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

COMPLIANCE INSPECTION REPORT FOR FINANCIAL YEAR 2024/2025

KASSANDA DISTRICT LOCAL GOVERNMENT

JUNE 2026

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ACRONYMS

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

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Kassanda District Local Government for FY 2024/2025, 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 activities were yet to be conducted as recommended in the board of survey report. However, the inspection identified weaknesses, including failure to fully implement the previous audit recommendations; inadequate bidding documents; delays in the procurement processes; irregularities in signed contracts; failure to dispose of obsolete assets; and failure to maintain key procurement and contract management records.

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 2024/2025 was therefore assessed as **Moderately Satisfactory**, with an overall weighted average risk score of **39%**, requiring targeted management interventions to strengthen efficiency, contract management, and compliance.

Despite the moderately satisfactory 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 did not fully implement any of the previous audit recommendations for FY 2023/2024 which hindered performance improvement of the Entity's procurement and disposal function.

2. Section 60(7) of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity to, on a quarterly basis and whenever necessary, review and update its procurement plan. The Authority found that the Entity's procurement plan for FY 2024/2025 was worth UGX 9,331,470,469 as noted from the Entity's consolidated procurement plan. The quarterly reports submitted to the Authority indicated a total procurement spend of UGX 7,568,663,773 (81%) therefore denying beneficiaries services worth UGX 1,762,806,696 (19%).

3. Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 requires a Procuring and Disposing Entity, when preparing bidding documents, to adopt the most appropriate contract type, payment structure, and payment terms for the procurement. The Authority found that the Entity prepared and issued inadequate solicitation documents in five procurements worth UGX 527,524,735, exposing the Entity to the risk of receiving non-responsive bids and entering into contracts that may not adequately protect its interests.

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 10

procurements worth UGX 1,666,325,853, the Authority found delays at various stages in the procurement processes. This denied timely service delivery to the intended beneficiaries.

5. Regulation 9(1)(a) and (f) of the PPDA (Contracts) Regulations, 2023 prescribes the contents and preparation of contracts, including specification of the contract commencement date and the requirement for performance security. The Authority found irregularities in signed contracts for 13 procurements worth UGX 877,506,335, including failure to require performance securities and failure to provide for submission of updated works programmes, among other omissions. These weaknesses exposed the Entity to increased risks of disputes, delayed performance, and inadequate contractual protection during implementation.

6. 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 the disposal process 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 2023/2024 Board of Survey Report. This undermined value for money by tying up public resources in idle assets, allowing further loss in value through depreciation and deterioration, and exposing the assets to risks of loss, misuse, theft, and vandalism.

7. 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 six procurements worth UGX 1,192,943,8 the Authority found that the procurement action files lacked key records such as Performance Securing Declaration, payment records, contract implementation plan, delivery notes, Contract Committee minutes and record of approval for additional funding, which undermined transparency, accountability and effective contract oversight.

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

1. The Accounting Officer should:
   i. Prepare a time-bound implementation action plan by assigning each action to a named responsible officer with clear deadlines, maintain an implementation tracker with required evidence for each action and conduct quarterly management reviews of progress until full implementation is achieved;
   ii. Direct the Heads of User Departments and the Head Procurement and Disposal Unit to review the procurement plan at the point of initiation and update it where necessary before commencing any procurement, in accordance with Sections 58(4) and 58(5) of the PPDA Act, Cap. 205;
   iii. Refrain from signing any contract unless it is complete and includes all mandatory contract details (scope/deliverables, timelines, contract price, payment terms, securities, defect liability/warranty provisions, and remedies), in line with Regulation 9 of the PPDA (Contracts) Regulations, 2023; and
   iv. Supervise the preparation, approval, and implementation of annual disposal plans based on the recommendations of the Board of Survey, including conducting asset valuations are in a timely manner to facilitate the disposal of boarded-off assets in accordance with Section 60(2)(e) of the PPDA Act, Cap. 205.

2. The Head of Procurement and Disposal Unit should:
   i. Prepare adequate solicitation documents in accordance with Regulations 33-40 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023;
   ii. Take proactive operational measures to minimize delays and enhance efficiency in procurement processes by conducting timely preparation and issuance of bidding documents, evaluation reports, and contract documents to avoid any avoidable administrative delays; and
   iii. Maintain and file complete records of all procurement and disposal proceedings on the respective files, in accordance with Section 33(o) of the PPDA Act, Cap. 205.

Kassanda District Local Government should implement the recommended action plan on page **34** of this report.

CHAPTER 1: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Kassanda District Local Government for the Financial Year 2024/2025 and reviewed 10 sampled procurement transactions. The inspection involved a review of procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the PPDA Act, Cap. 205, the PPDA Regulations, 2023 and PPDA Guidelines, 2024.

1.2 Inspection Objectives

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

The specific objectives of the inspection were to:

1. 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;
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; and
4. Follow up on the implementation of UGIFT projects.

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 Kassanda District Local Government during the Financial Year under review was Ms. Jessica Ndagire Nsobya, 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 on Committee	Job Title
1.	Ms. Robinah Nakabira	Chairperson	Principal Town Clerk
2.	Mr. Muhumuza Siliwano	Member	Senior Planner
3.	Mr. Nicholas Niragire	Member	Agricultural Officer
4.	Mr. Robert Kasendwa	Member	Principal Commercial Office

According to Section 33 of the PPDA Act, Cap. 205, all procurement or disposal activities of the Procuring and Disposing Entity except adjudication and the award of contract were to be managed by the Procurement and Disposal Unit. The Procurement and Disposal Unit during the Financial Year under review had two staff as detailed in Table 2 below:

Table 2: Staff in the Procurement and Disposal Unit

No.	Name	Job Title	Academic Qualifications
1.	Ms. Jesca Nansinjo	Senior Procurement Officer	Master's Degree, Post Graduate Diploma and a Bachelors in Procurement, and CIPS
2.	Mr. Godfrey Mugisa	Procurement Officer	Bachelors in procurement

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 10 transactions under the Financial Year 2024/2025. (**Annex 2**).

1.5 Methodology

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 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 activity commenced on 25th March 2026 and thereafter, a debrief meeting to discuss preliminary findings was held with the Entity management and staff on 27th 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 26th 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 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 19% of the Procurement Plan

The Entity's total procurement budget for the Financial Year 2024/2025 was UGX 9,331,470,469 as noted from the Entity's consolidated procurement plan. The monthly reports submitted to the Authority indicated a total procurement spend of UGX 7,568,663,773 implying that the Entity did not implement planned procurements estimated at UGX 1,762,806,696 (19%). Details of implementation are summarized in Table 3 below

Table 3: Analysis of Procurement Spend

Total procurement plan value inclusive VAT (UGX)	9,331,470,469
Total procurement spend value inclusive VAT (UGX)	7,568,663,773
Implementation Rate (%)	81%
Implementation variance (UGX)	1,762,806,696
Implementation variance (%)	19%

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

Implication

This significantly undermined service delivery and value for money, since most planned procurements were not undertaken within the year, potentially denying intended beneficiaries' goods, works and services worth UGX 1,762,806,696.

Management Response

We acknowledged the auditor's response, however, all procured items during the financial year were as per the budget allocations and were all consolidated in the procurement work plan.
See attached copies of upgraded approved Consolidated work plan.

Authority's comment

The Authority noted management's response; however, the revised procurement plan referred to in the response was not submitted for verification. Accordingly, the audit finding was maintained.

Recommendations

1. 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. The Head Procurement and Disposal Unit should align the procurement plan to the Entity's expenditure programme and aggregate requirements by preparing a realistic, budget-backed procurement plan based on confirmed funding and prioritized needs, in accordance with Sections 60(2)(a) and 60(2)(d) of the PPDA Act, Cap. 205

2.1.2 Failure to Implement 100% of the Previous Audit Recommendations.

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

The Entity was issued with a compliance audit report for FY 2023/2024 containing ten (10) recommendations, of which six (60%) were partially implemented and four (40%) were not implemented as indicated in Table 4 below:

Table 4: Previous Audit Recommendations Partially Implemented and Not Implemented

No.	Recommendation	Status	Management Response
The Accounting Officer should:			
1.	Put in place a strong internal mechanism and a dedicated team of staff for implementation of audit recommendations that will ensure full implementation of the Authority's previous audit recommendations.	Partially Implement	*Quarterly check-ups on the identified issues to ensure clarity*
2.	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 observation by the inspection team and took note to comply with the requirement*
3.	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 promised to Improve on supplier relationship and encouragement to participate competitively to achieve value for money*
4.	Ensure that assets of the Entity are reviewed and disposed of following the methods recommended in line with Regulations Regulation 2(1) of the PPDA (Disposal of Public Assets) Regulations 2023.	Not Implemented	*Management acknowledged the Authority's observation and stated that a Disposal plan for the current Financial Year 2025-2026 was prepared with the Entity waiting for the valuation report from the Chief Mechanical Engineer.*
5.	The Contracts Committee should critically review bidding documents submitted by the Procurement and	Partially Implemented	*Advice is taken going forward we shall implement as per guidance*

No.	Recommendation	Status	Management Response
	Disposal Unit to ensure that there are no inconsistencies in accordance with Regulation 10 of the PPDA (Procuring and Disposing Entity) Regulations, 2023.		
6.	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 stated that during the Authority's visit reports were not present but copies are available for review.* **Authority's comment:** Noted the Entity's response; however, reports from the Internal Auditor were not availed for verification.
The Head PDU should			
7.	The Head PDU should ensure that the Entity's quarterly procurement and disposal reports are submitted to the Authority in accordance with Regulation 15(1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.	Partially Implemented	*Management acknowledged the finding and stated that during the Authority's visit reports were not present but copies are available for review.* **Authority's comment:** Noted the Entity's response; however, reports were not provided for verification.
8.	The Head PDU should ensure that micro procurements are reported to Contracts Committee for approval.	Not Implemented	*Management acknowledged the Authority's observation and stated that monthly presentation in the Technical Planning Committee will be made and submitted to PDU for approval follows.*
9.	The Head PDU should ensure adequately prepare and review solicitation documents in accordance with Regulation 48 and Regulation 42 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 in the subsequent procurements*
10.	The Head PDU should ensure that all records regarding procurement are	Partially implemented	*Management acknowledged the finding and promised that*

No.	Recommendation	Status	Management Response
	properly kept and filed in their respective files in accordance with Section 41 of the PPDA Act 2003.		*all records will be archived as required*

Implication
This indicates 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.

Management Response
Management acknowledged the audit finding and committed to put more emphasis in ensuring that all recommendations are fully implemented.

Recommendations
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 not implemented and six partially implemented recommendations, 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.

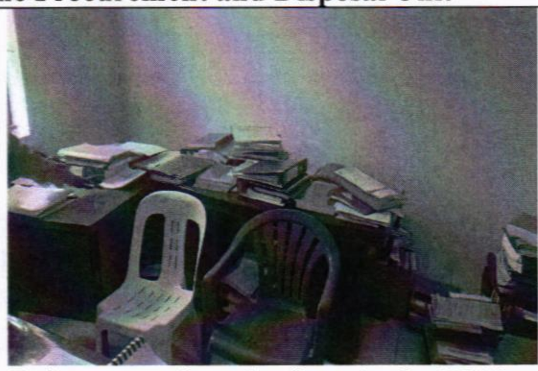
2.1.3 Inadequate Record Storage Facilities

Section 44(1) of the PPDA Act, Cap. 205 requires an Entity to maintain records of all procurement and disposal proceedings for a period of seven years from the date of the decision to terminate the procurement or disposal action.

The Authority found that the Entity's Procurement and Disposal Unit was not adequately facilitated with storage equipment, such as filing cabinets, to properly file and store procurement records. Some of the documents were kept on the floor outside the Procurement and Disposal Unit as indicated in figure 1 below:

Figure 1: Procurement records poorly kept in the Procurement and Disposal Unit

Bids scattered on the floor in the PDU as at 25th March 2026



Bids scattered on the floor in the PDU as at 25th March 2026

Implication
This undermined safe custody and integrity of procurement records, since documents kept on the floor or outside the PDU are exposed to loss, damage, misplacement, unauthorised access or tampering.

Management Response
Management acknowledged the audit finding, however explained that the procurement Unit has been provided with storage space and metallic shelves are planned for next financial year.

Authority's comment
The Authority noted management's response. However, no records of work plan where provided to confirm that metallic shelves were planned for in the subsequent financial year. Additionally, the Entity did not provide the provisional measures for safe custody of the store procurement records until the proposed metallic shelves are procured and installed.

Recommendations
1. The Head, Procurement and Disposal Unit should follow up on the acquisition of metallic shelves and ensure that procurement and disposal documentation is archived in accordance with Section 44(1) of the PPDA Act, Cap. 205.
2. The Accounting Officer should provide a temporary space for maintaining and archiving records of the procurement and disposal process to preserve them from destruction in accordance with Section 44(1) of the PPDA Act, Cap. 205.

2.1.4 Procurement Outside the Approved Procurement Plan
Section 60(10) of the PPDA Act, Cap. 205 provides that procurement shall not be carried out outside the procurement plan except in cases of emergency.

The Authority found that the Entity procured ICT Equipment for the seed schools of Kiganda and Kyakiddu respectively (Lot 1&2) valued at UGX 330,000,000 outside the procurement plan.

Implication
This undermined procurement planning and accountability, since the Entity undertook procurement outside the approved plan and limited transparency.

Management response
The procurement of ICT was consolidated in the procurement plan under No. Kass885/Spls/24-25/ 0003 and copies are attached for verification Annex 2.

Authority's comment
The Authority noted management's response and reviewed the submitted procurement plan. However, the ICT equipment reflected under procurement reference Kass885/Spls/24-25/0003 related specifically to Makokoto Seed School and did not support the procurement under review. Accordingly, the audit finding was maintained.

Recommendation
The Accounting Officer should direct the Heads of User Departments and the Head Procurement and Disposal Unit to review the procurement plan at the point of initiation and update it where

necessary before commencing any procurement, in accordance with Sections 58(4) and 58(5) of the PPDA Act, Cap. 205, which require a Procuring and Disposing Entity to review and update its procurement plan on a quarterly basis and whenever necessary.

2.1.5 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 two requisition forms of procurements worth UGX 480,001,600 as indicated in Table 5 below.

Table 5: Procurements with no Reference Numbers on the Requisition Form 5

No.	Subject of procurement	Amount (UGX)
1.	Supply and installation of ICT Equipment at kiganda seed school in Kiganda Town Council and Kyakiddu seed school in Mbirizi S/C	330,000,000
2.	Procurement and installation of lightening arrestors to education department	150,001,600
	Total	**480,001,600**

Note: *The reference numbers above were extracted from the Entity's procurement and disposal reports submitted to the Authority for financial year 2024/2025*

Implication

This weakened traceability and control of the procurement process, since the affected requisitions could not be uniquely tracked from initiation through approvals, solicitation, evaluation, award and contract management. It also increased the risk of misfiling, duplication of procurement actions and omissions in the procurement register.

Management Response

Management acknowledged the finding and pledged that going forward reference Numbers will be indicated on requisition forms.

Recommendation

The Head, 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.

2.1.6 Inadequate Solicitation Documents

Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 sets out the considerations that must be addressed when preparing bidding documents.

The Authority found that in five procurements valued at UGX 527,524,735 during FY 2024/2025, the bidding documents issued to bidders were inadequate and lacked key information. The affected procurements are detailed in Table 6 below.

Table 6: Procurements with Inadequate Solicitation Documents

No.	Subject of Procurement	Value (UGX)	Irregularity
1.	Construction of Public Latrine at Langongwe RCC Kijuna	30,440,991	• The bidding document did not provide for location of works • The bidding document did not provide for bid securing declaration • The bidding document did not provide for performance securing declaration • The bidding document did not provide for update of work program under GCC 27of the special conditions of contract • The bidding document did not provide for the address of the employer • The bidding document did not provide for location of the site under Site GCC1.1(ee)
2.	Drilling of Eight (8) hand pump boreholes in various places in Kassanda District	225,114,116	The bidding document did not specify the equipment required to execute the work
3.	Construction of the Mini Solar Piped Water System at Bweyongedde	150,210,000	• The bidding document did not indicate the location of works • The bidding document did not provide for Personnel • The bidding document did not provide for Equipment • The bidding document did not provide for program for the works. GCC 27 clearly stated that no program of works shall not be required
4.	Construction of security fence at Kasanda Secondary school	17,975,412	• The bidding document did not provide for bid securing declaration • The bidding document did not state the location of works • The bidding document did not state the address of the employer.) Notices GCC 6.1) was left blank • The bidding document did not provide for program of works. Program GCC 27 clearly stated that the above requirement as Not Applicable.
5.	Partitioning and remedial works on Kassanda	103,784,216	• The bidding document did not indicate the location of works • The bidding document did not specify the equipment required

No.	Subject of Procurement	Value (UGX)	Irregularity
	Administration block		• The bidding document did not indicate the address of the employer (GCC 6.1) was blank • The bidding document did not provide for program of works as its clearly indicated not required under GCC 27
	TOTAL	**527,524,735**	

Implication
This poses a risk of bidders preparing non-responsive bids and it also leads to procurement of items which do not meet the users' requirements.

Management Response
Management acknowledged the finding and promised to improve in the subsequent procurements.

Recommendation
1. The Head, Procurement and Disposal Unit should prepare adequate solicitation documents in accordance with Regulations 33-40 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
2. The Contracts Committee should critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies in accordance with Section 30(2) of the PPDA Act, Cap 205.

2.1.7 Low Bidder participation
Section 45 and 46 of the PPDA Act, Cap. 205 provides that all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money.

The Authority found low bidder response rates in four procurements worth UGX, 509,340,923 when the Request for Quotation method was used. The Entity attracted either one or two bidders with most sampled procurements at an average response rate of 2 bids when the Request for Quotation method was used as indicated in the Table 7 below.

Table 7: Procurements with Low Bidder Participation:

No.	Procurement details	Method of procurement	Contract Value (UGX)	Number of Bids Submitted
1.	Construction of Public Latrine at Langongwe RCC Kijuna	Request for Quotation	30,440,991	2
2.	Partitioning and remedial works on Kassanda Administration block		103,784,216	1
3.	Procurement and installation of lightening arrestors to education department		150,001,600	1
4.	Drilling of Eight (8) hand pump boreholes in various places in Kassanda District		225,114,116	1
Total			**509,340,923**	**Av. 1**

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 finding and pledged to put measures to address the issue of low bidder participation in the subsequent procurements.

Recommendations
The Accounting Officer should direct the Head, Procurement and Disposal Unit to strengthen competition under the quotation method by:
1. Issuing RFQs to all providers on the approved shortlist and confirming their capacity/availability before invitation;
2. Allowing adequate response time and ensuring requirements are clear and non-restrictive; and
3. 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.

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

The Authority found delays in the procurement processes at different stages of 10 procurements worth UGX 1,666,325,853 as indicated in Table 8 below:

Table 8: Delays in the Procurement Processes

No.	Subject of Procurement	Amount (UGX)	Findings
1.	Construction of Public Latrine at Langongwe RCC Kijuna	30,440,991	• Delay by PDU in submitting the bidding documents, procurement method and shortlist to the Contracts Committee for approval for 90 working days, from 14th April 2024 to 22nd August 2024 • Delay by the PDU in issuing the bidding documents for 11working days, from 22nd August 2024 to 11th September 2024
2.	Drilling of Eight (8) hand pump boreholes in various places in Kassanda District	225,114,116	• Delay by PDU in submitting the bidding documents, procurement method and shortlist to the Contracts Committee for approval for 90 working days, from 14th April 2024 to 22nd August 2024. • Delay by PDU to issue the bidding document for 10 working days, from 28th August 2024 to 11th September 2024.

			• Delay of 49working days in signing the contract, from 11th November 2024 to 20th January 2025.
3.	Construction of the Mini Solar Piped Water System at Bweyongedde	150,210,000	• Delay by PDU in submitting the bidding documents, procurement method and shortlist to the Contracts Committee for approval for 90 working days, from 14th April 2024 to 22nd August 2024. • Delay by PDU to issue the bidding document for 10 working days, from 28th August 2024 to 11th September 2024.
4.	Construction of security fence at Kasanda Secondary school	17,975,412	• Delay of 45 working days in approval of the requisition by the Accounting Officer, from 3rd April 2024 (date the requisition was raised) to 7th June 2024 (date it was approved). • Delay by PDU in submitting the bidding documents, procurement method and shortlist to the Contracts Committee for approval for 54 working days, from 7th June 2024 when the Accounting Officer signed the Requisition form to 22nd August 2024 when CC convened and approved the procurement.
5.	Construction of a mini solar piped water system at Kalongo	210,551,648	• Delay by PDU in submitting the bidding documents, procurement method and shortlist to the Contracts Committee for approval for 90 days, from 14th April 2024 to 22nd August 2024 when CC convened and approved the procurement. • Delay by PDU to issue the bidding document for 15 working days, from 22nd August 2024 to 11th September 2024. • Delay of 20 working days in completing bid evaluation, from 24th September 2024 to 21st October 2024.
6.	Partitioning and remedial works on Kassanda Administration block	103,784,216	• Delay by PDU in submitting the bidding documents, procurement method and shortlist to the Contracts Committee for approval for 90 working days, from 14th April 2024 to 22nd August 2024 when CC convened and approved the procurement. • Delay by PDU to issue the bidding document for 58 working days, from 20th June 2024 to 11th September 2024.

			• Delay of 110 working days in signing the contract, from 13th November 2024 to 29th April 2025.
7.	Supply and installation of ICT Equipment at kiganda seed school in Kiganda Town Council and Kyakiddu seed school in Mbirizi S/C	330,000,000	• Delay by Accounting Officer to confirm funding by signing the requisition form for 45 working days from 3rd April 2024 when the Head of Department signed to 7th June 2024. • Delay by Contracts Committee to convene and approve PDU submissions for 54 working days from 7th June 2024 when Accounting Officer confirmed the funding on 7th June 2024 to 22nd Aug 2024. • Delay by PDU to issue the bidding document for 26 working days, from 22nd August 2024 to 27th September 2024. • Delay of 13 working days in signing the contract, from 11th November 2024 to 28th November 2024.
8.	Construction of a 3 Classroom block at Kassanda secondary school	199,980,000	• Delay by PDU in submitting the bidding documents, procurement method and shortlist to the Contracts Committee for approval for 85 days, from 26th April 2024 to 22nd August 2024 when CC convened and approved the procurement. • Delay of 16 days in completing bid evaluation, from 24th September 2024 to 15th October 2024. • Delay of 119 days in signing the contract, from 11th November 2024 to 29th April 2025.
9.	Procurement and installation of lightening arrestors to education department	150,001,600	• Delay by Accounting Officer to confirm funding by signing the requisition form for 45 days from 3rd April 2024 when the Head of Department signed to 7th June 2024. • Delay by PDU in submitting the bidding documents, procurement method and shortlist to the Contracts Committee for approval for 54 days, from 7th June 2024 to 22nd August 2024 when CC convened and approved the procurement. • Delay of 18 days in completing bid evaluation, from 24th September 2024 to 17th October 2024. • Delay of 15 days in signing the contract, from 11th November 2024 to 2nd December2024.
10.	Construction of staff quarters at	248,267,870	• Delay by PDU in submitting the bidding documents, procurement method and shortlist to the Contracts Committee for approval for 85

	Buseregenyu H/C III		working days, from 16th April 2024 to 22nd August 2024 when CC convened and approved the procurement. • Delay of 19 working days in completing bid evaluation, from 24th September 2024 to 18th October 2024.
	Total	**1,666,325,853**	

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 observations and promised to improve in the subsequent procurements.

Recommendations
1. The Accounting Officer should enforce strict adherence to procurement timelines as prescribed under Section 51 of the PPDA Act, Cap. 205 and hold responsible officers accountable for unjustified delays that affects service delivery.
2. The Head, Procurement and Disposal Unit should take proactive operational measures to minimize delays and enhance efficiency in procurement processes by ensuring timely preparation and issuance of bidding documents, evaluation reports, and contract documents to avoid any avoidable administrative delays.

2.1.9 Signing of Inadequate Contracts
Regulation 9 (1) of the PPDA (Contracts) Regulations, 2023 provides for the contents of a contract and the manner in which it should be prepared.

The Authority found irregularities in signed contracts of eight Procurements worth UGX 877,506,335 which lacked key information as detailed in Table 9 below;

Table 9: Procurements with Inadequate Contracts

No.	Subject of Procurement	Amount (UGX)	Irregularity
1.	Construction of Public Latrine at Langongwe RCC Kijuna	30,440,991	• The contract did not provide for performance securing declaration • The contract did not provide for submission of a works programme.
2.	Drilling of Eight (8) hand pump boreholes in various places in Kassanda District	225,114,116	The contract did not provide for program of works.
3.	Construction of the Mini Solar Piped Water System at Bweyongedde	150,210,000	The contract did not provide for a Performance Securing Declaration
4.	Construction of security fence at Kasanda Secondary school	17,975,412	The contract did not provide for a Performance Securing Declaration

No.	Subject of Procurement	Amount (UGX)	Irregularity
5.	Partitioning and remedial works on Kassanda Administration block Procurement Plan: Yes	103,784,216	• The contract did not include a provision for a Performance Securing Declaration • The contract did not provide for submission of a works programme.
6.	construction of a 3-classroom block at Kassanda secondary school	199,980,000	• No provision for performance security. • No provision for ES performance security. • No provision for submission of a program of works by the contractor. • No provision for mechanism of dispute resolution.
7.	Procurement and installation of lightening arrestors to education department	150,001,600	• GCC 1(dd) stated site location to all selected schools but did not specify each school by name. • GCC36.1 did not provide for submission of program of works. • The contract did not provide for performance securing declaration.
	Total	**877,506,335**	

Implication

This weakened contract enforceability and accountability, since contracts that lack key information create ambiguity over the parties' obligations, deliverables, timelines and remedies.

Management Response

Management acknowledged the finding, however, for work programmes, Contract managers are tasked to prepare implementation plans where copies are attached on action files.

For Standard Performance Declaration templates were not in place and this was communicated in September 8th 2025 way forward we promise an improvement in this area as per guidance

Authority comment

The Authority took note of the Management response however, the response does not justify the exclusion of the questioned clauses from the contracts. Rather, it explains the obligation of contract managers to provide copies of documents that were not contractually required.

Recommendation

The Accounting Officer should refrain from signing any contract unless it is complete and includes all mandatory contract details (scope/deliverables, timelines, contract price, payment terms, securities, defect liability/warranty provisions, and remedies), in line with Regulation 9 of the PPDA (Contracts) Regulations, 2023.

2.1.10 Signing of Contracts against expired bids

Regulation 62 (d) of the PPDA (Rules and Methods for Procurement) 2014 states that where an extension to the bid validity period becomes necessary, a bidder shall be requested in writing, before the expiry of validity of their bid, to extend the validity for a specified period to complete the process outlined in sub regulation (3).

The Authority found that the Entity signed seven contracts worth UGX 1,107,798,793 based on expired bids, as detailed in Table 10 below:

Table 10: Contracts Signed with Expired Bid Validities

No.	Subject of Procurement	Provider	Amount (UGX)	Irregularity
1.	Construction of Public Latrine at Langongwe RCC Kijuna	Welcom Services Ltd	30,440,991	The contract was signed on 3rd December 2024 against a bid that had expired on 24th November 2024
2.	Drilling of Eight (8) hand pump boreholes in various places in Kassanda District	Mukeum (U) Ltd	225,114,116	The Contract was signed on 20th January 2025 against a bid that had expired on 29th November 2024
3.	Construction of the Mini Solar Piped Water System at Bweyongedde	Jjemuva Enterprises Ltd	150,210,000	The contract was signed on 29th November against a bid that had expired on 19th November 2024.
4.	Partitioning and remedial works on Kassanda Administration block	Vintage International Co. Ltd	103,784,216	The contract was signed on 29th April, 2025 against a bid that had expired on 31st January, 2025
5.	Construction of a 3-classroom block at Kassanda secondary school	Sabel Holdings Ltd	199,980,000	The contract was signed on 29th April, 2025 against a bid that had expired on 24th January, 2025
6.	Procurement and installation of lightening arrestors to education department	Prime structures (U) Ltd	150,001,600	The contract was signed on 2nd December 2024 against a bid that had expired on 31st October, 2024
7.	Construction of staff quarters at Buseregenyu H/C III	DRENS Enterprises Ltd	248,267,870	The contract was signed on 20th January, 2025 against a bid that had expired on 31st October, 2024
	Total		**1,107,798,793**	

Implication

This undermined the validity and fairness of the procurement outcomes, since bidders were no longer bound by their offers after bid validity lapsed and the Entity could not reliably confirm that the accepted prices and terms were still applicable.

Management Response
Management acknowledged the finding and pledged to ensure to that contract are signed against valid bids.

Recommendations
The Accounting Officer should;
1. Strengthen oversight of the procurement process to confirm that all contracts are awarded and signed based on bids that are valid and in circumstances where delays arise, the Procurement and Disposal Unit should promptly initiate written requests to bidders for extension of bid validity prior to expiry, in line with Regulation 62 of the PPDA (Rules and Methods for Procurement) Regulations, 2014.
2. Institute internal controls to monitor procurement timelines and avoid recurrence of such non-compliance.

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 Use the Board of Survey Report to Prepare a Disposal Plan and Dispose of Boarded-Off Assets

Regulations 2(1) and (2) of the PPDA (Disposal of Public Assets) Regulations, 2023 require an Accounting Officer to review public assets annually and identify assets for disposal in the following financial year, using among others, the Board of Survey Report. Consequently, Section 60(2)(e) of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity to plan its procurement and disposal activities in a rational manner, including integrating the disposal of assets into its asset management and budgeting processes.

The Authority reviewed the Entity's records and established that, whereas the Board of Survey Report for FY 2023/2024 recommended several assets for disposal, the Entity did not prepare a disposal plan for FY 2024/2025 to facilitate and guide the disposal process. Consequently, the identified assets remained in the Entity's custody despite having been boarded off and recommended for disposal, as detailed in Table 11 below.

Table 11: List of the Assets Recommended by Board of Survey for Disposal

S/N	Item	Unique identifier (Tag/Registration Number)	Comment
1.	Motorcycle Honda CG	LG 00050-35	Recommended for disposal
2.	Motorcycle Jeiling	UG 1849R	Recommended for disposal
3.	Motor cycle (Yamaha)	UDX 086Y	Board off
4.	Motorcycle	Ug1739 a (Suzuki)	Not functional
5.	Motorcycle	UG 4103M (Yamaha)	Board off
6.	Suzuki Maruti	UG 4045M	Be disposed off
7.	Suzuki Maruti	UAA 077	Be disposed off
8.	Nisan double cabin	UG 4086M	Be disposed off
9.	Dell monitor	MOH/UHSSP/MTR/0670-B	Not in use
10.	Dell printer	MOH/UHSSP/PR/0826	Be disposed off
11.	Generator (Honda)	USAID/AIM/12731	Be disposed off

S/N	Item	Unique identifier (Tag/Registration Number)	Comment
12.	Motor vehicle Nissan Double cabin	LG0081-35	Be boarded off
13.	Mitsubishi- Tipper	LG 002-35	Be boarded off
14.	Nissan Hard Body	UG2221M	Be boarded off
15.	Double cabin- tata	UG 1111E	Be boarded off
16.	Motorcycle		Be boarded off

Source: *Entity's board of survey report for financial year 2023/2024*

Figure 2: Some of the obsolete assets due for disposal

Photo was taken on 27th March 2026 at Kassanda Police station

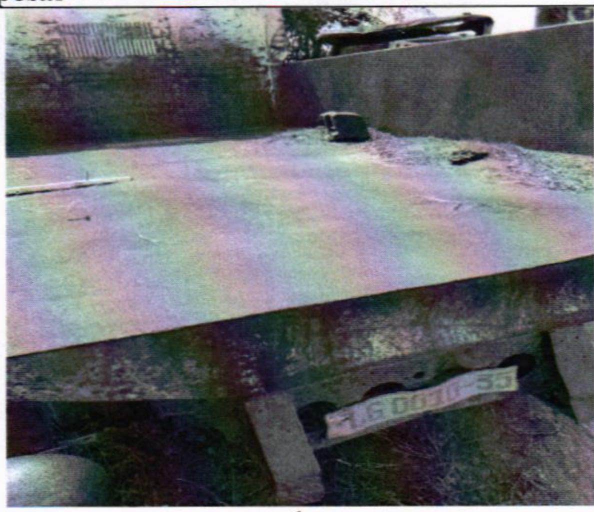


Photo was taken on 27th March 2026 at Kassanda Police station

Photo was taken on 27th March 2026 at Kassanda Police station

Photo was taken on 27th March 2026 at Kassanda Health Centre IV

	
Photo was taken on 27th March 2026 at Kassanda Health Centre IV	*Photo was taken on 27th March 2026 at Kassanda Health Centre IV*

Implication

Failure to utilize the Board of Survey Report in preparing a disposal plan and undertaking timely disposal of boarded-off assets weakens asset management and disposal controls. This resulted in continued storage and maintenance costs, deterioration of assets, accumulation of obsolete items, loss of value, and increased risk of theft, misuse, or pilferage, thereby undermining value for money.

Management Response

Management acknowledged the finding and stated that the disposal work plan is in place and that disposal is awaiting valuation of the assets by the Mechanical Engineer from the Ministry of Works and Transport. Supporting correspondence was provided for verification.

Authority's Comment

The Authority reviewed the Management response including a copy of the letter dated 5th March 2025 from the Ministry of Works and Transport addressed to the Accounting Officer indicating that the Mechanical Engineer had only committed to undertake the valuation exercise, which would subsequently generate the asset values required for the Disposal Plan for FY 2025/2026. Therefore, the evidence provided does not address the audit observation and confirms that the Entity did not prepare a Disposal Plan for FY 2024/2025.

Recommendation

The Accounting Officer should supervise the preparation, approval, and implementation of annual disposal plans based on the recommendations of the Board of Survey, including conducting asset valuations are in a timely manner to facilitate the disposal of boarded-off assets in accordance with Section 60(2)(e) of the PPDA Act, Cap. 205.

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

Regulations 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 seven contracts worth UGX 1,166,134,253, as listed in Table 12 below.

Table 12: Transactions without Performance Securing Declaration

No.	Subject of Procurement	Value (UGX)
1.	Construction of staff quarters at Buseregenyu H/C III.	248,267,870
2.	Supply and installation of ICT Equipment at kiganda seed school in Kiganda Town Council and Kyakiddu seed school in Mbirizi S/C for both Lot 1 and 2 respectively	330,000,000
3.	Partitioning and remedial works on Kassanda Administration block.	103,784,216
4.	Construction of a mini solar piped water system at Kalongo.	210,551,648
5.	Construction of security fence at Kasanda Secondary school	17,975,412
6.	Drilling of Eight (8) hand pump boreholes in various places in Kassanda District.	225,114,116
7.	Construction of Public Latrine at Langongwe RCC Kijuna.	30,440,991
	Total	**1,166,134,253**

Implication

Without a Performance Securing Declaration, the Entity is exposed to a heightened risk of contractor default, as there is no legally enforceable commitment mechanism to deter non-performance.

Management Response

Management acknowledged the observation and stated that at the time of contract signing the Authority had not issued Standard Performance Declaration template to be used by the Service providers. A communication was made on 8th September 2025 (2025-26 FY) circular No.6. of 2025.

Authority comment: Noted the the Management response; however, Regulation 11 (1) of the PPDA (Contracts) Regulations, 2023 provides for a Performance Securing Declaration as a prevailing alternative where a successful bidder is unable to furnish a Performance Security. Therefore, the requirement for successful bidders to submit Performance Securing Declaration was already provided for in the PPDA (Contracts) Regulations, 2023.

Recommendation

The Head, Procurement and Disposal Unit should adhere to the guideline on bid and performance securities by requiring a performance securing declaration for procurements under the restricted domestic, restricted international, quotation and direct bidding methods, in line with Regulation 11(2) of the PPDA (Contracts) Regulations, 2023 and Guideline No. 3 of 2024 on bid and performance securities which commenced on 5th February 2024.

2.3.2 Missing records on Procurement Action Files

Section 44 of the PPDA Act, Cap. 205 which 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 six procurements action files of transactions worth UGX 951,951,228 as indicated in Table 13 below:

Table 13: Procurements with Missing Records

No.	Subject of Procurement	Amount (UGX)	Missing Records
1.	Construction of the Mini Solar Piped Water System at Bweyongedde.	150,210,000	Performance securing declaration
2.	Construction of security fence at Kasanda Secondary school	17,975,412	Payment records
3.	Partitioning and remedial works on Kassanda Administration block	103,784,216	• Contract Implementation Plan • Commencement Letter • Site Possession Letter • Progress reports • Completion report
4.	Supply and installation of ICT Equipment at kiganda seed school in Kiganda Town Council and Kyakiddu seed school in Mbirizi S/C	330,000,000	• Record of performance security • Contract Management Plan • Delivery notes • Completion report
5.	construction of a 3 Classroom block at Kassanda secondary school	199,980,000	• Program of works • Record of performance security
6.	Procurement and installation of lightening arrestors to education department	150,001,600	• CC minutes approving shortlist of bidders • Approval for additional funding • Program of works • Record of Performance security & ES performance security records • Completion certificate • Record of payment of Retention
	Total	**951,951,228**	

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.

Management Response
The Auditors observation is noted, however, by the time of Audit the contract management records were not on file but they are available for review annex 6.

Authority's comment: The Authority noted management's response and reviewed the records submitted under Annex 6. Only records that directly addressed the issues raised were accepted; however, the remaining contract management records were either not provided or did not sufficiently resolve the identified gaps. Accordingly, the audit finding was maintained.

Recommendation
The Head, Procurement and Disposal Unit should maintain and file complete records of all procurement and disposal proceedings on the respective files, in accordance with Section 33(o) of the PPDA Act, Cap. 205.

2.3.3 Non-Utilization ICT Equipment for the Two Seed Schools in Kassanda District
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 district procured ICT equipment worth UGX 330,000,000 for Kiganda Seed Secondary School (Kiganda Town Council) and Kyakiddu Seed Secondary School (Mbirizi Sub- County) under Lots 1 and 2, respectively; however, the equipment was kept in the district stores, as illustrated in the photographs as indicated in figure 3 below:

Figure 3: Unutilized ICT Equipment at the District Stores

	
ICT Equipment for Kiganda Seed Secondary School kept in the district store, 27th March 2026	*ICT Equipment for Kyakiddu Seed Secondary School kept in the district store, 27th March 2026*

Note: The Authority could not ascertain the length of the period the ICT Equipment had been kept in the store since delivery notes were not provided.

Implication

This undermined value for money and timely service delivery, since the intended beneficiary schools could not utilise the ICT equipment as planned while it remained in the district stores. Prolonged storage also increases the risk of damage, loss, theft, obsolescence, and misallocation, and weakens accountability.

Management Response

Management acknowledged the observation however stated that by the time the computers were delivered, civil works were still in progress and there was no proper security for the computers.

Recommendation

The Accounting Officer should consider synchronizing future procurement of equipment with infrastructure readiness and security arrangements to facilitate immediate utilization and avoid idle assets, depreciation, and delayed realization of the intended benefits.

2.4 FOLLOW UP ON THE IMPLEMENTATION UGIFT PROJECTS

Introduction

The Authority conducted a follow on the UGIFT projects in Kassanda District with an overall objective of assessing the status of contract implementation with emphasis to verification that all parties to the contract complied with the requirements and standards set forth in the contract and the provisions of the PPDA laws and UGIFT guidelines (where applicable). The projects are as indicated in Table 14 below:

Table 14: Procurements for which Contract Audits were conducted

S/N	Subject of Procurement	Procurement Ref. No	Provider	Amount (UGX)
1.	Construction of Kiganda Seed Secondary School in Kasanda District	MoES/UgIFT/Wrks/2023-24/00021	Hanan Contractors Uganda Ltd	3,498,331,250
2.	Construction of Kyakiddu Seed Secondary School in Kasanda District	MoES/UgIFT/Wrks/2024-25/00001	Niem Establishments Ltd	3,498,865,980
	Total			**6,997,197,230**

The specific objectives of the follow up were to assess;

(i). The timeliness of contract implementation

(ii). The adherence to the quality standards, specifications and cost controls

(iii). The adherence to Environmental, Social, Health and Safety (ESHS) requirements

During the course of the follow up, the Authority identified a number of exceptions for the attention of Kassanda District Local Government management. Therefore, the purpose of this letter is to communicate the findings and recommendations for your management response.

2.4.1 FOLLOW UP INTO THE CONSTRUCTION OF FACILITIES AT KIGANDA SEED SECONDARY SCHOOL KASSANDA DISTRICT

Table 15: Contract Summary - Kigganda Seed Secondary School

Entity	**Kassanda District Local Government**
Contract Title	Construction of Kiganda Seed Secondary School in Kasanda District
Name of Contractor	Hanan Contractors Uganda Uganda Ltd
Method of procurement	Open Domestic Bidding
Procurement reference No	MoES/UgIFT/Wrks/2023-24/00021
Type of Contract	Lumpsum contract
Contract Price (UGX)	UGX 3,498,331,250
Contract Signing Date	9th April, 2024
Intended Site hand over date	25th April 2025
Submission of program for works	7 days from the date of signature of agreement
Actual Site hand over date	25th April 2025
Commencement date	Immediately after contract signature

Intended Contract completion date	25th April, 2026
1st extension	N/A
Defects Liability Period	Twelve (12) months
Liquidated damages	0.001% per day, maximum amount of liquidated damages for the whole works is 0.05% of final contract price
Retention of the contract amount	10% of the value of the work done
Project Manager	The District Engineer

Contract Scope/ deliverables/outputs

Description	Quantity	Unit Rate (UGX)	Amount (UGX)
Preliminaries	1	100,300,000	100,300,000
Site levelling works	1	163,200,000	163,200,000
2-classroom block	2	228,577,725	457,155,450
2-unit science laboratory block	1	390,023,525	390,023,525
Administration block	1	254,504,225	254,504,225
2-unit teachers house	1	226,416,375	226,416,375
2-unit teacher's kitchen	1	58,979,900	58,979,900
2-stance lined VIP latrine block-Admin	1	28,994,100	28,994,100
2-stance lined VIP latrine block for teacher's house	1	37,481,100	37,481,100
5-stance lined VIP latrine block-boys	1	58,655,600	58,655,600
5-stance lined VIP latrine block-girls	1	58,710,600	58,710,600
External works	1	212,500,000	212,500,000
Rain water harvest system with 5000Lwater Tank	1	6,618,000	6,618,000
ICT-library block	1	500,700,450	500,700,450
Multi-purpose Hall	1	360,448,175	360,448,175
Sports field	1	50,000,000	50,000,000
Total			2,964,687,500
VAT			533,643,750
TOTAL			**3,498,331,250**

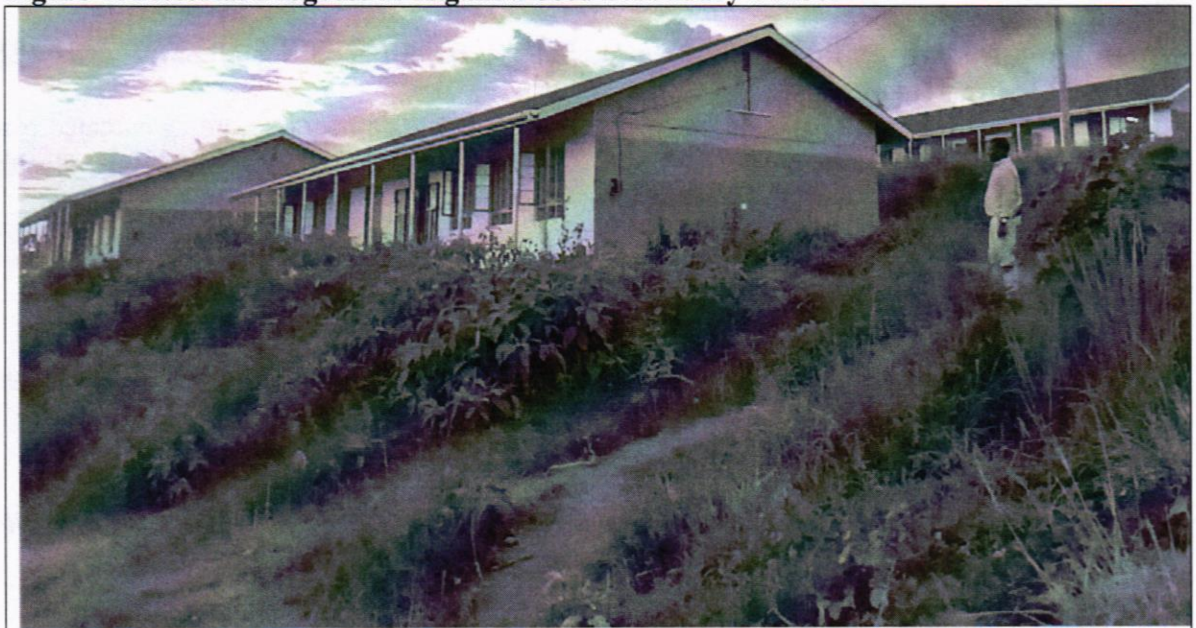
Performance security

Security	Amount (UGX)	Date of expiry
Advance payment	1,049,499,375	3rd May ,2025
Performance security (10%)	(PS)139,933,250 (ES)34,983,313	3rd May ,2025

Progress as at 27th March 2026	Time progress: 95.89.% Physical progress 89.5%

	Financial progress of 76.8% (UGX 2,686,727,250), including the advance payment and excluding retention

Figure 4: Pictorial Progress at Kiganda Seed Secondary School



Front view of the classroom blocks, Administration block, ICT and Library blocks, 27th March 2026

The following exceptions were observed at Kiganda Seed Secondary School

(a) Low Mobilization of works

The Authority observed low mobilisation on the project in terms of personnel, equipment, materials etc with the remaining works—such as sports field, rain water harvest system, painting of the facilities as well as grading and levelling of the compound. The project currently reflected a physical progress of 89.5 %, against actual time progress of 95.9 % (as at the time of physical verification on 10th March 2026) and a financial progress of 76.8% according to the contract managers' report dated 9th April, 2026

Implication

Failure to adequately mobilise personnel, equipment, and materials for the project delayed its completion as stipulated in the contract, thereby depriving the community of the intended use and benefits of the school facilities.

Management Response

Management acknowledged the auditors Observation however stated that by the time of inspection the contractor was off site but came back and cleared the site, currently the works are at finishing stage.

Authority's comment

The Authority took note of the management response however no pictorial evidence was submitted to support the management response.

Recommendation

The contract manager should expedite the completion of outstanding works to achieve full completion and prepare for final inspection and handover of the facility to the school management in accordance with Regulation 52 (3) of the PPDA (Contracts) Regulations 2023.

(b) Non-Adherence to Environmental, Safety, Health and Social Safeguards (ESHS) Requirements

The Authority found the site bushy, with no safety signs, no hoarding, no demarcated place of convenience which undermined the proof of observing the Environmental, Safety, Health and Social Safeguards (ESHS) Requirements.

Implications

- Loss of construction materials by un identified people since access would be easy.
- It compromises the security of the workers involved in construction works.
- It can lead to interference/ disruptions from the Public which can lead to the delay of the project.

Management Response

Management acknowledged the observation. However as of now the site is ready for handle over.

Authority's comment

The Authority noted management's response; however, ESHS reports with pictorial evidence were provided for verification to establish whether the ESHS aspects aforementioned were implemented.

Recommendation

The Accounting Officer should strengthen supervision and monitoring of contract implementation to ensure continuous compliance with contractual ESHS obligations throughout the project period and safeguard public resources, workers, the community, and the environment.

2.4.2 FOLLOW UP INTO THE CONSTRUCTION OF FACILITIES AT KYAKIDDU SEED SECONDARY SCHOOL KASSANDA DISTRICT

Table 16: Contract Summary - Kyakiddu Seed Secondary School

Entity	Kassanda District Local Government
Contract Title	Construction of Kyakiddu Seed Secondary School in Kasanda District
Name of Contractor	Niem Establishments Ltd
Method of procurement	Open Domestic Bidding
Procurement reference No	MoES/UgIFT/Wrks/2024-25/00001
Type of Contract	Lumpsum contract
Contract Price (UGX)	UGX 3,498,865,980
Contract Signing Date	23rd September 2024
Intended Site hand over date	-
Submission of program for works	7 days from the date of signature of agreement

Actual Site hand over date	Pending
Commencement date	Immediately after contract signature
Intended Contract completion date	24 calendar months after start date
1st extension	N/A
Defects Liability Period	Twelve (12) months
Liquidated damages	0.001% per day, maximum amount of liquidated damages for the whole works is 0.05% of final contract price
Retention of the contract amount	10% of the value of the work done
Project Manager	The District Engineer

Contract Scope/ deliverables/outputs

Description	**Quantity**	**Unit Rate (UGX)**	**Amount (UGX)**
Preliminaries	1	63,500,000	63,500,000
Site levelling works	1	408,525,000	408,525,000
2-classroom block	2	248,330,851	496,661,701
2-unit science laboratory block	1	434,647,797	434,647,797
Administration block	1	282,787,517	282,787,517
2-unit teachers house	1	230,338,110	230,338,110
2-unit teacher's kitchen	1	56,349,688	56,349,688
2-stance lined VIP latrine block-Admin	1	31,415,742	31,415,742
2-stance lined VIP latrine block for teacher's house	1	38,723,592	38,723,592
5-stance lined VIP latrine block-boys	1	60,033,475	60,033,475
5-stance lined VIP latrine block-girls	1	60,033,475	60,033,475
External works	1	176,432,500	176,432,500
Rain water harvest system with 5000Lwater Tank	1	5,123,500	5,123,500
ICT-library block	1	647,974,757	647,974,757
Multi-purpose Hall	1	456,319,125	456,319,125
Sports field	1	50,000,000	50,000,000
Total			**3,498,865,980**
Add 18% to be deemed paid by GoU & VAT Law on Aide Funded Projects			-
Total			**3,498,865,980**

Performance security

Security	**Amount (UGX)**	**Date of expiry**
Advance payment	1,049,659,794	19th March 2025
Performance security (10%)	349,886,598	23rd September 2025

Status as at 27th March 2026	Time progress: 100% Physical progress 100% Financial progress of 100%, including the advance payment and excluding retention

Figure 5: Pictorial status at Kyakiddu Seed Secondary School

Back View of the School facilities(Classrom Blocks) that require stone pitching and retaining wall -27th March 2026

The following exceptions were observed at Kyakiddu Seed Secondary School

a) Non-Adherence to Environmental, Safety, Health and Social Safeguards (ESHS) Requirements

Regulation 53(1) of the PPDA (Contracts) Regulations, 2023 states that "Subject to sub-regulation (2), a procuring and disposing entity may at any time after signing a contract issue a change order to the provider, in accordance with the contract, requiring the provider to make changes within the general scope of the contract.

The Authority found that the school facilities were constructed on a raised and steep landscape that required extensive excavation and levelling works. However, adequate protective measures, including the construction of retaining structures and other slope stabilization interventions, were not implemented to safeguard the buildings, learners, staff, and surrounding environment from potential risks of soil erosion, land slippage, and structural instability. This indicated non-compliance with the Environmental, Social, Health and Safety (ESHS) requirements and exposed the project to safety and environmental risks. The contract manager raised a variation to address (ESHS) aspects towards project completion.

Implication
This could be dangerous to the life of the students as well as the community surrounding the school facilities.

Management Response
Management acknowledged the finding however stated that a variation was raised to that effect waiting for the approval by the Ministry of Education and Sports.

Recommendation
The Accounting Officer should follow up with the Ministry of Education and Sports to obtain timely approval of the proposed variation, estimated at UGX 818,089,000, for the stone pitching and retaining works recommended by the Contract Manager and technical officers. Upon approval, the Entity should promptly implement and supervise the additional works to safeguard the infrastructure affected by site levelling, and thereafter arrange for final inspection, completion certification, and formal handover of the facility to the school management in accordance with Regulation 52(3) of the PPDA (Contracts) Regulations, 2023.

CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall Audit Conclusion

The performance of Kassanda District Local Government for the Financial Year 2024/2025 was **moderately satisfactory** with overall weighted average risk rating of **39%.**

3.2 Entity's performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 17 below:

Table 17: Summary of performance of Kassanda Distrct Local Government

Risk category	No.	%No	Value (UGX)	%Value	Weights	Total Weighted score	
						by value	by No.
High	1	10	330,000,000	20	0.6	12	6
Medium	3	30	502,053,686	30	0.3	9	9
Low	06	60	834,272,167	50	0.1	5	6
Satisfactory	00	00	00	00	1	00	0
Total	**10**	**100**	**1,666,325,853**	**100**	**1**	**26**	**21**

Weighted Average (By No.) = $\frac{\sum \text{Weighted Score X 100}}{60} = \frac{26 \text{ X } 100}{60} = 43\%$

Weighted Average (By Value) = $\frac{\sum \text{Weighted Score X 100}}{60} = \frac{21 \text{ X } 100}{60} = 35\%$

Combined Weighted Average = $\frac{43\% + 35\%}{2} = 39\ \%$

Since **39%** falls within the **31–70%** risk range, the Entity's performance for Financial Year 2024/2025 was assessed as **Moderately Satisfactory**, as illustrated in Table 18 below:

Table 18: Risk rating

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

Figure 6: Graphical Representation of the Entity's Risk Assessment by Number

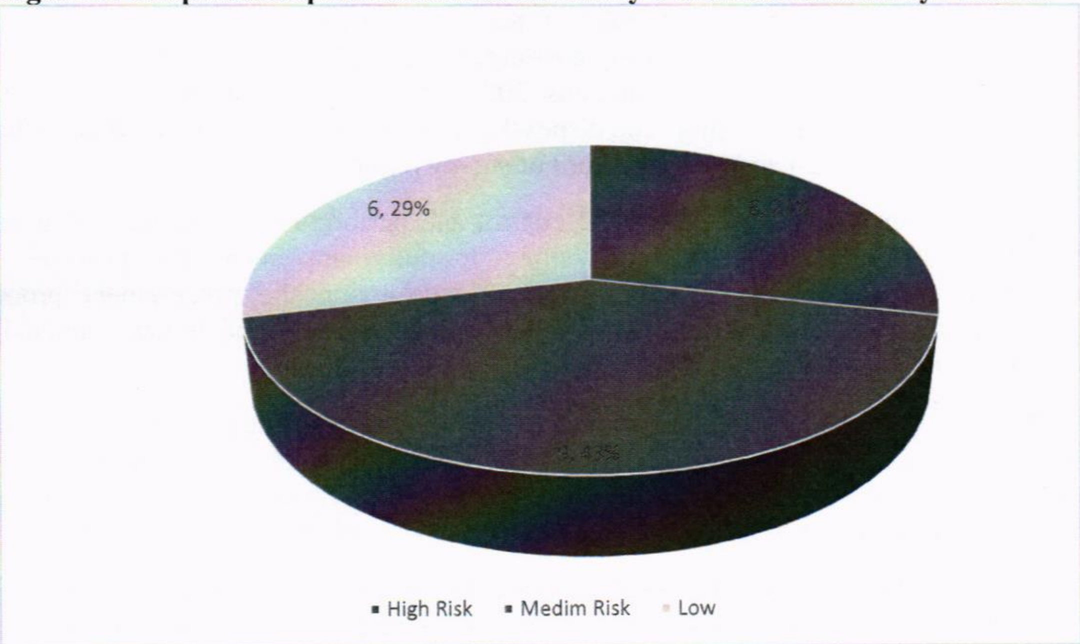
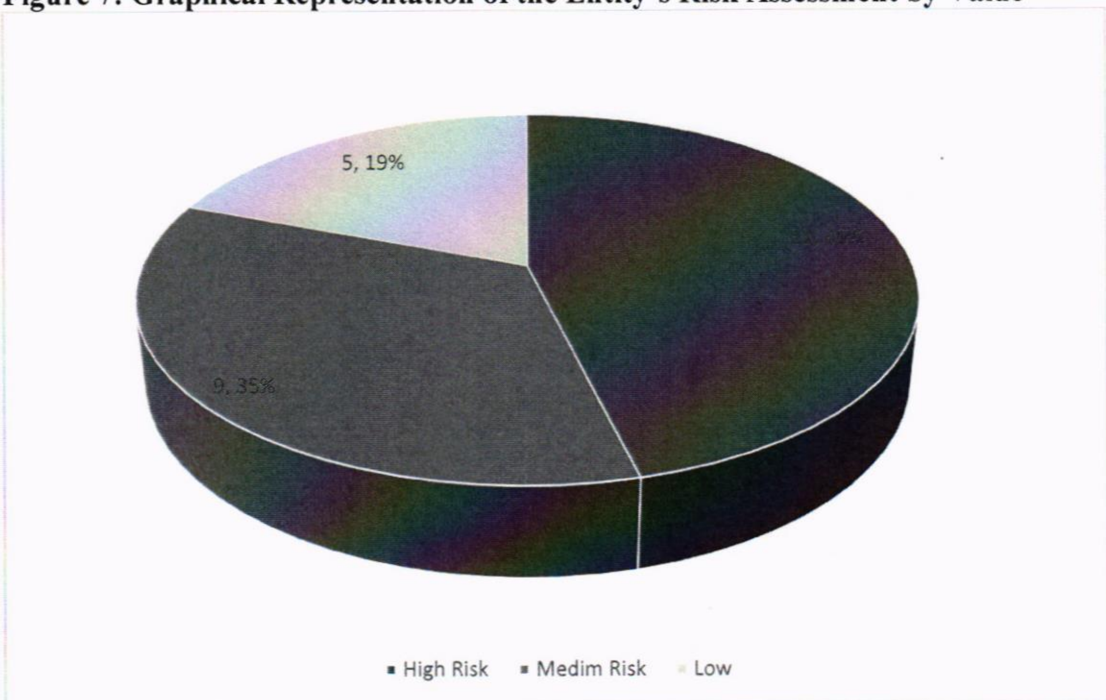


Figure 7: Graphical Representation of the Entity's Risk Assessment by Value



3.3 Audit opinion/conclusion

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

However, the inspection identified several control and performance weaknesses that require management attention. These include failure to fully implement the previous audit recommendations; inadequate bidding documents; delays in the procurement processes; irregularities in signed contracts; failure to dispose of obsolete assets; and failure to maintain key procurement 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 Kassanda District Local Government for the FY 2024/2025 is assessed as **Moderately Satisfactory**, with an overall weighted average risk of **39%**, requiring targeted management interventions to strengthen procurement efficiency, contract management and compliance with statutory and regulatory requirements.

3.4 Recommendation Action Plan

Kassanda District Local Government should implement the following recommendations as indicated in Table 19 below:

Table 19: Action Plan

Finding	Action/Recommendation	Responsible Officer	Timeline
Failure to Implement 100% of the Previous Audit Recommendations	Prepare a time-bound implementation action plan by assigning each action to a named responsible officer with clear deadlines, maintain an implementation tracker with required evidence for each action and conduct quarterly management reviews of progress until full implementation is achieved.	Accounting officer	October 2026
Failure to Implement 19% of the Procurement Plan	Direct the Heads of User Departments and the Head Procurement and Disposal Unit to review the procurement plan at the point of initiation and update it where necessary before commencing any procurement, in accordance with Sections 58(4) and 58(5) of the PPDA Act, Cap. 205.	Accounting officer	Continuous
Signing of Inadequate Contracts	Refrain from signing any contract unless it is complete and includes all mandatory contract details (scope/deliverables, timelines, contract price, payment terms, securities, defect liability/warranty provisions, and remedies), in line with Regulation 9 of the PPDA (Contracts) Regulations, 2023.	Accounting officer	Continuous
Failure to Use the Board of Survey Report to Prepare a Disposal Plan and Dispose of Boarded-Off Assets	Supervise the preparation, approval, and implementation of annual disposal plans based on the recommendations of the Board of Survey, including conducting asset valuations are in a timely manner to facilitate the disposal of boarded-off assets in accordance with Section 60(2)(e) of the PPDA Act, Cap. 205.	Accounting officer	Annually
Inadequate Solicitation Documents	Prepare adequate solicitation documents in accordance with Regulations 33-40 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	The Head Procurement and Disposal Unit	Continuous
Delays in Procurement Processes	Take proactive operational measures to minimize delays and enhance efficiency in procurement processes by conducting timely preparation and issuance of bidding documents, evaluation reports, and contract documents to avoid any avoidable administrative delays.	The Head Procurement and Disposal Unit	Continuous
Missing records on Procurement Action Files	Maintain and file complete records of all procurement and disposal proceedings on the respective files, in accordance with Section 33(o) of the PPDA Act, Cap. 205.	The Head Procurement and Disposal Unit	By end of October 2026

ANNEX 1: CASE BY CASE ANALYSIS

NO	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1	Supply and installation of ICT Equipment at Kiganda seed school in Kiganda Town Council and Kyakiddu seed school in Mbirizi S/C Ref: KASS855/SUPLS/2024-2025/00004 Lot 1& lot 2 UGX 330,000,000	• Procurement outside the procurement plan • Failure to include Reference Number on the Requisition Form • Failure to attach specifications by user Department • Delays in the procurement process • Splitting of the procurement • Failure to submit a performance security as required in GCC19.1 • Missing information • Un utilized ICT equipment in the district stores
	MEDIUM RISK CONTRACTS	**REASONS FOR MEDIUM RISK**
1.	Partitioning and remedial works on Kassanda Administration block Ref: Kas 855/ WRKS / 2024-25/00014 UGX 103,784,216	• Delays in the procurement process • Inadequate bidding document • Low Bidder Participation • Delay to sign the contract from 13th November 2024 to 29th April, 2025 • Signing of an invalid bid since bid validity was 31st January, 2025 • Inadequate Contract • Missing Information
2.	Construction of staff quarters at Buseregenyu H/C III Ref: KASS855/WRKS/2024-2025/00006 UGX : 248,267,870	• Failure to complete funds availability Section of the procurement requisition • Delays in the Procurement processes • Inadequate bidding documents • Failure to witness bid opening by CC or representative from user department • Un approved participants in evaluation • Failure to adopt SG recommendations • Inadequate contract • Signing contract after expiry of bid validity period • Failure to obtain a performance securing declaration and ES declaration from the contractor • Missing information
3.	Procurement and installation of lightening arrestors to education department Ref: KASS855/WRKS/2024-2025/00006 UGX : 150,001,600	• Failure to include Reference Number on the Requisition Form • Failure to complete funds availability Section of the procurement requisition • Delays in the procurement process • Inadequate contract

		• Signing contract after expiry of bid validity period. • Failure to request for a Performance securing declaration • Delayed to start contract implementation • Missing information
No.	**LOW RISK CONTRACTS**	**REASONS FOR LOW RISK**
1.	Construction of security fence at Kasanda Secondary school Ref: KAS 855/ WRKS / 2024-25/00020 UGX : 17,975,412	• Delays in the procurement process • Inadequacy of the bidding document • BEB shared with only the successful bidder • Inadequate contract • Missing information
2.	Construction of Public Latrine at Langongwe RCC Kijuna KAS 855/ WRKS / 2024-25/00015 UGX: 30,440,991	• Delays in the procurement process • Inadequate bidding document • No Ethical code of conduct signed by evaluators • The contract was signed against an invalid bid validity of 24th November 2024 • Inadequate contract
3.	Construction of a mini solar piped water system at Kalongo Ref: KAS 855/ WRKS / 2024-25/00010 UGX 210,551,648	• Delays in the procurement process • Inadequate contract
4.	Drilling of Eight (8) hand pump boreholes in various places in Kassanda District KAS 855/ WRKS / 2024-25/00008 UGX: 225,114,116	• Delays in the procurement process • Inadequate bidding document • Signing an invalid bid that expired on 29th November 2024(Contract signed on 20th January 2025 • Inadequate Contract
5.	Construction of the Mini Solar Piped Water System at Bweyongedde KAS 855/ WRKS / 2024-25/00009 UGX: 150,210,000	• Delays in the procurement process • Inadequate bidding document • Inadequate contract • Signing of the contract with invalid bid
6.	Construction of a 3-classroom block at Kassanda secondary school Ref: KASS855/WRKS/2024-2025/00022 UGX: 199,980,000	• Failure to put initiation date on Requisition Form • Failure to attach BOQs by user • Delays in the procurement Process • Signed the contract after expiry of bid validity period. • Inadequate contract • Missing information

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

No.	Subject of Procurement	Reference Number	Method of Procurement	Date of Award	Provider	Amount (UGX)
1.	Construction of Public Latrine at Langongwe RCC Kijuna	KAS855/ WRKS / 2024-25/00015	Request for Quotation	3rd December 2024	Welcom Services Ltd	30,440,991
2.	Drilling of Eight (8) hand pump boreholes in various places in Kassanda District	KAS855/ WRKS / 2024-25/00008	Request for Quotation	20th January, 2025	Mukeum (U) Ltd	225,114,116
3.	Construction of the Mini Solar Piped Water System at Bweyongedde	KAS855/ WRKS / 2024-25/00009	Request for Quotation	29th November 2024	Sabel Holdings Uganda Ltd	150,210,000
4.	Construction of security fence at Kasanda Secondary school	KAS855/ WRKS / 2024-25/00020	Request for Quotation	12th December 2024	Kyato Motors Ltd	17,975,412
5.	Construction of a mini solar piped water system at Kalongo	KAS855/ WRKS / 2024-25/00010	Request for Quotation	2nd January 2025	Jjemuva Enterprises Ltd	210,551,648
6.	Partitioning and remedial works on Kassanda Administration block	Kas855/ WRKS / 2024-25/00014	Request for Quotation	29th April, 2025	Vintage International Co. Ltd	103,784,216
7.	Supply and installation of ICT Equipment at kiganda seed school in Kiganda Town Council and Kyakiddu seed school in Mbirizi S/C (Lot 1& lot 2)	KASS855/SUPLS/2024-2025/00004	Request for Quotation	28th November2024	Namba General enterprises limited	330,000,000
8.	Construction of a 3-classroom block at Kassanda secondary school	KASS855/WRKS/2024-2025/00022	Request for Quotation	29th April 2025	Sabel Holdings Ltd	199,980,000
9.	Procurement and installation of lightening arrestors to education department	KASS855/WRKS/2024-2025/00006	Request for Quotation	2nd December 2024	Prime structures (U) Ltd	150,001,600
10.	construction of staff quarters at Buseregenyu H/C III	KASS855/WRKS/2024-2025/00006	Request for Quotation		DRENS Enterprises Ltd	248,267,870
	Total					**1,666,325,853**

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 ensure a formal and effective	**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.
		Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	**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 evidence of management action to put in place and monitor compliance	**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
	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.