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

COMPLIANCE INSPECTION REPORT FOR FINANCIAL YEAR 2024/2025

KAMULI DISTRICT LOCAL GOVERNMENT

JUNE 2026

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LIST OF ACRONYMS

ESHS	Environmental, Social, Health and Safety
FY	Financial Year
GCC	General Condition of Contract
MoWT	Ministry of Works and Transport
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SCC	Special Conditions of Contract
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Kamuli 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 Regulations, 2014 on Force Account Mechanism, PPDA Guidelines, 2024 and the level of procurement performance over the inspection period.

From the findings of the compliance inspection exercise, the performance of Kamuli District Local Government for the Financial Year 2024/2025 was **Unsatisfactory** with an overall weighted average risk rating of **77%.** The risk rating was weighted to determine the overall risk level of the Entity as detailed in chapter three of this report.

Despite the Unsatisfactory performance, the following key exceptions were noted:

1. Schedule 4 of the PPDA Act, Cap. 205, provides that the Contracts Committee shall be composed of the following members: a chairperson, a secretary and a maximum of three other members appointed by the Accounting Officer. The Authority noted failure by the Entity to fully constitute the Contracts Committee, with only two members actively serving. This delayed timely service delivery and undermined the legality of procurement approvals.

2. 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. Five procurements worth UGX 3,342,286,507 were implemented outside the procurement plan, exposing the Entity to the risk of budget overrun and domestic arrears.

3. Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 requires a Procuring and Disposing Entity to submit its monthly report on procurement and disposal activities undertaken to the Authority, by the fifteenth day of the following month for the previous month. The Authority noted an average delay of 57 working days in the submission of reports and failure to submit monthly reports for four months. This undermined timely oversight and transparency of the Entity's procurement activities.

4. Section 51 of the PPDA Act, Cap. 205, provides that all procurements and disposals shall be conducted in a manner which promotes economy, efficiency and value for money. In five procurements worth UGX 1,071,747,701, the Authority found an average delay of 28 working days in confirmation of funding by the Accounting Officer. This denied timely service delivery to the intended beneficiaries.

5. Guideline No. 11 of 2024 on Reservation Schemes to promote the participation of registered associations of women, youth and persons with disabilities provides that a Procuring and Disposing Entity shall reserve at least 15% of its annual procurement plan budget for award to registered associations of women, youth and persons with disabilities. The Authority observed that no procurements were designated to promote the participation of registered associations

of women, youth, and persons with disabilities, thus denying them the opportunity to participate in public procurement proceedings.

6. 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 three procurements worth UGX 852,707,701, the Head, Procurement and Disposal Unit issued inadequate solicitation documents with unclear bid validity periods and omissions of retention percentage for the works procurements. This led to the preparation of non-responsive bids.

7. Section 28 (1) (e) of the PPDA Act, Cap. 205 states that the Accounting Officer of a Procuring and Disposing Entity shall have the overall responsibility for the execution of the procurement and disposal process in the Procuring and Disposing Entity and in particular, shall be responsible for communicating award decisions. In all the sampled procurements worth UGX 5,596,223,582, the Notices of Best Evaluated Bidder were signed by Mr. Emmanuel Mwiru, the Head Procurement and Disposal Unit without delegated authority, thus usurping the powers of the Accounting Officer.

8. 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 Entity failed to conduct disposal of old assets, exposing the assets to further depreciation and loss of value.

9. 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. In 11 procurements worth UGX 5,398,819,582, the Authority found that the procurement action files lacked key records, which undermined transparency, accountability and effective contract oversight.

10. Regulation 4 of the PPDA (Force Account Mechanism) Regulations, 2014, provides that the Procuring and Disposing Entity shall procure the equipment and supplies required to undertake works using the Force Account Mechanism using procurement rules and methods in the Act. The Authority noted non-compliance with the Force Account Mechanism regulations, exposing the Entity to irregular expenditure.

The Authority recommends the following:

1. The Accounting Officer should:
   i. Immediately nominate and submit Contracts Committee members for approval by the Permanent Secretary/Secretary to the Treasury and ensure the Committee is fully constituted with valid tenure before it undertakes any further approvals in accordance with Schedule 4 of the PPDA Act, Cap. 205;

ii. Involve all User Departments in the timely procurement planning and prepare a comprehensive inclusion of requirements within the procurement plan in accordance with Regulation 7 of the PPDA (Procurement Planning) Regulations, 2023;
iii. Desist from approving procurements outside the procurement plan;
iv. Regularly review the implementation of the procurement plan and update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205 to ensure improved performance;
v. Strengthen timelines for funding confirmations by establishing and enforcing an internal service standard in accordance with Section 51 of the PPDA Act Cap. 205;
vi. Allocate at least 15% of the annual procurement plan budget for award to registered associations of women, youth and persons with disabilities in accordance with Guideline No. 11 of 2024 on Reservation Schemes to promote the participation of registered associations of women, youth and persons with disabilities;
vii. Follow up with the Ministry of Works and Transport for the valuation exercise and ensure that old assets are disposed of in accordance with Regulation 3 of the PPDA (Disposal of Public Assets) Regulations, 2023;
viii. Procure all supplies to be used under the Force Account Mechanism in accordance with Section 130 (3) (a) of the PPDA Act, Cap. 205 and the PPDA (Force Account Mechanism) Regulations 2014; and
ix. Implement frequently procured supplies through framework contracts in accordance with Regulation 17 of the PPDA (Contracts) Regulations 2023.

2. The Contracts Committee should desist from approving and awarding contracts for procurements outside the plan, in accordance with Section 30 (d) of the PPDA Act, Cap. 205.

3. The Head of the Procurement and Disposal Unit should:
i. Submit monthly reports on procurement activities undertaken by the Procuring and Disposing Entity by the 15th day of the subsequent month through the E-reporting link in accordance with Circular No. 5 of 2025 and Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023;
ii. Prepare comprehensive, clear, and fully compliant bidding documents by specifying precise bid validity periods, including all applicable contractual provisions such as retention percentages in accordance with Section 67(2) of the PPDA Act, Cap. 205;
iii. Desist from signing Notices of Best Evaluated Bidder without delegated authority from the Accounting Officer in accordance with Section 41 (a) of the PPDA Act, Cap. 205; and
iv. Archive all documents pertaining to a particular procurement in their respective files in accordance with Section 33 (o) of the PPDA Act, Cap. 205.

Kamuli District Local Government should implement the recommended action plan on pages **23** to **26** of this report.

CHAPTER ONE: INTRODUCTION

1.1. Background
The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Kamuli 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 Regulations, 2014 on Force Account Mechanism, 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 Regulations, 2014 on Force Account Mechanism; 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; and
4. Assess the implementation of the Force on Account Mechanism for road works;

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 Kamuli District Local Government during the Financial Year under review was Mr. Nasser Mukiibi, 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.	Mr. Robert Isabirye	Natural Resource Officer	Chairperson	11th September 2023
2.	Dr. Oweikanga J. Kuunya	Principal Veterinary Officer	Member	11th September 2023
3.	Dr. Stephen Waako	District Health Officer	Member	1st September 2022
4.	Mr. Joseph Waibi	District Education Officer	Member	1st September 2022
5.	Mrs. Monica Inhensiko	Senior Commercial Officer	Member	24th November 2021

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 was fully staffed during the period under review in accordance with Section 32 of the PPDA Act, Cap. 205 as indicated in Table 2 below:

Table 2: Staff in the Procurement and Disposal Unit

No.	Name	Position	Qualification
1.	Mr. Emmanuel Mwiru Kenneth	Senior Procurement Officer	PGD and a degree in Procurement & Supply Chain Management
2.	Mr. Samuel Mugomba	Procurement Officer	PGD and Degree in Procurement & Supply Chain Management, CIPS ongoing

1.4. Scope of the 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 vide **Annex 2**

1.5. Methodology
Under the supervision of the Regional Manager, Central Region, a Senior Officers Performance Monitoring and an Officer Performance Monitoring conducted 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 inspection 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.

The compliance inspection commenced on 16th March 2026 and thereafter, a debrief meeting to discuss preliminary findings was held with the Entity's management and staff on 17th March 2026, 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 17th April 2026 with a request to submit a Management Response by 24th April 2026, which was submitted to the Authority on 14th 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 Composition of the Contracts Committee

Schedule 4 of the PPDA Act, Cap. 205, provides that the Contracts Committee shall be composed of the following members: a chairperson, a secretary and a maximum of three other members appointed by the Accounting Officer.

A review of the Entity's Contracts Committee for FY 2024/2025 revealed that it was not fully constituted, with only four members actively serving during the period. Further, as at the time of the inspection (16th March 2026) in FY 2025/2026, the appointments of Dr. Stephen Waako, Mr. Joseph Waibi and Mrs. Monica Inhensiko had expired, and no evidence was provided to confirm their re-appointment or replacement. The composition is indicated in Table 3 below:

Table 3: Contracts Committee Members

No.	Name	Job Title	Position on the committee	Date of Appointment	Dates of Expiry
1.	Mr. Robert Isabirye	Natural Resource Officer	Chairperson	11th September 2023	11th September 2025
2.	Dr. Oweikanga J. Kuunya	Principal Veterinary Officer	Member	11th September 2023	11th September 2025
3.	Dr. Stephen Waako	District Health Officer	Member	1st September 2022	2nd September 2025
4.	Mr. Joseph Waibi	District Education Officer	Member	1st September 2022	2nd September 2025
5.	Mrs. Monica Inhensiko	Senior Commercial Officer	Member	24th November 2021	24th November 2024

Implication

This undermined governance and legality of procurement approvals, since an improperly constituted or expired Contracts Committee weakens quorum and accountability for key decisions, and increases the risk that approvals and decisions made during the period may be challenged, invalidated or overturned.

Management Response

The delay was due to the environment at the district, whereby there was a lot of external engagements which involved the Inspector General of Government, and the Statehouse investigations, the Accounting Officer could not submit members for renewal. The Accounting officer has submitted the renewal of expired Contracts Committee members.

Authority's comment: The Authority takes note of the Entity's response; however, a copy of the submission to the Permanent Secretary for renewal was not provided for verification.

Recommendation
The Accounting Officer should immediately nominate and submit Contracts Committee members for approval by the Permanent Secretary/Secretary to the Treasury and ensure the Committee is fully constituted with valid tenure before it undertakes any further approvals in accordance with Schedule 4 of the PPDA Act, Cap. 205

2.1.2 Procurement plan implementation rate of 221.7%

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 2024/2025 was UGX 4,172,434,105, as per the consolidated procurement plan submitted on 10th December 2024. However, review of the monthly reports submitted to the Authority indicated a total procurement spend of UGX 9,249,487,047 (221.7%), implying that the Entity implemented procurements worth UGX 5,077,052,942 (121.7%) above the approved procurement plan, as detailed in Table 4 below:

Table 4: Procurement plan implementation rate

Total procurement plan value (UGX)	4,172,434,105
Actual procurement spend (UGX)	9,249,487,047
Variance (UGX)	(5,077,052,942)
Percentage implementation rate (%)	221.7%

The Entity's 221.7% procurement plan implementation rate was partly attributed to procurements outside the procurement plan, which included the following procurements in Table 5 below:

Table 5: Some of the Procurements outside the procurement plan

No.	Subject of procurement	Value in Ugx
1.	Construction of Kasambira Seed Secondary School in Kamuli District at a cost	2,838,716,337
2.	Supply, Delivery, Installation, Training and commissioning of Equipment's for Kagumba HCIII in Kamuli District, Lot 10	128,272,170
3.	Balawoli-Namasagali-17km bush clearing, shaping, spot gravel, offshoots etc but without raising any swamp	197,404,000
4.	Partial renovation of IFMS/Procurement Block at Kamuli District	29,894,000
5.	Supply and Delivery of ICT equipment to Seed Secondary Schools in Kamuli Lot 2	148,000,000
	TOTAL	**3,342,286,507**

Implication
This indicated weak procurement planning and commitment control, since procurement expenditure significantly exceeded the approved plan. It increased the risk of unplanned and potentially irregular procurements, budget overruns and domestic arrears, and may have diverted resources from approved priorities, undermining value for money and accountability.

Management Response

Procurements outside the procurement plan were due to the User Departments submitting late work plans. Management has noted the abnormality and will ensure that all procurements are done within the submitted procurement plan.

Recommendations

1. The Accounting Officer should:
   i. Involve all User Departments in the timely procurement planning and prepare a comprehensive inclusion of requirements within the procurement plan in accordance with Regulation 7 of the PPDA (Procurement Planning) Regulations, 2023;
   ii. Desist from approving procurements outside the procurement plan; and
   iii. Regularly review the implementation of the procurement plan and update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205 to ensure improved performance.
2. The Contracts Committee should desist from approving and awarding contracts for procurements outside the plan, in accordance with Section 30 (d) of the PPDA Act, Cap. 205.

2.1.3 Failure to fully implement 36.3% of the procurement 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.

Kamuli District Local Government was issued a report for the Financial Year 2022-2023 on 24th June 2024. Out of 22 recommendations made, 14 (63.6%) were fully implemented, five (22.7%) were partially implemented, and three (13.6%) were not implemented as detailed in Table 6 below:

Table 6: Implementation of Previous Recommendations

No.	Recommendation	Status
1.	The Accounting Officer should engage Internal Audit to come up with a strong mechanism that will ensure that all audit recommendations are regularly monitored and implemented to improve the Entity's performance	Partially implemented
2.	The Accounting Officer should ensure that by the 15th day of the following month, a report on the procurement activities undertaken with information on the providers who undertook the procurement is submitted to the Authority in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulation, 2023	Not implemented
3.	The Accounting Officer should ensure timely implementation of the Internal Audit recommendations carried out in line with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023	Partially implemented
4.	The Accounting Officer should ensure that the procurement plan is reviewed and updated on a quarterly basis to reflect any changes that may arise as required by Section 60 (7) of the PPDA Act, Cap. 205	Not implemented
5.	The Accounting Officer should expedite the valuation to determination of reserve prices and proceed with the disposal	Partially implemented

No.	Recommendation	Status
	process with appropriate disposal methods in accordance with Regulation 24, Regulation 2 and Regulation 3 of the PPDA (Disposal of Public Assets) Regulations, 2023	
6.	The Head of Procurement and Disposal Unit should prepare quality solicitation documents in accordance with Regulation 25 of the Public Procurement and Disposal Assets (Procuring and Disposing Entities) Regulations 2023	Partially Implemented
7.	The Head of Procurement and Disposal Unit should ensure that all records regarding procurement are properly kept and filed in their respective files in accordance with Section 44 of the PPDA Act, Cap. 205	Partially Implemented
8.	The Contract Manager should ensure that all contract management records are kept and archived as required in accordance with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023	Not implemented

Implications

- This indicated gaps in management follow-through and corrective action which impacted on performance improvement of the procurement function allowing control weaknesses to persist and potentially recur.
- The partially implemented and unimplemented recommendations increase the risk of continued non-compliance, inefficiencies and loss of value for money, and expose the Entity to repeat findings.

Management Response

Management acknowledges the Authority's observation. This financial year, the disposal process is underway, and a request has been sent to MOWT to value the Assets ready for disposal. Procurement, Monthly reports have been submitted to PPDA, and Contract Management records are in place.

Authority's comment: Noted the Entity's response however; the request to MOWT to value the assets was not submitted for verification and neither were the monthly reports and contract management records.

Recommendation

The Accounting Officer should take immediate corrective action to close all outstanding recommendations from the FY 2022/2023 report (issued 19th June 2024) by assigning each partially implemented and not implemented recommendation to a named responsible officer, setting clear completion deadlines, and submitting verifiable evidence of implementation to PPDA.

2.1.4 Failure to submit and adhere to reporting timelines for the Financial Year 2024/25.

Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 requires a Procuring and Disposing Entity to submit its monthly report on procurement and disposal activities undertaken to the Authority, by the fifteenth day of the following month for the previous month.

Upon review of the monthly reports submitted to the Authority by the Entity, an average delay of 57 working days was noted in the submission of reports. The Entity failed to submit monthly reports for four months for the year under review, as detailed in Table 7 below:

Table 7: Details of submission of quarterly reports

No.	Month	Date received by the Authority	No. of days delayed
1.	July 2024	10th December 2024	82 days
2.	August 2024	Not submitted	
3.	September 2024	10th December 2024	40 days
4.	October 2024	Not submitted	
5.	November 2024	Not submitted	
6.	December 2024	24th June 2025	108 days
7.	January 2025	24th June 2025	85 days
8.	February 2025	24th June 2025	65 days
9.	March 2025	24th June 2025	44 days
10.	April 2025	24th June 2025	25 days
11.	May 2025	24th June 2025	6 days
12.	June 2025	Not submitted	
			Av delay of 57 working days

Implication

This undermined timely oversight and transparency of the Entity's procurement activities, since PPDA could not monitor compliance and emerging risks in real time. The prolonged delays also limited timely guidance and corrective action, allowed non-compliance to persist unchecked.

Management Response

The delay in submission of monthly reports was attributed to the challenges in the online submission of reports, which needed more support from PPDA. The Entity has resolved to always submit hard copies of the Monthly reports and tasked the Head of procurement to seek Support from PPDA about Online reporting.

Authority's comment: The Authority takes note of the response, and the Entity should always seek guidance from the Authority in case of any challenges while using the e-reporting system.

Recommendation

The Head of the Procurement and Disposal Unit should submit monthly reports on procurement activities undertaken by the Procuring and Disposing Entity by the 15th day of the subsequent month through the E-reporting link in accordance with Circular No. 5 of 2025 and Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.1.5 Award of contracts above the procurement plan estimate

Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023 provides that the Procurement and Disposal Unit shall, where necessary, at any time during the financial year, update the procurement plan of the Procuring and Disposing Entity.

In the procurement for the supply of assorted borehole spare hand pump parts worth UGX 184,831,000, the Authority found that the contract was awarded above the procurement plan estimate, resulting in a variance of UGX 4,891,000, as indicated in Table 8 below:

Table 8: Procurements above plan estimates

No.	Subject of procurement	Contract award Value (Ugx)	Procurement Plan Amount (Ugx)	Variance (Ugx)
1.	Supply of assorted borehole spare hand pump parts	184,831,000	179,940,000	4,891,000

Implication
This exposed the Entity to the risk of domestic arrears due to over-commitment.

Management Response
Management noted the budgeting anomaly and will always have a market assessment before budgeting.

Recommendations
- The Accounting Officer should approve and document commitment of funds for any variance above the procurement plan estimate before award, including confirming the vote/funding source and availability of the additional amount, and placing the evidence in the procurement file.
- The Head Procurement and Disposal Unit should regularly review and update the implementation of the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205 to ensure improved performance.

2.1.6 Delayed approval by the Accounting Officer
Section 51 of the PPDA Act, Cap. 205, provides that all procurements and disposals shall be conducted in a manner which promotes economy, efficiency and value for money.

In five procurements worth UGX 1,071,747,701, the Authority found an average delay of 28 working days in confirmation of funding by the Accounting Officer as indicated in Table 9 below:

Table 9: Delays in the procurement process

<table>
<tr><th>No.</th><th>Subject of Procurement</th><th>Value (UGX)</th><th>PPDA Findings</th></tr>
<tr><td>1.</td><td>Sectional completion of administration block phase VI and construction of a 5-stance lined latrine at the district headquarters.</td><td>249,975,600</td><td>Delayed confirmation of funds by the Accounting Officer; the procurement was initiated on 8th August 2024; however, the Accounting Officer confirmed availability of funds on 16th October 2024. A delay of 48 working days</td></tr>
<tr><td>2.</td><td>Supply of borehole hand pump parts</td><td>179,940,000</td><td rowspan="3">Delayed confirmation of funds by the Accounting Officer; the procurement was initiated on 12th September 2024; however, the Accounting Officer confirmed availability of funds on 10th October 2024. A delay of 23 working days</td></tr>
<tr><td>3.</td><td>Siting and construction of 16 boreholes</td><td>152,338,000</td></tr>
<tr><td>4.</td><td>Construction of Kasozi piped water scheme in Namasagali Sub-County</td><td>450,394,101</td></tr>
</table>

No.	Subject of Procurement	Value (UGX)	PPDA Findings
5.	Construction of a 2-no 3-stance lined latrine at Kibuye and Nabwigulu under the Water Office	39,100,000	
Total		**1,071,747,701**	**Total delay of 28 working days**

Implication
Delays in the procurement process denied timely service delivery to the intended beneficiaries.

Management Response
The delay in confirmation of funds by the Accounting Officer was due to communication challenges between departments and the Accounting Officer. The Entity acknowledged the delay in confirming funds and pledges to improve going forward.

Recommendation
The Accounting Officer should strengthen timelines for funding confirmations by establishing and enforcing an internal service standard in accordance with Section 51 of the PPDA Act Cap. 205.

2.1.7 Failure to reserve procurements for special interest groups of women, youth and persons with disabilities.

Guideline No. 11 of 2024 on Reservation Schemes to promote the participation of registered associations of women, youth and persons with disabilities provides that a Procuring and Disposing Entity shall reserve at least 15% of its annual procurement plan budget for award to registered associations of women, youth and persons with disabilities.

A review of the Entity's monthly reports and procurement plan revealed that no procurements were designated to promote the participation of registered associations of women, youth, and persons with disabilities.

Implication
Failure to reserve procurements for special interest groups defeated government policy aimed at encouraging participation of Special Interest Groups in public procurement.

Management Response
These interest groups are not aware of this scheme and are not prequalified. Management acknowledged the findings and will ensure that these groups are sensitised.

Authority's comment: The Entity should conduct community sensitisation aimed at strengthening implementation of reservation and preference schemes and integrate them into their procurement plans before the start of the new financial year.

Recommendation
The Accounting Officer should allocate at least 15% of the annual procurement plan budget for award to registered associations of women, youth and persons with disabilities in accordance with Guideline No. 11 of 2024 on Reservation Schemes to promote the participation of registered associations of women, youth and persons with disabilities.

2.1.8 Failure to involve the Contracts Committee or User Department in the bid closing and bid opening sessions

Regulation 70 (6) of the PPDA (Rules and Methods for procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, provides that the closure of the process of submission of bids shall be managed by at least one member of the Procurement and Disposal Unit and shall be witnessed by a member of the Contracts Committee or a member of the user department nominated by the user department.

In three procurements worth UGX 726,666,271, the Authority found that the Record of Receipt of Bids (Form 11) and Record of Bid Opening (Form 12) were not witnessed by a representative of the Contracts Committee or the User Department, as indicated in Table 10 below:

Table 10: Procurements where the Contracts Committee was not involved in bid closing and opening sessions.

No.	Subject of Procurement	Amount (UGX)	PPDA Findings
1.	Construction of Kasozi piped water scheme in Namasagali Sub-County	450,394,101	Form 11 not witnessed by the Contracts Committee or the User Department
2.	Supply, Delivery, Installation, Training and commissioning of equipment for Kagumba HCIII in Kamuli District, Lot 10	128,272,170	Forms 11 and 12 were not witnessed by the Contracts Committee or the User Department
3.	Supply and Delivery of ICT equipment to Kagumba Seed Secondary School in Kamuli Lot 2	148,000,000	
	Total	**726,666,271**	

Implication

This undermined transparency and independent oversight of the bidding process, increasing the risk of tampering, manipulation, disputes, bidder complaints and weakening the credibility of the audit trail of the procurement proceedings.

Management Response

Management acknowledged the findings and will ensure that the Head Procurement and Disposal Unit always make the forms available to the Contracts Committee members for endorsement.

Recommendation

The Head Procurement and Disposal Unit should involve a member of the Contracts Committee or a person nominated by the User Department to always witnesses the bid closing process to promote transparency and accountability in accordance with Regulation 70 (6) of the PPDA (Rules and Methods for procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.9 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 three procurements worth UGX 852,707,701, the Head, Procurement and Disposal Unit issued inadequate solicitation documents with unclear bid validity periods and omissions of retention percentage for the works procurements as indicated in Table 11 below:

Table 1: Inadequate bidding documents

No	Subject of Procurement	Amount (UGX)	PPDA Findings
1.	Sectional completion of the Administration block phase VI and construction of a 5-stance lined latrine at the district headquarters.	249,975,600	• The Bid validity required was stated in days instead of a date contrary to Regulation 62(1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 • SCC (GCC 48.1) provided that no proportion of payments shall be retained and because no funds are held back as security, the Entity faces higher risk if a contractor abandons the project or performs substandard work. This was contrary to Regulation 45 (1) (a) of the PPDA (Contracts) Regulations, 2023.
2.	Siting and construction of 16 boreholes	152,338,000	
3.	Construction of Kasozi piped water scheme in Namasagali Sub-County	450,394,101	
	Total	**852,707,701**	

Implication

Lack of clear and complete bidding documents compromised transparency in the procurement process, as bidders were not provided with consistent and sufficient information to prepare responsive bids.

Management Response

Management acknowledged the anomaly and will ensure that Head Procurement and Disposal Unit issues clear and adequate solicitation document going forward.

Recommendation

The Head Procurement and Disposal Unit should prepare comprehensive, clear, and fully compliant bidding documents by specifying precise bid validity periods, including all applicable contractual provisions such as retention percentages in accordance with Section 67(2) of the PPDA Act, Cap. 205.

2.1.10 Irregularities in the evaluation process

a. Participation in the evaluation exercise without approval by the Contracts Committee

Section 30 (b) of the PPDA Act, Cap. 205, provides that a Contracts Committee shall be responsible for approving the Evaluation Committee members.

In the procurement for sectional completion of the Administration Block (Phase VI) and construction of a 5-stance lined latrine at the District Headquarters worth UGX 249,975,600, the Contracts Committee approved Mr. Allan Kalamu, Mr. Samuel Bakaki and Mr. Emmanuel Mwiru to serve on the Evaluation Committee. However, Mr. Andrew Mombwe Nicholas participated in the evaluation and signed the Evaluation Report dated 3rd December 2024 without the Contracts Committee's approval.

Implication

This undermined the integrity and accountability of the evaluation process, since bids were evaluated by a person who lacked a formal mandate from the Contracts Committee. It further increased the risk of biased or inconsistent evaluation.

Management Response

Eng. Mombwe Andrew signed the evaluation report as an advisor on technical grounds. Management acknowledged the anomaly and will ensure that Head Procurement and Disposal submits Evaluation Committee members for approval by the Contracts Committee.

Recommendations

- The Accounting Officer should direct the Head Procurement and Disposal Unit to ensure that only Contracts Committee–approved Evaluation Committee members participate in bid evaluation, and that any changes to the committee composition are approved by the Contracts Committee before evaluation commences in accordance with Section 30 (b) of the PPDA Act, Cap. 205.
- The Contracts Committee should desist from approving evaluation reports where individuals not approved as members of the Evaluation Committee have participated.

b. Award of contract to a non-compliant bidder

Regulation 5 (l) of the PPDA (Evaluation) Regulations, 2023, provides that the evaluation of bids shall be conducted in accordance with the evaluation criteria specified in the bidding documents.

In the procurement of supply of assorted borehole spare hand pump parts worth UGX 184,831,000, the Authority found that the Best Evaluated Bidder (Bisca U Ltd) did not attach a Tax Clearance Certificate in their bid, but was considered compliant.

Implication

This led to awarding a contract to a non-compliant bidder, which violated the principle of integrity by compromising fairness and transparency of the evaluation process.

Management Response

The Income Tax Clearance Certificate for Bisca had not been attached. However, the Evaluation Committee verified online that the bidder had paid income tax for the financial year 2024/2025, as Income Tax Clearance can be verified electronically. Management *acknowledged the anomaly and will ensure that whenever a document is verified online, evidence of such verification will be attached to the procurement documents.*

Authority's comment: Authority takes note of the response; however, no documentation was presented for verification to confirm the claims.

Recommendation
The Evaluation Committee members should strictly adhere to the criteria set out in the bidding documents in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2023.

2.1.11 Communication of Award without Delegated Authority

Section 28 (1) (e) of the PPDA Act, Cap. 205 states that the Accounting Officer of a Procuring and Disposing Entity shall have the overall responsibility for the execution of the procurement and disposal process in the Procuring and Disposing Entity and in particular, shall be responsible for communicating award decisions.

In all the sampled procurements worth UGX 5,596,223,582, the Notices of Best Evaluated Bidder were signed by Mr. Emmanuel Mwiru, the Head Procurement and Disposal Unit, instead of the Accounting Officer, and there was no delegated authority allowing him to sign on behalf of the Accounting Officer.

Implication
This undermined accountability for procurement award communications, since the Notices of Best Evaluated Bidder were issued without the Accounting Officer's signature or documented delegated authority. It also raised the risk of unauthorised award communication, exposed the Entity to complaints and administrative review challenges.

Management Response
The best evaluated bidder Notice of the procurements identified by the auditor was signed by Head Procurement and Disposal Unit because the Accounting Officer had authorized him on those particular procurements because he was out of the office. Management acknowledged the anomaly and will always ensure that such authority is done in writing.

Authority's comment: Authority takes note of the response; however, no documentation was presented for verification to confirm the delegation.

Recommendation
The Head Procurement and Disposal Unit should desist from signing Notices of Best Evaluated Bidder without delegated authority from the Accounting Officer in accordance with Section 41 (a) of the PPDA Act, Cap. 205.

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

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 29th August 2024 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 are indicated in Table 12 below:

Table 2: Assets recommended for disposal in the Board of Survey Report

No.	Item	Unique identifier (Tag/Registration Number)	Comment
1.	Vibrol roller heavy vehicle	LG0020-16	Grounded and vandalized
2.	Tipper Jiefung	LG0107-16	Grounded
3.	Ford Drifter double cabin for NAADs	UAA760E	Grounded and vandalized
4.	Suzuki TF M/C for veterinary.	UG 1680A	Grounded
5.	Nissan hard body D/C	UG 2236M	Grounded at Namwendwa H/C.
6.	JMC D/C	LG001-43	Grounded at Kamuli General hospital
7.	Toyota Hilux D/C	UG1676M	Grounded and vandalized at Kamuli municipal council
8.	Suzuki Samurai	UAB 160Q	Grounded and parked at a private garage on Jinja Road
9.	Mitsubishi Minibus Ambulance	LG 0113-16	Grounded and vandalized at Kamuli Municipal Council
10.	Isuzu double-cabin pickup	UG0698-R	Grounded and vandalized at Kamuli Municipal Council
11.	Suzuki TF	UDA 529U	Grounded and vandalized at store
12.	Suzuki TF	UG1057A	Grounded and vandalized at store
13.	Suzuki TF	UG1852A	Grounded and vandalized at store
14.	Suzuki TF	UG2013A	Grounded and vandalized at store
15.	Yamaha DT	UDR 015Y	Grounded
16.	Desktop computer Lenovo	PDU	Obsolete
17.	Scanner, HP scan 3400cc	Central registry	Obsolete
18.	Type writer Scrap	Central registry	Obsolete

No.	Item	Unique identifier (Tag/Registration Number)	Comment
19.	Deep freezer Scrap	Veterinary	Obsolete
20.	Deep freezer obsolete	Entomology	Obsolete
21.	Printer Epson Obsolete	Production	Obsolete
22.	Type writer Olympia Obsolete	Production	Obsolete
23.	GPS scout master Obsolete	Water	Obsolete
24.	Desk top. Dell with CRT monitor	Water	Obsolete
25.	Laptop. Su Kan digital hoe	Water	Obsolete
26.	Metallic filling cabins	Water	Obsolete
27.	66 Old tyre scraps	General Store	Obsolete
28.	2 Typewriters	General store	Obsolete
29.	Scrap motorcycles	General Store	Obsolete
30.	7 scrap Computer Monitor	General Store	Obsolete
31.	7 scrap Computer processors	General Store	Obsolete
32.	6 old Wooden shelves	General Store	Obsolete
33.	24 scrap old iron sheets	General Store	Obsolete
34.	5 Oxygen concentrators	Kamuli General hospital Store	Old
35.	Theatre multipurpose bed	Kamuli General hospital Store	Old
36.	2 Wooden-metallic frame windows	Kamuli General hospital Store	Old
37.	33 Old Tyres	Kamuli General hospital Store	Old
38.	3 Cistern tank	Kamuli General hospital Store	Old
39.	1 Old Large weighing scale	Kamuli General hospital Store	Old
40.	30 Assorted old medical beds	Kamuli General hospital Store	Old
41.	3 Aluminum doors	Kamuli General hospital Store	Old
42.	2 Aluminum window flames	Kamuli General hospital Store	Old
43.	Generator	Nankandulo HC IV	Old
44.	40 baby Corts	Kamuli General Hosp	Old
45.	2 Operating Tables	Kamuli General Hosp	Old
46.	1 Scanner	Kamuli General Hosp	Old
47.	1 Deep freezer	Kamuli General Hosp	Old
48.	1 Sterilizer	Kamuli General Hosp	Old
49.	Spark free Laboratory Freezer	Kamuli General Hosp	Old

No.	Item	Unique identifier (Tag/Registration Number)	Comment
50.	Microscope -Focus	Kamuli General Hosp	Old
51.	Boiler	Kamuli General Hosp	Old
52.	Mega Phone KDLG/MP/UPS/005-4	Kamuli General Hosp	Old
53.	Inverter -Big	Kamuli General Hosp	Old
54.	UPS-MOH/UNFA/UPS/005	Kamuli General Hosp	Old
55.	UPS Digital Zento 800	Kamuli General Hosp	Old
56.	UPS-USAID/START-EC/P11823	Kamuli General Hosp	Old
57.	UPS Small	Kamuli General Hosp	Old
58.	UPS Very big	Kamuli General Hosp	Old
59.	Solar Battery (Refill)	Kamuli General Hosp	Old
60.	12 Solar battery (Sealed)	Kamuli General Hosp	Old
61.	Mix Shaker	Kamuli General Hosp	Old
62.	Distiller	Kamuli General Hosp	Old
63.	Autoclave	Kamuli General Hosp	Old
64.	Centrifuge	Kamuli General Hosp	Old
65.	Heat block	Kamuli General Hosp	Old
66.	Cali meter KGHL/CM/01	Kamuli General Hosp	Old
67.	Heat Unotric 100	Kamuli General Hosp	Old
68.	Water Bath	Kamuli General Hosp	Old
69.	Centrifuge	Kamuli General Hosp	Old
70.	Digital Drying oven	Kamuli General Hosp	Old
71.	Theatre lamp	Kamuli General Hosp	Old
72.	Oxygen Concentrator	Kamuli General Hosp	Old
73.	Auto clave	Kamuli General Hosp	Old
74.	Steam sterilizer	Kamuli General Hosp	Old

Implication

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

Management Response

The delay in disposing is due to the delay by the officer from MOWT for the valuation of Assets. Management has contacted MOWT to come and value the Assets for disposal next financial year.

Recommendation

The Authority takes note of the response and recommends that the Accounting Officer should follow up with the Ministry of Works and Transport for the valuation exercise and ensure that old assets are disposed of in accordance with Regulation 3 of the PPDA (Disposal of Public Assets) Regulations, 2023.

2.3. EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION INCLUDING THE APPLICATION OF ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY (ESHS) REQUIREMENTS IN THE PROCUREMENT PROCESS

2.3.1 Signing contracts before Solicitor's clearance

Regulation 6 (1)(f) of the PPDA (Contracts) Regulations, 2023, provides that a Procuring and Disposing Entity shall not issue a contract, purchase order, or other communication in any form, conveying acceptance of a bid that binds a Procuring and Disposing Entity to a contract with a provider, except where all the relevant agencies, including, where applicable, the Attorney General, make the necessary approval of the contract.

In two procurements worth UGX 700,369,701, the Entity signed contracts with providers before Solicitor General's clearance, as detailed in Table 13 below:

Table 3: Procurements where contracts were signed with providers before the Solicitor General's clearance

No.	Subject of Procurement	Contract Amount (Ugx)	Audit Observations	Management response
1.	Sectional completion of Administration block phase VI and construction of a 5-stance lined latrine at the district headquarters	249,975,600	Whereas the contract was signed on 6^{th} January 2025, the Entity requested for the Solicitor General's clearance of the contract on 17^{th} January 2025, and the Solicitor General's approval was granted on 22^{nd} January 2025.	
2.	Construction of Kasozi piped water scheme in Namasagali Sub-County	450,394,101		
	Total	**700,369,701**		

Implication

Signing contracts with providers before the Solicitor General's clearance denied the Entity professional legal counsel and exposed the Entity to the risk of potential litigation in case of disagreements between the Entity and the provider.

Management Response

Management acknowledged the Anomaly and will always ensure that contracts are cleared by the Solicitor General before signing.

Recommendation

The Accounting Officer should desist from signing contracts with providers before clearance by the Solicitor General, where required in accordance with Regulation 6 (1)(f) of the PPDA (Contracts) Regulations, 2023.

2.3.2 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.

In 11 procurements worth UGX 5,398,819,582, the Authority found that the procurement action files lacked key records, including Form 5 (Part II) submissions to the Contracts Committee, Contract Manager appointment letters, and Contract Management Plans, among others, as detailed in Table 14 below:

Table 4: Missing procurement records

No.	Subject	Amount (UGX)	Findings
1.	Sectional completion of the administration block phase VI and construction of a 5-stance lined latrine at the district headquarters.	249,975,600	• Form 5-part II submission to Contracts Committee • Code of ethical conduct • Appointment letter of Contract Manager • Contract Management plan (Form 49)
2.	Supply of Assorted Borehole Spare Hand Pump Parts	184,831,000	
3.	Rehabilitation of 12.23 KM of community access roads in Kitayunjwa Sub-County, Kamuli District under Batch A Lot 40	1,140,408,434	
4.	Supply, Delivery, Installation, Training and commissioning of Equipment's for Kagumba HCIII in Kamuli District Lot 10	128,272,170	
5.	Construction of Kasambira Seed secondary school in Kamuli District at a cost	2,838,716,337	
6.	Partial renovation of IFMS/Procurement Block at Kamuli District	29,894,000	
7.	Supply and Delivery of ICT equipment to Kagumba Seed Secondary School in Kamuli Lot 2	148,000,000	• Form 5-part II submission to Contracts Committee • Ethical code of conduct • Notice of Best Evaluated Bidder • CC minutes approving the Method of procurement and evaluation • Appointment letter of Contract Manager • Contract Management plan (Form 49)
8.	Construction of Kasozi piped water scheme in Namasagali Sub-County	450,394,101	• Form 5-part II submission to Contracts Committee • CC minutes for approval of the Method of procurement and evaluation • Code of ethical conduct • Appointment letter of Contract Manager

No.	Subject	Amount (UGX)	Findings
			• Contract Management plan (Form 49)
9.	Construction of a 2-no-3-stance lined latrine at in Kibuye and Nabwigulu under Water Office	39,100,000	• Form 5-part II submission to Contracts Committee • CC minute missing approving the method of procurement and evaluation committee • Bidding document missing • Forms for issue, receipt & opening missing • Code of ethical conduct • Appointment letter of Contract Manager • Contract Management plan (Form 49)
10.	Siting, Design, Drilling, Test Pumping and platform casting of 08 Boreholes	152,338,000	• Form 5-part II submission to Contracts Committee
11.	Re-Roofing of a 4-classroom block at Isimba Primary School in Kisozi Sub-County	36,889,940	• Form 5-part II submission to Contracts Committee • CC minutes missing approving the Method of procurement and evaluation committee
Total		**5,398,819,582**	

Implication
This undermined transparency, accountability and effective contract oversight, since the Entity could not demonstrate that procurement approvals and contract management arrangements were properly effected and documented.

Management Response
The missing records of the files highlighted by the Authority were lacking because by the time the audit was conducted, the PDU offices had just been renovated, and some documents had been scattered because they had been relocated to a storage facility. Management has instructed the Head Procurement and Disposal Unit to assemble the missing documents which are available for verification.

Authority's comment: Authority takes note of the response; no documentation was presented for verification to confirm the claims.

Recommendation
The Head, Procurement and Disposal Unit should archive all documents pertaining to a particular procurement in their respective files in accordance with Section 33 (o) of the PPDA Act, Cap. 205.

2.4. PERFORMANCE OF FORCE ACCOUNT MECHANISM

a. Non-Compliance with Procurement Requirements under the Force Account Mechanism

Regulation 4 of the PPDA (Force Account Mechanism) Regulations, 2014, provides that the Procuring and Disposing Entity shall procure the equipment and supplies required to undertake works using the Force Account Mechanism using procurement rules and methods in the Act.

Review of documentation for bush clearing, shaping, spot gravelling and offshoot works along the Balawoli–Namasagali road (17 km) valued at UGX 197,404,000 revealed that:

i. UGX 4,389,014 was paid directly to the District Engineer, Mr. Daniel Mufumba, to procure gravel although no documentation was provided to confirm if it was procured or if there was a formal contract in place;
ii. UGX 32,021,000 (EFT 18997555 and 18997558) was paid to Total Uganda – Kamuli District for fuel without a formal contract;
iii. No framework contracts were in place for all the procurable items; and
iv. Contract management reports, quarterly Force Account Mechanism reports for all the works implemented in FY 2024/25 were not provided for audit.

Implications

- These practices undermined transparency and accountability, exposed the Entity to irregular expenditure, and denied assurance on value for money in the execution of works.
- Failure to access all the Force Account Mechanism procurement records limited the auditors' comprehensive analysis of the Force Account Mechanism.

Management Response

The procurement procedures were flouted mainly because the financial year was coming to an end. Management will always ensure that guidelines under the Force Account Mechanism are adhered to.

Recommendations

The Accounting Officer should:

i. Procure all supplies to be used under the Force Account Mechanism in accordance with Section 130 (3) (a) of the PPDA Act, Cap. 205 and the PPDA (Force Account Mechanism) Regulations 2014;
ii. Implement frequently procured supplies through framework contracts in accordance with Regulation 17 of the PPDA (Contracts) Regulations 2023 and;
iii. Desist from advancing cash to the User Departments for procurable supplies.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1. Overall Audit Conclusion

The performance of Kamuli District Local Government for the Financial Year 2024/2025 was **Unsatisfactory** with an overall weighted average risk rating of **77%.**

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 15 below:

Table 5:Weighted Score of Kamuli District Local Government

Risk Category	No.	No.%	Value (UGX)	Value. %	Weights	Total Weighted Average	
						By No.	By Value
High	5	41.7	3,664,408,438	65.5	0.6	25	39.3
Medium	7	58.3	1,931,815,144	34.5	0.3	17.5	10.4
Low	0	0	0	0	0.1	0	0
Satisfactory	0	0	0	0	0	0	0
Total	12	100	**5,596,223,582**	**100**	**1**	**42.5**	**49.6**

Weighted Average (By no.) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{42.5}{60} \times 100 = 71\%$

Weighted Average (By Value) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{49.6}{60} \times 100 = 83\%$

Combined Weighted Average = $\frac{71+83}{2} = 77\%$

Since **77%** falls within the **71-100** risk range, the performance of the Entity is rated **Unsatisfactory** as detailed in Table 16 below:

Table 6:Risk Rating Table

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

Figure 1: Risk Rating by Number

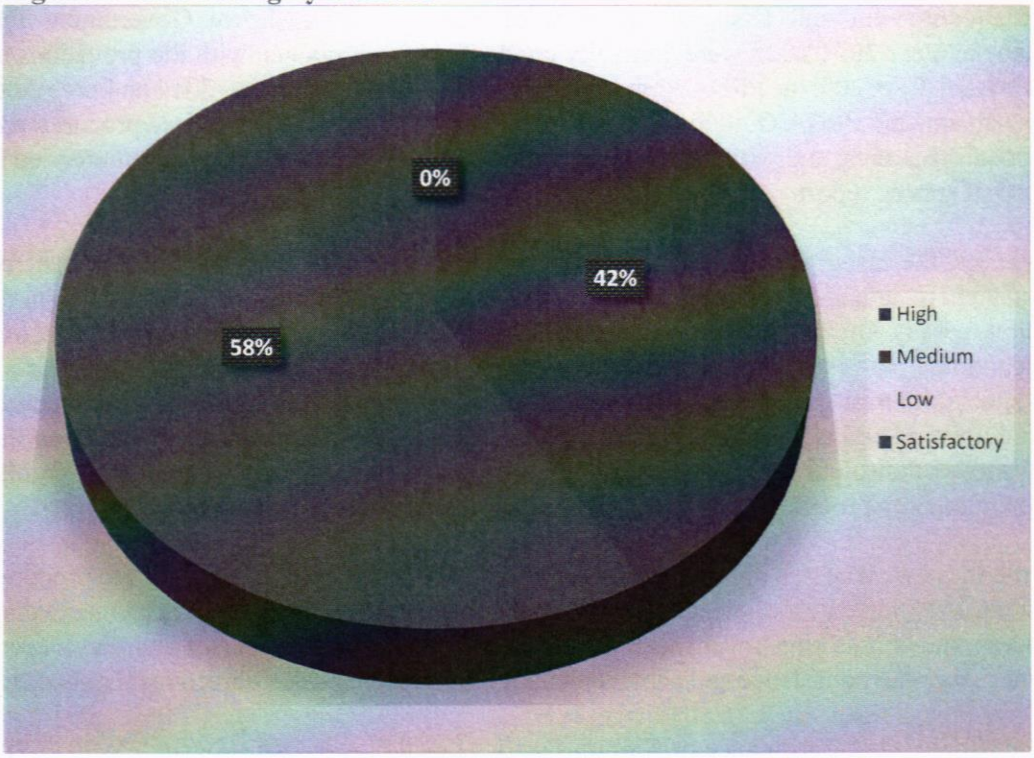
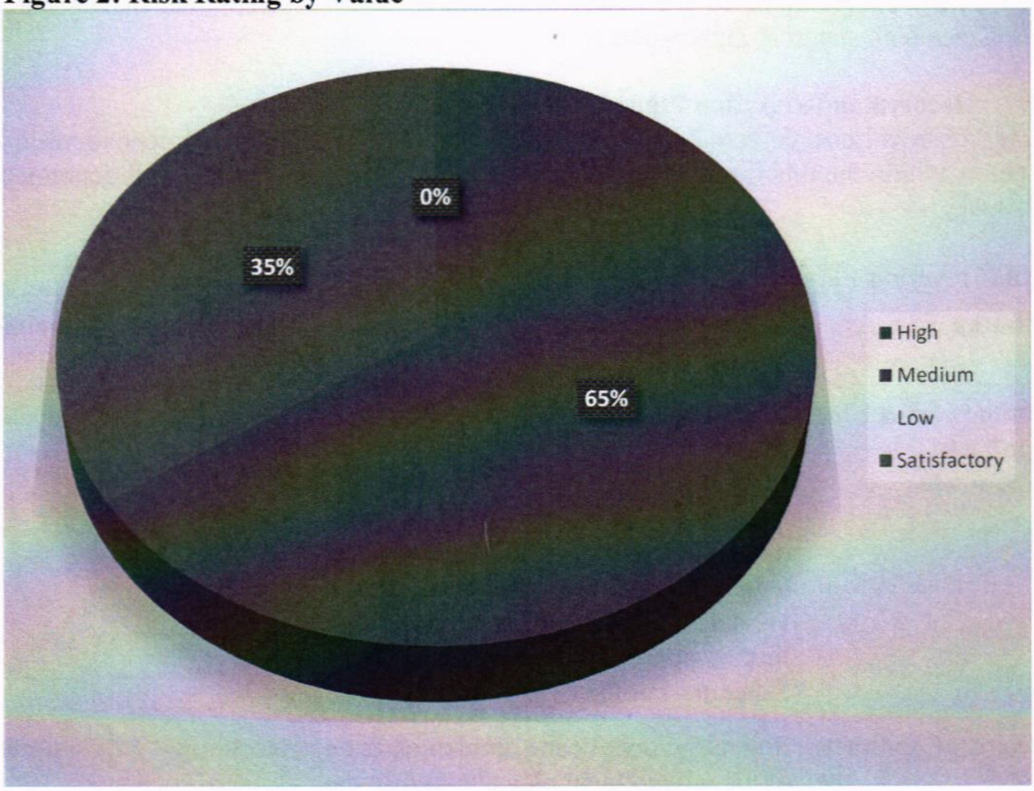


Figure 2: Risk Rating by Value



3.3. Inspection Opinion/Conclusion

The Procurement and Disposal activities of Kamuli 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, PPDA Regulations, 2014 on Force Account Mechanism, 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 failure to fully constitute the Contracts Committee; failure to fully implement the previous audit recommendations; award of contracts above the procurement plan estimate; late submission of monthly reports; failure to reserve procurements for special interest groups; non-involvement of the Contracts Committee or User Department at bid opening and closing; inadequate bidding documents; irregularities at evaluation; failure to dispose of obsolete assets; signing contracts before Solicitor General's clearance; and failure to maintain key procurement, Force Account and contract management records.

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 Kamuli District Local Government for the FY 2024/2025 is assessed as **Unsatisfactory**, with an overall weighted average risk of **77%**, requiring targeted management interventions to strengthen procurement efficiency, contract management and compliance with statutory and regulatory requirements.

3.4. Recommended Action Plan

Kamuli District Local Government should implement the following recommendations in Table 17 below within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 7: Action Plan

Finding	Recommendation	Responsible Officer	Timeline
Composition of the Contracts Committee	Immediately regularise the Contracts Committee by nominating and submitting members for approval by the Permanent Secretary/Secretary to the Treasury and ensuring the Committee is fully constituted with valid tenure before it undertakes any further approvals in accordance with Schedule 4 of the PPDA Act, Cap. 205.	Accounting Officer	immediately
Award of contracts above the procurement plan estimate	Regularly review the implementation of the procurement plan and update the procurement plan in accordance with	Accounting Officer/Procurement and Disposal Unit	Continuous

Finding	Recommendation	Responsible Officer	Timeline
	Section 60 (7) of the PPDA Act, Cap. 205 to ensure improved performance.		
Procurement plan implementation rate of 221.7%	Involve all User Departments in the timely procurement planning and prepare a comprehensive inclusion of requirements within the procurement plan in accordance with Regulation 7 of the PPDA (Procurement Planning) Regulations, 2023.	Accounting Officer	November 2026
Failure to fully implement 36.3% of the procurement recommendations	Take immediate corrective action to close all outstanding recommendations from the FY 2022/2023 report (issued 19th June 2024) by assigning each partially implemented and not implemented recommendation to a named responsible officer, setting clear completion deadlines, and submitting verifiable evidence of implementation to PPDA.	Accounting Officer	Continuous
Delayed approval by the Accounting Officer	Strengthen timelines for funding confirmations by establishing and enforcing an internal service standard in accordance with Section 51 of the PPDA Act Cap. 205.	Accounting Officer	Immediately
Failure to reserve procurements for special interest groups of women, youth and persons with disabilities.	Allocate at least 15% of the annual procurement plan budget for award to registered associations of women, youth and persons with disabilities in accordance with Guideline No. 11 of 2024 on Reservation Schemes to promote the participation of registered associations of women, youth and persons with disabilities.	Accounting Officer	July 2026
Failure to dispose of assets	Follow up with the Ministry of Works and Transport for the valuation exercise and ensure that old assets are disposed of in accordance with Regulation 3 of the PPDA (Disposal of Public Assets) Regulations, 2023;	Accounting Officer	Immediately
Signing contracts before Solicitor's clearance	Desist from signing contracts with providers before clearance by the Solicitor General, where required in accordance with Regulation 6 (1)(f) of	Accounting Officer	Immediately

Finding	Recommendation	Responsible Officer	Timeline
	the PPDA (Contracts) Regulations, 2023.		
Non-Compliance with Procurement Requirements under the Force Account Mechanism	Formalize all procurements through the establishment of framework contracts for repeatedly required supplies in accordance with Regulation 17 of the PPDA (Contracts) Regulations 2023.	Accounting Officer	Continuous
Failure to submit and adhere to reporting timelines for the Financial Year 2024/25.	Submit monthly reports on procurement activities undertaken by the Procuring and Disposing Entity by the 15th day of the subsequent month through the E-reporting link in accordance with Circular No. 5 of 2025 and Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023;	Procurement and Disposal Unit	Monthly
Failure to involve the Contracts Committee or User Department in the bid closing and bid opening sessions	Involve a member of the Contracts Committee or a person nominated by the User Department to always witnesses the bid closing process to promote transparency and accountability in accordance with Regulation 70 (6) of the PPDA (Rules and Methods for procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	Procurement and Disposal Unit	Continuous
Inadequate bidding documents	Prepare comprehensive, clear, and fully compliant bidding documents by specifying precise bid validity periods, including all applicable contractual provisions such as retention percentages in accordance with Section 67(2) of the PPDA Act, Cap. 205;	Procurement and Disposal Unit	Continuous
Irregularities in the evaluation process	i. The Accounting Officer should direct the Head Procurement and Disposal Unit to ensure that only Contracts Committee–approved Evaluation Committee members participate in bid evaluation, and that any changes to the committee composition are approved by the Contracts Committee before	Accounting Officer/ Evaluation Committee/ Contracts Committee	Continuous

Finding	Recommendation	Responsible Officer	Timeline
	evaluation commences in accordance with Section 30 (b) of the PPDA Act, Cap. 205. ii. The Contracts Committee should desist from approving evaluation reports where individuals not approved as members of the Evaluation Committee have participated. iii. The Evaluation Committee members should strictly adhere to the criteria set out in the bidding documents in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2023.		
Communication of Award without Delegated Authority	Desist from signing Notices of Best Evaluated Bidder without delegated authority from the Accounting Officer in accordance with Section 4l (a) of the PPDA Act, Cap. 205.	Procurement and Disposal Unit	Continuous
Missing records on procurement action files	Archive all documents pertaining to a particular procurement in their respective files in accordance with Section 33 (o) of the PPDA Act, Cap. 205.	Procurement and Disposal Unit	Continuous

ANNEX 1: CASE BY CASE ANALYSIS

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	Balawoli-Namasagali-17km bush clearing, shaping, spot gravel, offshoots but without raising any swamp Force on Account 197,404,000	• Procurement outside the procurement plan • Non-Compliance with Procurement Requirements under the Force Account Mechanism
2.	KAMU849/SUPLS/24-25/00002 Supply and Delivery of ICT equipment to Kagumba Seed Secondary Schools in Kamuli Lot 2 Provider: Sandrax Lab Tech Solutions Uganda Ltd Amount: Ugx148,000,000	• Procurement outside the procurement plan • Failure to involve the Contracts Committee or User Department in the bid closing and opening sessions. • Missing records on procurement action file
3.	KAMU849/WRKS/24-25/00002 Construction of Kasambira Seed Secondary School in Kamuli District at a cost Provider: Wanji General Enterprises U Ltd Amount: Ugx 2,838,716,337	• Procurement outside the procurement plan • Missing records on the procurement action file
4.	KAMU849/WRKS/24-25/00003 Construction of Kasozi piped water scheme in Namasagali Sub-County Provider: Vimalraj Construction Co. Ltd Amount: Ugx 450,394,101	• Failure to involve the Contracts Committee or User Department in the bid closing and opening sessions. • Communication of Award without delegated authority • Inadequate Bidding Documents • Signing of contracts before the Solicitor General's clearance • Delays in the procurement process • Missing records on procurement action file
5.	KAMU849/WRKS/24-25/00066 Partial renovation of IFMS/Procurement Block at Kamuli District Provider: Honor Multi Services Ltd Amount: Ugx 29,894,000	• Procurement outside the procurement plan • Missing records on the procurement action file
No.	**MEDIUM RISK CONTRACTS**	**REASONS FOR MEDIUM RISK**
6.	KAMU849/WRKS/24-25/00012 Sectional Completion of Administration Block Phase VI and Construction of a 5-stance lined latrine at the District Head Qtrs Provider: Talya General Contractors Ltd Amount: Ugx 249,975,600	• Inadequate Bidding Documents • Participation in Evaluation exercise without approval by the Contracts Committee • Signing of contracts before Solicitor General's clearance

		• Delays in the procurement process • Missing records on procurement action file
7.	KAMU849/SUPLS/24-25/00023 Supply, Delivery, Installation, Training and commissioning of equipment for Kagumba HCIII in Kamuli District Lot 10 Provider: Inventive Capacity Consults Ltd Amount: Ugx 128,272,170	• Procurement no in the procurement plan • Failure to involve the Contracts Committee or User Department in the bid closing and opening sessions. • Missing records on the procurement action file.
8.	KAMU849/WRKS/24-25/00008 Construction of a 2 no 3-stance lined latrine at in Kibuye and Nabwigulu under Water Office. Provider: Mj Services Ltd Amount: Ugx 39,100,000	• Delays in the procurement process • Missing records on the procurement action file
9.	KAMU849/WRKS/24-25/00004 Siting, Design, Drilling, Test Pumping and platform casting of 08 Boreholes. Provider: Klr Uganda Ltd Amount: Ugx 152,338,000	• Inadequate Bidding Documents • Delays in the procurement process • Missing records on the procurement action file
10.	KAMU849/SUPLS/24-25/00001 Supply of Assorted Borehole Spare Hand Pump Parts Provider: Bisca (U) Ltd Amount: Ugx 184,831,000	• Award of contracts above the procurement plan estimates. • Delays in the procurement process • Missing records on the procurement action file.
11.	Re-Roofing of a 4-classroom block at Isimba Primary School in Kisozi Sub County Provider: Green Double Line Contractor Ltd Amount: Ugx 36,889,940	Missing records on procurement action file
12.	MoLG-NOSP/ KAMU/Wrks/23-24/00032/A27 Rehabilitation of 12.23 KM of community access roads in Kitayunjwa Sub-County, Kamuli District, under Batch A Lot 40 Provider: MJ Suppliers and contractors Ltd Amount: Ugx1,140,408,434	Missing records on the procurement action file
No.	**LOW RISK CONTRACTS**	**REASONS FOR LOW RISK**
	Nil	
No.	**SATISFACTORY CONTRACTS**	
	Nil	

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

No.	Proc Reference No	Subject of Procurement	Method of Proc	Date of award	Service Provider	Contract Amount (UGX)
1.	KAMU849/WRKS/24-25/00003	Construction of Kasozi piped water scheme in Namasagali Sub-County	Open National Bidding	16th December 2024	Vimalraj Construction Co. Ltd	450,394,101
2.	MoLG-NOSP/KAMU/Wrks/23-24/00032/A27	Rehabilitation of 12.23 KM of community access roads in Kitayunjwa Sub County, Kamuli District under Batch A Lot 40	Open National Bidding	25th February 2025	MJ Suppliers and contractors Ltd	1,140,408,434
3.	KAMU849/SUPLS/24-25/00023	Supply, Delivery, Installation, Training and commissioning of Equipment's for Kagumba HCIII in Kamuli District Lot 10	Open National Bidding	14th January 2025	Inventive Capacity Consults Ltd	128,272,170
4.	KAMU849/SUPLS/24-25/00001	Supply of Assorted Borehole Spare Hand Pump Parts	Selective National Bidding	16th December 2024	Bisca (U) Ltd	184,831,000
5.		Balawoli-Namasagali-17km bush clearing, shaping, spot gravel, offshoots etc but without raising any swamp	Force on Account	11th February 2025		197,404,000
6.	KAMU849/WRKS/24-25/00002	Construction of Kasambira Seed secondary school in Kamuli District at a cost	Selective National Bidding	16th December 2024	Wanji General Enterprises U Ltd	2,838,716,337
7.	KAMU849/WRKS/24-25/00066	Partial renovation of IFMS/Procurement Block at Kamuli District	Selective National Bidding	11th February 2025	Honor Multi Services Ltd	29,894,000
8.	KAMU849/WRKS/24-25/00012	Sectional Completion of Administration Block Phase VI and Construction of a 5-stance lined latrine at the District Head Qtrs	Selective National Bidding	16th December 2024	Talya General Contractors Ltd	249,975,600
9.	KAMU849/WRKS/24-25/00008	Construction of a 2 no 3-stance lined latrine at in Kibuye and Nabwigulu under Water Office	Selective National Bidding	16th December 2024	Mj Services Ltd	39,100,000
10.	KAMU849/WRKS/24-25/00004	Siting, Design, Drilling, Test Pumping and platform casting of 08 Boreholes	Selective National Bidding	16th December 2024	Klr Uganda Ltd	152,338,000

No.	Proc Reference No	Subject of Procurement	Method of Proc	Date of award	Service Provider	Contract Amount (UGX)
11.	KAMU849/SUPLS/24-25/00002	Supply and Delivery of ICT equipment to Seed Secondary Schools in Kamuli Lot 2	Selective National Bidding	23rd April 2025	Sandrax Lab Tech Solutions Uganda Ltd	148,000,000
12.	KAMU849/WRKS/24-25/00043	Re-Roofing of a 4-classroom block at Isimba Primary School in Kisozi Sub County	Selective National Bidding	11th November 2024	Green Double Line Contractor Ltd	36,889,940
	TOTAL					**5,596,223,582**

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 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 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	**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	This implies 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.	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 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	**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
	practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.		

SATISFACTORY
Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time.