduced the Entity's ability to enforce contract terms and limited the Entity's chances of holding the contractors responsible for shoddy, incomplete, or low-quality works.

Management Response
Management acknowledged the finding and noted that contract managers had been appointed, though the appointment letters were not readily available during the inspection but have since been retrieved.

Authorities Comment: Noted the Management's response; however, no appointment letters or other supporting evidence were submitted to confirm the appointment of the Contract Managers. Accordingly, the finding was maintained.

Recommendation
The Accounting Officer should;

1. Task User Departments to always nominate a member of user department a with the appropriate skills and experience to be appointment by the Accounting Officer as a contract manager in accordance with Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023.
2. Where a contract is of high value or complex or forms part of a larger project, assign a contract management team which shall have the same responsibility as a contract manager in accordance with Regulation 51 (2) of the PPDA (Contracts) Regulations, 2023.

2.3.3 None utilization of procured ICT equipment's
Regulation 52 (1) 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.

The Authority found that the Entity procured ICT equipment for Kidukuru Seed Secondary School, with delivery made on 23rd June 2025. However, at the time of inspection in March 2026, the items were still in store and had not been put to their intended use as indicated in Figure 2 below:

Figure 2: ICT Equipment in Store since 23rd June 2025

Photo taken on 19th March 2026 from the stores at the District Headquarters.

Implication

The failure to apply the ICT equipment to the intended purpose meant that the intended educational benefit was not been realized, resulting in idle assets and delayed service delivery despite substantial public expenditure.

Management Response

Management acknowledged the audit finding and explains that ICT equipment was not delivered to Kidukuru Seed Secondary School due to lack of electricity and security concerns, but remains committed to ensuring the equipment is delivered for its intended use.

Recommendations

1. The Accounting Officer should strengthen procurement planning and coordination with project implementation schedules so that goods are procured and delivered only when beneficiary facilities are ready for installation and use. This includes aligning procurement timelines with construction progress, undertaking proper needs assessments before requisition, and instituting controls for phased delivery where necessary.
2. Management should also maintain proper storage and safeguarding of items received in advance and facilitate their timely distribution upon completion of the facilities to minimize the risk of damage, loss, or obsolescence

2.3.4 Missing records on procurement action files

Section 44 of the PPDA Act, Cap. 205 provides that the Procuring and Disposing Entity shall maintain records on its procurement and disposal proceedings for a period of seven years from the date of a decision to terminate the procurement and disposal action, or the date of contract completion, whichever comes later.

The Authority found that there were missing records on 11 procurement action files of transactions worth UGX 2,677,815,855 as indicated in Table 10 below:

Table 10 : Procurements with Missing Records

No.	Subject of Procurement	Value (UGX)	Missing Records
1.	Chain link fencing of Kigorobya seed secondary school HOIM834/WRKS/24-25/00004	133,897,491	• Ethical code of conduct for evaluators • Bill of quantities Program for works • Contract implementation Plan • Performance Securing Declaration • Completion certificate
2.	Sighting, drilling, casting, and pump testing of 8 boreholes HOIM834/WRKS/24-25/00001	211,284,900	• Ethical code of conduct foe evaluators • Performance Securing Declaration • Program for works
3.	Supply and delivery of ICT Equipment to Kidukuru seed secondary school HOIM834/MoE/SUPLS/24-25/00004	159,585,000	• Copy of the invitation to bid advert • No copy of BEB notice • No record of performance security • Contract Management Plan
4.	Supply and delivery of science equipment and reagents to kidukuru seed secondary school HOIM834/MoE/SUPLS/24-25/00005	52,653,000	• Specifications used to procure • Copy of the invitation to bid advert • Contract Management Plan • Delivery note • Goods received note • Completion report
5.	Phase III for construction of Kibanda Piped water system in Kiganja Sub County HOIM 834/ WRKS / 2024-25/00002	228,288,287	• No Ethical Code of conduct by Evaluators • Performance securing declaration • Appointment of the contract manager • Contract Implementation Plan • Commencement Letter • Site Possession • Completion Report
6.	Construction of Staff House Kiseke Health Centre II HOIM 834/ WRKS / 2024-25/00006	225,114,116	• Ethical Code of Conduct signed by evaluators • Appointment of contract manager • Contract Implementation Plan • Commencement Letter • Site Possession Letter • Progress reports

No.	Subject of Procurement	Value (UGX)	Missing Records
			• Completion Report • Hand over Certificate • Performance securing declaration
7.	Construction of the District Administration Block in Birungu Parish, Kitoba Sub County HOIM 834/ WRKS / 2024-25/00030	845,485,547	• Bidding Document • Performance security of 8% and 2% for ES • Appointment of contract manager • Contract Implementation Plan • Commencement letter • Site possession letter • Progress reports • Completion report • Hand over report certificate • No payment records
8.	Construction of a two Classroom Block at Iguru Primary School HOIM 834/ WRKS / 2024-25/00003	119,242,511	• Performance securing declaration • Sontract implementation plan • Commencement letter • No hand over certificate
9.	Supply of 36 (Thirty-Six) Three -Seater School Desks with Metallic Stands HOIM 834/ SPLS / 2024-25/00002	10,800,000	• No bidding document • No ethical Code of conduct by evaluators • No performance securing declaration • Contract Implementation Plan • Delivery Notes • Completion report • List of Distribution • List of Acknowledgement
10.	Construction of five stance lined VIP Latrine at Kitemba Church of Uganda HOIM 834/ WRKS / 2024-25/00014	31,465,003	• Ethical code of conduct by evaluators • Performance Securing Declaration • Appointment of contract Manager • Contract Implementation Plan • Commencement Letter • Site Possession
11.	Design, Supply and installation of Ugift Micro scale Irrigation systems for	660,000,000	• Bidding documents • Ethical Code of conduct by Evaluators

No.	Subject of Procurement	Value (UGX)	Missing Records
	30 (Thirty) Selected farmers and one Demonstration Site HOIM 834/ WRKS / 2024-25/00025		• Performance securing declaration • Contract Implementation Plan • Commencement letter • Progress Reports • Bills of quantities
	Total	**2,677,815,855**	

Implication

Poor record keeping made it difficult to verify procurement decisions, track approvals, and support independent review. It undermined transparency and raised questions about whether the processes were conducted fairly, and whether value for money was achieved.

<u>Management Response</u>

Management acknowledged the finding and confirms that procurement records are now properly filed and available for verification.

Authority's comment

The Authority noted management's response; however, no supporting records were submitted for verification to demonstrate that the identified filing gaps had been addressed. Accordingly, the finding was maintained.

Recommendations

1. The Accounting Officer should take responsibility for maintaining records of procurement and disposal proceedings for a period of seven years from the date of the decision to terminate a procurement or disposal action or upon completion, whichever occurs later, in accordance with Section 41(1) of the PPDA Act, Cap. 205.
2. The Head, Procurement and Disposal Unit should oversee the proper keeping and filing of all records regarding procurement and disposal proceedings in their respective files, in accordance with Section 31(o) of the PPDA Act, Cap. 205.

CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall Inspection Conclusion

The performance of Hoima District Local Government for the Financial Year 2024/2025 was **Moderately Satisfactory** performance with overall weighted average risk rating of **37.8%.**

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 11 below:

Table 11: Risk Computation

Risk category	No.	%No	Value (UGX)	%Value	Weights	Total Weighted score	
						by value	by No.
High	00	00	00	00	0.6	00	00
Medium	07	64	1,686,335,344	63	0.3	18.9	19.2
Low	04	36	991,480,511	37	0.1	3.7	3.6
Satisfactory	00	00	00	00	1	0	0
Total	**11**	**100**	**2,677,815,855**	**100**	**1**	**22.6**	**22.8**

Weighted Average (By NO.) = $\frac{\sum \text{Weighted Score} \times 100}{60} = \frac{22.8 \times 100}{60} = 38\%$

Weighted Average (By Value) = $\frac{\sum \text{Weighted Score} \times 100}{60} = \frac{22.6 \times 100}{60} = 37.7\%$

Combined Weighted Average $= \frac{38\% + 37.7\%}{2} = 37.8\ \%$

Since **37.8%** falls within the **30-70** risk range, the performance of the Entity is rated **Moderately Satisfactory** as detailed in Table 12 below:

Table 12: Risk Rating Table

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

Figure 3: Graphical Representation of the Entity's Risk Assessment by value

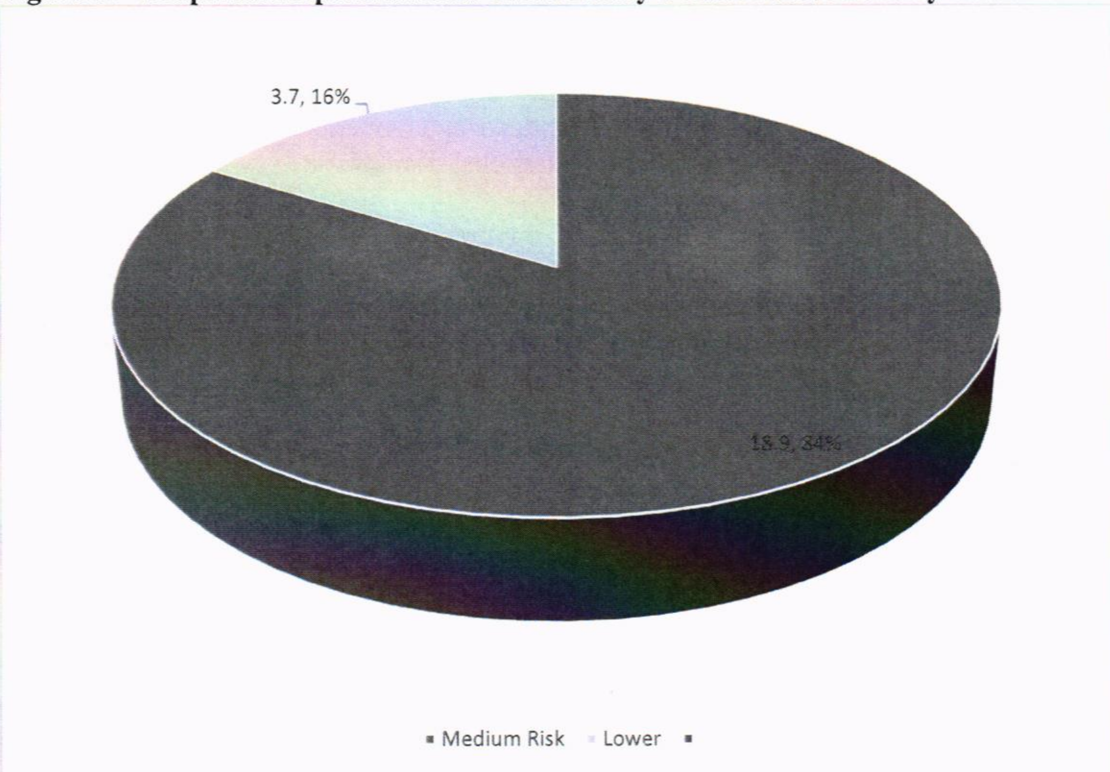
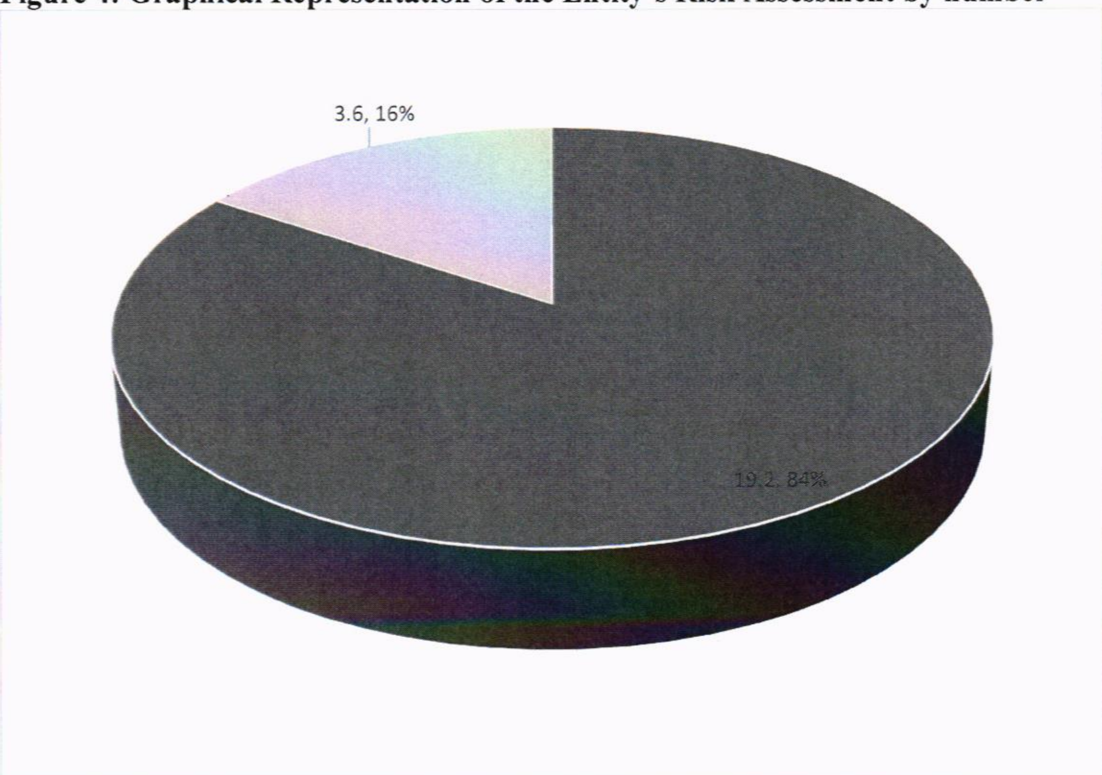


Figure 4: Graphical Representation of the Entity's Risk Assessment by number



3.3 Audit Opinion/Conclusion

The procurement and disposal activities of Hoima 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 applicable PPDA Guidelines. The Entity maintained the required procurement and disposal structures and undertook procurement and disposal activities within the established legal and institutional framework.

However, the audit identified a number of control and performance weaknesses requiring management attention. This included failure to implement 75% of previous audit recommendations, delays in the execution of procurement activities, inviting fewer bidders than the recommended minimum, signing inadequate contracts, failure to dispose of obsolete assets, and failure to obtain Performance Securing Declarations from bidders.

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

Accordingly, the performance of Hoima District Local Government for FY 2024/2025 is assessed as **Moderately Satisfactory**, with an overall weighted average risk rating of **37.8%**, as ranked in Table 12 of this report. This rating underscores the need for targeted management interventions to strengthen procurement efficiency, contract management, internal controls, and compliance with statutory and regulatory requirements.

3.4 Recommended Action Plan

Hoima District Local Government should implement the following recommendations in Table 13 below within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 13: Action Plan

Findings	Action/ Recommendation	Responsible Officer	Timelines
Failure to implement previous audit recommendations	Prepare a time-bound implementation action plan for the four recommendations not implemented and eight partially implemented.	Accounting Officer	Quarterly
Procurement Delays	Take proactive operational measures to minimize delays in accordance with Section 45 of the PPDA Act, Cap. 205	Head PDU	First quarter of 2026/2027
Failure to invite the required minimum number of bidders	Shortlist and invite at least six qualified providers under the restricted bidding and quotation methods.	Head PDU	First quarter 2026/2027
Signing of inadequate contracts	Clearly and comprehensively set out the obligations of each party, deliverables, implementation timelines, payment terms, remedies, and respective responsibilities in each contract.	Head PDU	Continuous
Failure to dispose of obsolete assets	Expedite the process of asset disposal in line with Regulation 2(1) of the PPDA (Disposal of Public Assets) Regulations, 2023 and obtain necessary permission to dispose where items belong to line Ministry.	Accounting Officer	Third Quarter 2026/2027
Failure to request for performance securing declaration.	Request for a performance securing declaration for procurements under the restricted domestic, restricted international, quotation and direct bidding methods.	Head PDU	First Quarter 2026/2027

ANNEX: 1 CASE BY CASE

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1	Chain-link fencing at Kigorobya seed secondary school HOIM834/WRKS/24-25/00004 133,897,491	• No reference number on requisition • Blank fund's availability section • Low Bidder Participation • Ethical code of conduct foe evaluators • Delays in the procurement process • Use of inadequate contract • Bills of quantities that were used for contracting • Program for works • Contract implementation Plan • Performance Securing Declaration • Completion certificate
2	Sighting, drilling, casting, and pump testing of 8 boreholes HOIM834/WRKS/24-25/00001 211,284,900	• No reference number on requisition • Blank fund's availability section • No minimum number of bidders • Ethical code of conduct foe valuators • Delays in the procurement process • Use of inadequate contract • Performance Securing Declaration • Program for works
3	Phase III for construction of Kibanda Piped water system in Kiganja Sub County HOIM 834/ WRKS / 2024-25/00002 228,288,287	• No reference number on requisition • Delays in the procurement process • Use of inadequate contract • No Ethical Code of conduct by Evaluators • Performance securing declaration • No Appointment of contract Manager • No Contract Implementation Plan • No Commencement Letter • No Site Possession • No Completion Report
4	Construction of Staff House Kiseke Health Centre II HOIM 834/ WRKS / 2024-25/00006 225,114,116	• No reference number on requisition • Use of inadequate contract • No Ethical Code of Conduct signed by evaluators • Delays in the procurement process • No Appointment of contract Manager • Use of inadequate contract • No appointment of Contract Manager • No Commencement Letter • No Site Possession Letter • No Progress reports • No Completion Report • No Hand over Certificate

		• No performance securing declaration
5	Construction of the District Administration Block in Birungu Parish, Kitoba Sub County HOIM 834/ WRKS / 2024-25/00030 845,485,547	• No reference number on requisition • Delays in the procurement process • Evidence of delivery of Best evaluated bidder notice • Use of inadequate contract • No Bidding Document • Performance security of 8% and 2% for ES • No Appointment of contract manager • Contract Implementation Plan • No Commencement Letter • No Site possession Letter • No Progress reports • No completion report • Hand over report certificate • No Payment records
6	Supply of 36 (Thirty-Six) Three - Seater School Desks with Metallic Stands HOIM 834/ SPLS / 2024-25/00002 10,800,000	• No reference number on requisition • Delays in the procurement process • Procurement only received 02 Number of bidders • No Bidding documents • No Ethical Code of conduct by Evaluators • No Performance Securing Declaration • Use of inadequate contract • Implementation Plan • No Delivery Notes • No Completion report • No List of Distribution • No List of Acknowledgement
7	Construction of five stance lined VIP Latrine at Kitemba Church of Uganda HOIM 834/ WRKS / 2024-25/00014 31,465,003	• No reference number on requisition • Low Bidder Participation • Delays in the procurement process • Use of inadequate contract • No Ethical Code of conduct by Evaluators • No Performance Securing Declaration • No Appointment of contract Manager • No Contract Implementation Plan • No Commencement Letter • No Site Possession
No.	**LOW RISK CONTRACTS**	**REASONS FOR LOW RISK**
1	Supply and delivery of ICT Equipment to Kidukuru seed secondary school	• No reference number on requisition • Blank fund's availability section • Delays in the procurement process

	HOIM834/MoE/SUPLS/24-25/00004 159,585,000	• Evidence of delivery of Best evaluated bidder notice • Copy of advert for invitation to bid • No copy of BEB notice • No record of performance security • Contract Management Plan
2	Supply and delivery of science equipment and reagents to kidukuru seed secondary school HOIM834/MoE/SUPLS/24-25/00005 52,653,000	• No reference number on requisition • Blank fund's availability section • Delays in the procurement process • Low Bidder Participation • Performance Securing Declaration • Specifications used to procure • Copy of advert for invitation to bid • Contract Management Plan • Delivery note • Goods received note • Completion report
3	Construction of a two Classroom Block at Iguru Primary School HOIM 834/ WRKS / 2024-25/00003 119,242,511	• No reference number on requisition • Low Bidder Participation • Delays in the procurement process • Evidence of delivery of Best evaluated bidder notice • No Performance securing declaration • No contract implementation Plan • No Commencement Letter • No Hand over certificate
4	Design, Supply and installation of Ugift Micro scale Irrigation systems for 30 (Thirty) Selected farmers and one Demonstration Site HOIM 834/ WRKS / 2024-25/00025 660,000,000	• No reference number on requisition • Delays in the procurement process • No Bidding documents • No Ethical Code of conduct by Evaluators • performance securing declaration • Use of inadequate contract • Implementation Plan • No Commencement Letter • No Progress Reports • No Bills of quantities

ANNEX 2: PROCUREMENT AND DISPOSAL AUDIT SAMPLE LIST FOR HOIMA DISTRICT LOCAL GOVERNMENT FOR FINANCIAL YEAR 2024/2025

No.	Reference Number	Subject of Procurement	Method of Procurement	Date of Award	Provider	Amount (UGX)
1.	HOIM834/WRKS/24-25/00004	Chain link fencing of Kigorobya seed secondary school	Quotation Method	29th November 2024	BASINGO construction company limited	133,897,491
2.	HOIM834/WRKS/24-25/00001	Sighting, drilling, casting, and pump testing of 8 boreholes	Quotation Method	29th November 2024	Icon projects ltd	211,284,900
3.	HOIM834/MoE/SUPLS/24-25/00004	Supply and delivery of ICT Equipment to Kidukuru seed secondary school	Open Domestic Bidding	5th March 2025	SESOM (U) Ltd	159,585,000
4.	HOIM834/MoE/SUPLS/24-25/00005	Supply and delivery of science equipment and reagents to kidukuru seed secondary school	Open Domestic Bidding	5th March 2025	A.N. DDAMULIRA Ltd	52,653,000
5.	HOIM 834/ WRKS / 2024-25/00002	Phase III for construction of Kibanda Piped water system in Kiganja Sub County	Quotation Method	7th January 2025	Lubra Contractors Ltd	228,288,287
6.	HOIM 834/ WRKS / 2024-25/00006	Construction of Staff House Kiseke Health Centre II	Quotation Method	29th November 2024	Mukeum (U) Ltd	225,114,116
7.	HOIM 834/ WRKS / 2024-25/00030	Construction of the District Administration Block in Birungu Parish, Kitoba Sub County	Open Domestic Bidding	9th May 2026	P&D Traders and Contractors Ltd	845,485,547
8.	HOIM 834/ WRKS / 2024-25/00003	Construction of a two Classroom Block at Iguru Primary School	Quotation Method	19th December 2024	Sidney Concepts Ltd	119,242,511
9.	: HOIM 834/ SPLS / 2024-25/00002	Supply of 36 (Thirty-Six) Three - Seater School Desks with Metallic Stands	Quotation Method	19th December 2024	Bamusifield Services Ltd	10,800,000
10.	HOIM 834/ WRKS / 2024-25/00014	Construction of five stance lined VIP Latrine at Kitemba Church of Uganda	Quotation Method	19th December 2024	Gevino Consults Ltd	31,465,003

No.	Reference Number	Subject of Procurement	Method of Procurement	Date of Award	Provider	Amount (UGX)
11.	HOIM 834/ WRKS / 2024-25/00025	Design, Supply and installation of Ugift Micro scale Irrigation systems for 30 (Thirty) Selected farmers and one Demonstration Site	Quotations Method	29th March 2025	1. Ferest Investments Ltd 2. Baata Engineering Company Ltd 3. Water fix Engineering Uganda Ltd 4. Together as one Investments Ltd: 5. Techford Contractors and Supplies Ltd	660,000,000
Total						**2,677,815,855**

ANNEX 3: RISK RATING CRITERIA

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

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	**Procurement Structures:** Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient	**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
	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.