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

COMPLIANCE INSPECTION REPORT FOR FINANCIAL YEAR 2024/2025

KYANKWANZI DISTRICT LOCAL GOVERNMENT

JUNE 2026

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ACRONYMS

FY	Financial Year
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
UGX	Uganda Shillings
ESHS	Environmental, Social, Health and Safety

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Kyankwanzi District Local Government for Financial Year 2024/2025 and reviewed 11 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 Kyankwanzi District Local Government for the Financial Year 2024/2025 was **Moderately Satisfactory** with an overall weighted average risk rating of **65.66%.** The risk rating was weighted to determine the overall risk level of the Entity as detailed in chapter three of this report.

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

1. Regulation 15(1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 requires an Entity to submit to the Authority monthly reports on procurement and disposal activities by the 15^{th} day of the month immediately following the month being reported on. The Authority found that the Entity did not submit the monthly reports for September, November, January, March, May and June, and submitted late the reports for July, August, October, December, February and April of FY 2024/25, with an average delay of 142 working days. This undermined transparency and timely regulatory oversight.

2. Section 60(7) of the PPDA Act, Cap. 205 requires an Entity to review and update its procurement plan quarterly, and whenever necessary. The Authority found that the Entity did not implement procurements worth UGX 4,670,526,645 (48.01%) out of the total procurement budget of UGX 9,727,380,975. This undermined the effectiveness of procurement planning and negatively affected service delivery.

3. The Entity did not carry out a detailed technical evaluation specifically on the availability of equipment, key technical personnel, and personnel qualifications to determine technical responsiveness in four procurements worth UGX 767,569,260. This was contrary to Regulation 15(b) of the PPDA (Evaluations) Regulations, 2023, which requires a detailed evaluation of bids that pass preliminary examination and administrative compliance to establish technical responsiveness. As a result, the Entity was exposed to the risk of awarding contracts to bidders lacking the technical capacity to execute the required works.

4. The Entity did not dispose of obsolete assets including a grader, tractor, double-cabin pickup and motorcycles, among others contrary to Regulations 2, 3 and 24 of the PPDA (Disposal of Public Assets) Regulations, 2023. This resulted in continued holding of obsolete assets, leading to avoidable storage and maintenance costs, reduced accountability for public assets, and increased risk of loss, misuse, deterioration, or vandalism.

5. Section 33(o) of the PPDA Act, Cap. 205 requires the Head, Procurement and Disposal Unit to maintain and archive records of the procurement and disposal process. The Authority found that the Entity did not maintain key procurement and contract management records including

works programmes, commencement letters, bidders' bids, contracts, payment records, and contract management plans, among others in ten procurements worth UGX 3,771,029,840. In addition, for the procurement for the design, supply and installation of micro-scale irrigation systems (estimated at UGX 754,008,000), the Entity lacked substantial completion certificates, monitoring and inspection reports. These record-keeping gaps hindered transparency and accountability in the procurement process.

6. Regulation 52 of the PPDA (Contracts) Regulations, 2023 requires a Contract Manager to ensure that the provider performs the contract in accordance with the terms and conditions of the contract. The Authority found that the Entity did not monitor contractor compliance with environmental, social and health safeguards (ESHS) in five procurements worth UGX 2,997,767,510, as evidenced by the absence of follow-up monitoring reports with pictorial evidence, despite an ESHS provision of UGX 114,220,000 in the Bills of Quantities. This exposed the projects to the risk of environmental degradation and endangering the health and safety of workers and surrounding communities.

7. Section 130(5)(e) of the PPDA Act, Cap. 205 requires an Entity applying the Force Account mechanism to maintain and manage records, equipment and supplies for the works to ensure value for money. The Authority found that the Entity did not maintain key implementation records for road works, including the routine mechanised maintenance of the Kyenda–Bekina–Guwe–Misago–Kamukanga Road worth UGX 400,000,000. Missing records included monthly reports to the Authority, appointment letters for Force Account Managers and Supervisors, call-off orders, Goods Received Notes (GRNs) for materials, and progress/completion status reports. The absence of these records weakened the inspection trail and limited the Entity's ability to demonstrate transparency, accountability, and value for money in applying the Force Account mechanism.

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

1. The Accounting Officer should:
   (a) Submit the monthly procurement and disposal reports to the Authority by the 15th day of the following month, in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 and through electronic submissions via the e-Reporting Link (https://ereports.ppda.go.ug/) as provided in Circular No. 5 of 2025;
   (b) 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;
   (c) Conduct targeted training and capacity building for key technical staff involved in bid evaluation to strengthen adherence to the approved evaluation methodology and consistent application of stated criteria;
   (d) Determine the reserve price of the assets to be disposed of by obtaining a valuation in accordance with Regulation 24 of the PPDA (Disposal of Public Assets) Regulations, 2023 and prepare a disposal plan; and
   (e) Task the District Engineer to maintain all records on the implementation of Force Account Mechanism and share copies with the Procurement and Disposal Unit for filing in accordance with accordance with Section 130 (5) (e) of the PPDA Act, Cap. 205.

Furthermore, the records should be made accessible efficiently whenever various mandated stakeholders require access.

2. Evaluation Committees should conduct a detailed technical evaluation of bids in line with the criteria stated in the bidding document and in accordance with Regulation 15 of the PPDA (Evaluation) Regulations, 2023.

3. The Head Procurement and Disposal Unit should:
   (a) 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 prioritised needs, in accordance with Sections 60(2)(a) and 60(2)(d) of the PPDA Act, Cap. 205; and
   (b) liaise with User Departments including Engineering, Production and Finance Departments for copies of all documentation relating to a procurement and archive on the procurement action file in accordance with Section 33 (o) of the PPDA Act, Cap. 205.

4. The Contract Managers should:
   (a) Keep and archive all contract management records and distribute copies to key stakeholders including the PDU as required under Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023;
   (b) Prepare a contract management plans using Form 49 and forward a copy to the Procurement and Disposal Unit for purposes of monitoring in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023; and
   (c) Always task contractors to submit work programs as per the terms and conditions of the contract before contract execution and enforce contractor's compliance to environmental, health and social safeguard measures in accordance with Regulation 52 (3) (ii) of the PPDA (Contracts) Regulations, 2023.

Kyankwanzi District Local Government should implement the recommended action plan on pages **35** to **36** of this report.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Kyankwanzi District Local Government for the Financial Year 2024/2025 and reviewed 11 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 PPDA Regulations 2014 and 2023 with regard to the performance of the procurement structures and conduct of procurement and disposal processes;
2. Assess the degree of compliance of the Entity' disposal process with the provisions of the PPDA Act, Cap. 205 and PPDA Regulations 2014 and 2023;
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;
4. Assess the implementation of the Force on Account Mechanism for road works; and
5. Assess the performance of Microscale Irrigation Projects under the UGIFT program.

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 Kyankwanzi District Local Government during the Financial Year under review was Mr. Jude Mark Bukenya, 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. Stephen Ssimbwa Kayongo	District Statistician	Chairperson	29th July 2024
2.	Mr. George Aseka	Community Development Officer	Secretary	28th June 2023
3.	Mr. David Brian Ssekamatte	Principal Commercial Officer	Member	5th January 2023

4.	Ms. Eunice Evelyn Alowo	Personnel Officer	Member	29th July 2024
5.	Ms. Ruth Nangonzi	Senior Nursing Officer	Member	21st March 2023

According to Section 33 of the PPDA Act, Cap. 205, all procurement or disposal activities of the Procuring and Disposing Entity except adjudication and the award of contract were to be managed by the Procurement and Disposal Unit. The Procurement and Disposal Unit 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	Date of appointment
1.	Mr. Bylone Ssengendo	Senior Procurement Officer	• Member of the Chartered Institute of Procurement & Supply (MCIPS) • PGD in Procurement Management	27th February 2017
2.	Mr. Robert Kugumaho	Procurement Officer	Bachelor of Procurement and logistics management	2nd December 2018

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 11 transactions under the Financial Year 2024/2025 vide Appendix 1.

1.5 Inspection Methodology

Under the supervision of the Regional Manager, Central Region, a Senior Officer 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 Inspection commenced on 30th March 2026 and a debrief meeting to discuss preliminary findings was held with the Entity's management and staff on 1st April 2026 before the team could embark on preparation of the management letter. The management letter was sent to the Entity on 11th May 2026 with a request to submit a Management Response by 20th May 2026 which was submitted on 22nd May 2026.

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

CHAPTER TWO: FINDINGS AND RECOMMENDATIONS

2.1 COMPLIANCE WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP. 205 AND PPDA REGULATIONS 2014 AND 2023 WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT AND DISPOSAL PROCESSES

2.1.1 Failure to fully implement 66.67% of the previous 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*''.

Kyankwanzi District Local Government was issued a compliance inspection report for FY 2022/2023 in March 2024. Out of 18 recommendations, five (5) (27.78%) were not implemented and seven (7) (38.89%) were partially implemented, as indicated in Table 3 below:

Table 3: Implementation of Previous Recommendations

No.	Recommended Action	Status	Management Response
1.	The Accounting Officer should put in place a strong internal mechanism and a dedicated team of staff for implementation of recommendations	Not implemented	*Management noted the Authority's observation and explained that the internal Audit department was instructed to periodically audit the activities of PDU to ensure that the recommendations of PPDA are implemented. Additionally, Management was in the process of developing a risk management system in consultation with the Accountant Generals office.* **Authority's comment:** Noted the Entity's response; however, there were no records provided to support the management response.
2.	The Accounting Officer should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act.2003 to ensure improved performance	Partially implemented	*Management explained that the Entity carried out regular reviews of the procurement plan, with the revised procurement plans submitted to the Authority.* **Authority's comment:** Noted the Entity's response; however, there was a variance of UGX 4,670,526,645 (48.01%) between the last updated procurement plan of 9th July 2024 and the monthly reports.
3.	The Accounting Officer should submit to the Authority monthly procurement and Disposal	Partially implemented	*Acknowledged the Authority's observation and explained that submissions were always made on a monthly basis; however, the Entity had a challenge of unstable*

No.	Recommended Action	Status	Management Response
	reports on all procurements undertaken by the Entity in accordance with Regulation 15 of the PPDA (Procuring and Disposing Entities) Regulations. 2023		*network yet the Authority stopped receiving hardcopies.* **Authority's comment:** Noted the Entity's response; However, in the financial year 2024-2025, the Authority was receiving hardcopies. With the introduction of e-reporting, the Entity is advised to prepare and upload its monthly reports early enough to avoid late submissions caused by unstable networks at rush hours.
4.	The Accounting Officer should ensure that all procurements are conducted in a fair and transparent manner in order to build confidence in potential bidders	Partially implemented	*Management acknowledged the Authority's observation and explained that all applicable interventions had been taken to improve on bidder participation including inviting all shortlisted firms through an open invitation.* **Authority's comment:** Noted the Entity's response; however, there was no evidence provided of the interventions taken by the Entity.
5.	The Accounting Officer should investigate the causes of low bidder participation and devise mechanisms of improving on competition	Not implemented	*Management acknowledged the Authority's observation and explained that all applicable interventions had been taken to improve on bidder participation including inviting all shortlisted firms through an open invitation* **Authority's comment:** Noted the Entity's response; however, in six procurements under quotation method, there was no evidence of communication of the invitation to bid to all shortlisted bidders, including electronic means such as email.
6.	The Accounting Officer should continue to liaise with Entities that have ownership items due for disposal to ensure that they are disposed of in a timely manner	Not implemented	*Management acknowledged the Authority's observation and pledged to fully implement the recommendation.*
7.	The Accounting Officer should recover VAT UGX 12,731,643 from the Provider or else refund it	Not implemented	*Management explained that by the time the provider in question was given the contracts they had been registered for VAT, however, was later de-registered and the Entity was not notified though the provider*

No.	Recommended Action	Status	Management Response
			had submitted a valid income tax clearance. Since then, the Entity has not awarded contracts to the firm as a way of guarding against the non-compliance. **Authority's comment:** Noted the Entity's response; however, no records were provided support the management response.
8.	The Accounting Officer should appoint a person from the User Department to be the Contract Manager in line with Regulation 51(1) of the PPDA (Contracts) Regulations, 2023	Partially implemented	*Management noted the Authority's observation and explained that Contract Managers were appointed for all the projects.* **Authority's comment:** Noted the Entity's response; however, some of the procurements in the period under review had no Contract Managers appointed, for instance the sampled procurements of supplies and micro-scale irrigations.
9.	The Contracts Committee should critically review the bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies which could lead to misunderstandings between the Entity and the bidders in line with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations. 2023	Partially implemented	*Management acknowledged the Authority's observation and promised to fully comply with the requirement*
10.	The Head Procurement and Disposal Unit should prepare quality 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	Partially implemented	*Management acknowledged the Authority's observation and promised to fully comply with the requirement*
11.	The Chairpersons of the Evaluation Committee should always ensure that the evaluation of bids is	Partially implemented	*Management acknowledged the Authority's observation and promised to fully comply with the requirement*

No.	Recommended Action	Status	Management Response
	conducted in accordance with the evaluation criteria specified in the bidding documents in line with Regulation 5 (1) of the PPDA (Evaluation) Regulations. 2023		
12.	The Contract Manager should ascertain that all Contract Management records are kept in line with Regulation 52 (3)(vii) of the PPDA (Contracts) Regulations. 2023	Not implemented	*Management noted the Authority's observation and explained that all the contract management records were kept on the procurement action files.* **Authority's comment:** Noted the Entity's response; however, several contract management records as indicated in Table 12 had missing records.

Implication
Failure to implement audit recommendations hinders performance improvement of the Entity's procurement and disposal function and exposes the Entity to procurement risks such as repeated findings, escalated scrutiny, fraud, loss and leakage as well as loss of value for money.

Recommendations
The Accounting Officer should:

a) Task the Internal Auditor to follow up and ensure full implementation of the Authority's recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205.
b) Take immediate corrective action to close the outstanding recommendations by:
   i. Preparing a time-bound implementation action plan for the five (5) not implemented and seven (7) 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.

2.1.2 Failure to adhere to reporting timelines

Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 provides that; "*A Procuring and Disposing Entity shall for each month, using the format of Form 2 of the Schedule, submit to the Authority, by the fifteenth day of the following month, a report on the procurement activities undertaken by the Procuring and Disposing Entity*".

The Authority found that the Entity did not submit the monthly procurement and disposal reports for September, November, January, March, May and June; and delayed submission of the reports for July, August, October, December, February and April of FY 2024/2025 by an average of 142 working days, contrary to Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023, as indicated in Table 4 below:

Table 4: Details of submission of monthly reports

No.	Reports	Date received by the Authority	No. of days delayed
1.	July, 2024	17th July 2025	230
2.	August, 2024	17th July 2025	208
3.	September, 2024	Not submitted	-
4.	October, 2024	17th July 2025	165
5.	November, 2024	Not submitted	-
6.	December, 2024	17th July 2025	125
7.	January, 2025	Not submitted	-
8.	February, 2025	17th July 2025	82
9.	March, 2025	Not submitted	-
10	April, 2025	17th July 2025	42
11	May, 2025	Not submitted	-
12	June, 2025	Not submitted	-
Average			**142 working days**

Implication

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

Management response

Acknowledged the Authority's observation and explained that submissions were always made on a monthly basis; however, the Entity had a challenge of unstable network yet the Authority stopped receiving hardcopies.

Authority's comment: Noted the Entity's response; However, in the financial year 2024-2025, the Authority was receiving hardcopies, with the e-reporting, introduced during FY 2025-2026 in accordance to Circular No. 5 of 2025 dated 12th August 2025 on electonic submission of procurement plans, disposal plans and monthly reports.

Recommendation

The Accounting Officer should submit the monthly procurement and disposal reports to the Authority by the 15th day of the following month, in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 and through electronic submissions via the E- Reporting Link (https://ereports.ppda.go.ug/) as provided in Circular No. 5 of 2025.

2.1.3 Failure to implement 48.01% of the procurement plan

Section 60 (7) of the PPDA Act Cap. 205 provides that "*a Procuring and Disposing Entity shall, on a quarterly basis and in any other case, wherever necessary, review and update its procurement plan*".

The Entity's total procurement budget for the Financial Year 2024/2025 was UGX 9,727,380,975 as noted from the Entity's revised procurement plan received by the Authority on 9th July 2024. The monthly reports submitted to the Authority indicated a total procurement spend of UGX 5,056,854,330 implying that the Entity did not implement planned procurements estimated at UGX 4,670,526,645 (48.01%). Details of implementation are summarized in Table 5 below:

Table 5: Procurement plan implementation rate

Total procurement plan value (UGX)	9,727,380,975
Actual procurement spends (UGX	5,056,854,330
Variance (UGX)	4,670,526,645
Percentage implementation rate (%)	51.99%
Variance (%)	48.01%

Notably, some of the planned procurements were also not implemented as indicated in Table 6 below:

Table 6: Planned procurements not implemented

No.	Subject of Procurement	Planned value (UGX)	Source of Funding
1.	Supply of fuel and lubricant	2,663,736,677	LRR/URF/PMG/DWSG
2.	Repair of motor vehicles/cycle	254,482,579	LRR/DDEG/URF/PMG
3.	Supply of office furniture	56,947,565	DDEG/LRR
4.	Hire of machines	33,500,000	LRR/URF
5.	Procurement of medical equipment	300,000,000	HDG
6.	Procurement of 2 network boosters	10,000,000	PMG and Ext grant
7.	Procurement of the District Land	120,000,000	CG
	Total	**3,438,666,821**	

Implication

This undermined effectiveness of procurement planning and service delivery, since the Entity did not adequately review and update the procurement plan to align planned activities with available funding and implementation realities.

Management Response

Management noted the Authority's observation and explained that the procurements in Table 6 above were implemented except for the procurement of District Land where the process was cancelled and deferred to FY 2025-2026 with the guidance of the Chief Government Valuer. Procurements under framework contract arrangements were handled by the Lower Local Governments i.e., Town Councils and Sub-Counties, which are not on the IFMS.

Authority's comment: Noted the Entity's response; however, no copies of contracts or purchase orders and payments details were provided for verification.

Recommendations

1. The Accounting Officer and Management should:
   a) 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.
   b) Conduct procurements under framework arrangements for all departments and Lower Local Governments through the Procurement and Disposal Unit by issuing call off orders to Providers with signed framework contracts with the Entity.
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 prioritised needs, in accordance with Sections 60(2)(a) and 60(2)(d) of the PPDA Act, Cap. 205.

2.1.4 Failure to communicate the invitation to bid to all shortlisted bidders

Section 59 (1) of the PPDA Act, Cap. 205 provides that "*all communication between a Procuring and Disposing Entity, bidder, or provider, shall be in writing and may be transmitted electronically and communication in any other form shall be referred to and confirmed in writing*".

The Authority found there was no evidence of communication of the invitation to bid to all shortlisted bidders, including electronic means such as email in six procurements worth UGX 759,402,480 as indicated in Table 7 below:

Table 7: Procurements with no evidence of communication of the invitation to bid

No.	Subject of Procurement	Value (UGX)
1.	Construction of a small piped water system at Wattuba RGC (Phase III)	323,816,000
2.	Construction of Kiganda Sub- County offices	194,462,330
3.	Construction of a 2-classroom block at Kaseeta Primary School	79,663,570
4.	Rehabilitation of 09 boreholes	89,300,000
5.	Construction of a 5-stance lined pit latrine at Buguluma Primary School	24,660,580
6.	Supply and installation of metallic storage container	47,500,000
	Total	**759,402,480**

Implication

Failure to communicate to shortlisted bidders concealed information on bidding opportunities, limited bidder participation and competition, thus exposing the Entity to the risk of low bidder participation.

Management Response

Management acknowledged the Authority's observation and promised that going forward emails will be sent to all shortlisted bidders and have the printouts on file.

Recommendation

The Accounting Officer should issue invitations to bid to all shortlisted bidders for each procurement and retain verifiable evidence of dispatch and receipt (including emails, delivery acknowledgements or transmission logs) on the procurement file, in accordance with Section 59(1) of the PPDA Act, Cap. 205.

2.1.5 Irregularities at evaluation

i) Failure to conduct detailed technical evaluation

Regulation 15 (b) of the PPDA (Evaluation) Regulations, 2023 requires a detailed evaluation of bids that are responsive after preliminary examination and administrative compliance in order to determine the technical responsiveness of those bids.

The Authority found that in four procurements worth UGX 767,569,260, the Entity did not conduct a detailed technical evaluation to determine technical responsiveness. Specifically, the evaluation did not assess the availability of key personnel (relevant academic qualifications and work experience) and availability of essential equipment as required in the solicitation documents, for procurements indicated in Table 8 below:

Table 8: Procurements without detailed technical evaluation

No.	Subject of procurement	Value (UGX)
1.	Hydrogeological surveying, siting and drilling of 08 boreholes	169,627,360
2.	Construction of Kiganda Sub- County offices	194,462,330
3.	Construction of a 2-classroom block at Kaseeta Primary School	79,663,570
4.	Construction of a small piped water system at Wattuba RGC (Phase III)	323,816,000
Total		**767,569,260**

Implication

This undermined the integrity of the evaluation process and increased the risk of awarding contracts to providers who lacked the required technical capacity.

Management Response

Management noted the Authority's observation and explained that the Evaluation Committees conducted detailed evaluation with copies attached for verification.

Authority's comment: Noted the Entity's response. However, the Authority found that under technical responsiveness, the Evaluation Committees indicated 'C' for compliant in the evaluation report, without indicating details of submissions/attachments of the bidder. For instance, the criteria were indicated as 'Project Manager qualifies?', 'meets requirement for essential equipment?', 'above required experience as prime contractor?', and 'above required min. annual vol. of const. works', among others, and the Evaluation Committee indicated 'C', without details of submission from the bidder to qualify the decision.

Recommendation

Evaluation Committees should conduct a detailed technical evaluation of bids in line with the criteria stated in the bidding document and in accordance with Regulation 15 of the PPDA (Evaluation) Regulations, 2023.

ii) Introduction of additional criteria during bid evaluation

Regulation 5 (1) and 5 (2) of the PPDA (Evaluation) Regulations, 2023 provides that;

1. *"The evaluation of bids shall be conducted in accordance with the evaluation criteria specified in the bidding documents.*
2. *An Evaluation Committee shall not, during an evaluation, make any amendment including any addition to the evaluation criteria stated in the bidding document, and shall not use any other criteria other than the criteria specified in the bidding document*".

In two procurements worth UGX 364,089,690 the Evaluation Committees introduced new criteria during evaluation of bids to include drilling permit and site visit certificates, which criteria had not been included under the evaluation methodology in the bidding document contrary to Regulation 5 (1) and 5 (2) of the PPDA (Evaluation) Regulations, 2023 as indicated in Table 9 below:

Table 9: Procurements with new evaluation criteria during the evaluation of bids

No.	Subject of procurement	Amount (UGX)	PPDA Findings
1.	Hydrogeological surveying, siting and drilling of 08 boreholes	169,627,360	Drilling permit introduced as a new requirement during evaluation leading to elimination of two bidders. i.e., East Africa Boreholes Ltd and MSR Technologies Ltd at the preliminary
2.	Construction of Kiganda Sub-County offices	194,462,330	Site visit certificate introduced as a new requirement during technical and commercial responsiveness of the evaluation, leading to elimination of one bidder. i.e., Core Construction Services Ltd
Total		**364,089,690**	

Implication

This undermined fairness and transparency in the evaluation process, since bidders were assessed against requirements that were not disclosed in the bidding documents. It also increased the risk of unjustified disqualification, biased evaluation and unequal treatment of bidders, and exposed the Entity to complaints, administrative review challenges and possible cancellation/nullification of the procurement proceedings.

Management response

Management acknowledged the Authority's observation and tasked the Head, Procurement and Disposal Unit to always review evaluation reports before submission to Contracts Committee.

Recommendations

1. Evaluation Committees should always conduct evaluations based on evaluation criteria specified in the bidding documents in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2023.
2. The Contracts Committee should desist from approving evaluation recommendations that are not made in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2023.
3. The Accounting Officer should conduct targeted training and capacity building for key technical staff involved in bid evaluation to strengthen adherence to the approved evaluation methodology and consistent application of stated criteria.

2.1.6 Low bidder participation

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

The Authority found that in five procurements worth UGX 734,741,900, the Entity received less than six bids under the quotation method despite having an approved shortlist of six bidders, thereby limiting competition and value for money contrary to Sections 48 and 49 of the PPDA Act, Cap. 205, as indicated in Table 10:

Table 10: Procurements with low bidder participation

No.	Subject of procurement	Amount (UGX)	No. of bids received
1.	Construction of a small piped water system at Wattuba RGC (Phase III)	323,816,000	1
2.	Construction of Kiganda Sub- County offices	194,462,330	2
3.	Construction of a 2-classroom block at Kaseeta Primary School	79,663,570	2
4.	Rehabilitation of 09 boreholes	89,300,000	2
5.	Supply and installation of metallic storage container	47,500,000	1
	Total	**734,741,900**	

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 Authority's observation and explained that all applicable interventions had been taken to improve on bidder participation including inviting all shortlisted firms through an open invitation

Authority's comment: The Authority noted the Entity's response; however, for six procurements under the quotation method, there was no evidence that invitations to bid were communicated to all shortlisted bidders. Accordingly, the observation was maintained.

Recommendations

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

i. Issuing RFQs to all providers on the approved shortlist and confirming their capacity/availability before invitation;
ii. Enabling the accessibility to invitations to bid to shortlisted bidders for a specific procurement, through possible means, including electronic means of transmission in accordance with Section 59 (1) of the PPDA Act, Cap. 205;
iii. Allowing adequate response time and ensuring requirements are clear and non-restrictive; and
iv. 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.

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

2.2.1 Failure to dispose obsolete assets

Section 60 (2) (e) of the PPDA Act, Cap. 205 provides that "*a Procuring and Disposing Entity shall plan its procurement and disposal in a rational manner and in particular shall integrate the disposal of assets, both listed and unlisted, in its assets register as well as in its income and expenditure budget*".

The Authority's review of the Board of Survey report for FY 2023/2024 dated 29th August 2024 (received by the Ministry of Finance, Planning and Economic Development on 30th August 2024) found that several items were recommended for disposal. However, the Entity had not taken action to dispose of the assets, as indicated in Table 11:

Table 11: unserviceable items recommended for disposal

Item	Unique identifier (Tag/Registration Number)	Location
Grader	Motor grader	Works
Tractor	Agricultural tractor	Production
Grader Blades	Motor grader	Works
Double cabin pick up	Pick up Double cabin	Works
Motorcycle	Motor grader	Works
Motor Engines	Pick up Double cabin	Works
Generator	Electrical equipment	Works Department

Note: *The unique identifier was not clearly indicated in form of registration number or tag/ engravement details*

Implication

This resulted in continued holding of obsolete assets, leading to avoidable storage and maintenance costs, reduced accountability for public assets, and increased risk of loss, misuse, deterioration or pilferage.

Management Response

Management acknowledged the Authority's observation and explained that the failure to dispose of obsolete items was as a result of failure to obtain documents of ownership such as log books from the line Ministries.

Recommendations

1. The Accounting Officer should:
   i) Determine the reserve price of the assets to be disposed of by obtaining a valuation in accordance with Regulation 24 of the PPDA (Disposal of Public Assets) Regulations, 2023;
   ii) Prepare a disposal plan for the public assets recommended for disposal in the board of survey report and after valuation for disposal in accordance with Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023; and
   iii) Follow up for updates with the Authority on its submission of information relating to the obsolete items.
2. The User Department should initiate the disposal process after the valuation of the assets recommended for disposal in the board of survey report and 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 Failure to Maintain Contract Management Records

Section 33 (o) of the PPDA Act, Cap. 205 provides that "*a Procuring and Disposing Entity shall maintain and archive records of the procurement and disposal process*".

The Authority found that ten contracts worth UGX 3,771,029,840 had missing contract management records including progress reports, contract management plans, payment records and Performance Securing Declaration among others, contrary to Section 33 (o) of the PPDA Act, Cap. 205 as indicated in Table 12 below:

Table 12: Procurements with missing records on the Procurement Action Files

No.	Subject of Procurement	Amount (UGX)	Missing Records
1.	Construction of a small piped water system at Wattuba RGC (Phase III)	323,816,000	• Site investigation report (s) as required under GCC 14.1 of the Contract • Performance Security Bank Guarantee of 10% of the contract price as required under GCC 52.3 • Contract Management Plan (Form 49) • Progress and completion report with pictorial evidence • Reports on testing works such as water tightedness tests for all water retaining structures and reservoirs and pressure testing of and sterlisation of water mains as per specifications with a costing of UGX 4,910,000 provided in the bill of quantities • No payment records
2.	Rehabilitation of 20.92km of community access roads in Butemba and Banda S/C	2,400,000,000	• Solicitor General Clearance • Copy of Contract • Progress and completion report with pictorial evidence • Payment records
3.	Supply and installation of metallic storage container	47,500,000	• Progress and completion report on the installation of the container with pictorial evidence • Contract Management Plan (Form 49)
4.	Hydrogeological surveying, siting and drilling of 08 boreholes	169,627,360	• Progress and completion report with pictorial evidence • Payment records • Contract Management Plan (Form 49)
5.	Construction of a 2-classroom block at Kaseeta Primary School	79,663,570	
6.	Rehabilitation of 09 boreholes	89,300,000	

No.	Subject of Procurement	Amount (UGX)	Missing Records
7.	Construction of a 5-stance lined pit latrine at Buguluma Primary School	24,660,580	
8.	Construction of Kiganda Sub- County offices	194,462,330	
9.	Supply of ICT equipment for Ntwetwe and Nsambya Seed Secondary Schools	330,000,000	• Appointment of contract manager • Evidence of delivery i.e., delivery notes, Invoices, GRN, verification report • Payment records • Contract management plan -Form 49
10.	Supply of Science kits and chemical reagents for Ntwetwe and Nsambya seed	112,000,000	
Total		**3,771,029,840**	

Implications

- Lack of progress reports portrayed inadequate contract management and supervision of the projects in line with the contractual requirements, and terms and conditions.
- Failure to maintain payment records was a sign of weak internal controls which impacted on the accountability.
- Failure to prepare a contract management plan made it difficult for the Entity to effectively manage, monitor and report on contractor performance and milestones during the course of project execution.

Management Response

Management noted the Authority's observation and explained that these documents were kept with the Finance Department as part of the payment records and were retrieved for verification.

Authority's comment: The Authority noted management's response; however, the Entity did not provide the Procurement and Disposal Unit with copies of the contract management records referenced in Table 12, and the same were not submitted to the Authority for verification. Accordingly, the observation was maintained.

Recommendations

1. The Head, Procurement and Disposal Unit should liaise with User Departments, Engineering Department and Finance Department for copies of all documentation relating to a procurement and archive on the procurement action file in accordance with Section 33 (o) of the PPDA Act, Cap. 205.
2. The Contract Managers should:
   i) Keep and archive all contract management records and distribute copies to key stakeholders including the PDU as required under Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023; and
   ii) Prepare a contract management plans using Form 49 and forward a copy to the Procurement and Disposal Unit for purposes of monitoring in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.

2.3.2 Failure by contractors to submit works programs

GCC 27.1 and GCC 27.3 of the signed contracts required the contractors to submit the works program within 10 working days of receipt of the letter of acceptance and, to update the program every 10 days thereafter.

The Authority found that in five procurements worth UGX 410,751,510, the contractors did not submit the works programmes as required under GCC 27.1. In addition, the contracts did not specify a penalty for late submission of updated programmes. The procurements are as indicated in Table 13 below:

Table 13: Procurements without a works program

No.	Subject of procurement	Value (UGX)
1.	Hydrogeological surveying, siting and drilling of 08 boreholes	169,627,360
2.	Construction of a 2-classroom block at Kaseeta Primary School	79,663,570
3.	Rehabilitation of 09 boreholes	89,300,000
4.	Construction of a 5-stance lined pit latrine at Buguluma Primary School	24,660,580
5.	Supply and installation of metallic storage container	47,500,000
Total		**410,751,510**

Implication

This weakened planning and control of contract execution, since the Entity lacked an agreed programme to monitor progress, allocate resources and manage risks. It increased the likelihood of uncontrolled delays, poor coordination, weak supervision and disputes over timelines.

Management Response

Management acknowledged the Authority's observation and explained that the Contract Managers were instructed to prevail over contractors to submit required documents including work programs.

Authority's comment: Noted the Entity's response; however, no records were provided to support the management response.

Recommendations

The Contract Managers should:

a) Always task contractors to submit work programs as per the terms and conditions of the contract before contract execution in accordance with Regulation 52 (3) (ii) of the PPDA (Contracts) Regulations, 2023; and
b) Activate a penalty for each of the contractors for the late/ non-submission of the work programs as required under GCC 27.3 of the Special Conditions of Contract.

2.3.3 Non-adherence to the Environmental, Social, Health, Safety Safeguards

Regulation 52 of the PPDA (Contracts) regulations, 2023 provides that "*a contract manager shall make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract*".

The Authority found that the Entity did not monitor five contracts worth UGX 2,997,767,510 for compliance with environmental, social and health safeguards (ESHS). The required ESHS reports were not prepared, and evidence of environmental screening and management of social and health aspects were not available, despite a total provision of UGX 114,220,000 for ESHS activities in the Bill of Quantities as indicated in Table 14 below:

Table 14: Procurements without ESHS reports

No.	Subject of procurement	Value (UGX)	PPDA Finding
1.	Hydrogeological surveying, siting and drilling of 08 boreholes	169,627,360	No detailed report with pictorial evidence was availed to confirm implementation of the environmental mitigation measure of planting 80 broad-leaf tree species around the eight water sources, despite a provision of UGX 400,000 for this activity in the contractor's Bill of Quantities.
2.	Construction of a small piped water system at Wattuba RGC (Phase III)	323,816,000	No detailed report with pictorial evidence was availed to confirm implementation of the environmental conservation and mitigation measure of supplying, planting and maintaining 50 water-friendly trees within the catchment area, as guided by the District Environment Officer and Project Engineer, despite a provision of UGX 750,000 for this activity in the contractor's Bill of Quantities. **Note:** Tree species were not specified
3.	Construction of a 2 classroom block at Kaseeta Primary School	79,663,570	No detailed report with pictorial evidence was availed to confirm the implementation of environmental conservation and mitigation measures despite a provision worth UGX 800,000 made in the contractor's Bill of Quantities to cater for environmental issues as directed by the environmental Officer. **Note:** Environmental requirements to be implemented by the contractor were not specified. The other aspects of social, Health and Safety safeguards were not considered
4.	Rehabilitation of 20.92km of community access roads in Butemba and Banda S/C	2,400,000,000	No detailed ESHS reports with pictorial evidence were availed to confirm implementation of ESHS activities valued at UGX 111,870,000 for which provisions were made in the contractor's Bill of Quantities for Misago–Kaswa–Kabanyi Road (6.62 km), Banda–Rwemiganda Road (5.5 km) and Banda–Kamutika–Mai Road (8.8 km), as indicated below:

No.	Subject of procurement	Value (UGX)	PPDA Finding
			• Provide, plant and water trees, Gulveria type and other approved trees at 20m spacing on both sides and maintained throughout the defect liability period for 2,098 trees worth UGX 31,470,000 • Supply and install standard traffic signs fixed on 75mm GI Pipes anchored in concrete footing together with its fittings and accessories, 27 in number, worth 67,500,000) • HIV/AIDS and STD prevention and counseling including distribution of the condoms to the workforce and community worth UGX 4,500,000 • Provide and operate STD and HIV/AIDS clinic or make alternative arrangements with existing local clinic for the eight months, worth 3,600,000 • Gender sensitization and awareness for the eight months, worth UGX 4,800,000
5.	Construction of a 5-stance lined pit latrine at Buguluma Primary School	24,660,580	No detailed reports with pictorial evidence were availed to confirm implementation of the environmental concerns and mitigation measures, despite a provision of UGX 400,000 for these activities in the contractor's Bill of Quantities, as indicated below: • Provide for landscaping and revegetation (tree and compound grass planting) • HIV/AIDS onsite awareness and provision of condoms **Note:** Some ESHS items included in the Engineer's Bill of Quantities were omitted by the contractor in its Bill of Quantities, including: provision of warning signs and fencing to prevent accidents (especially among children); supply of protective gear for workers; planting 15 indigenous compound tree seedlings (e.g., jackfruit, mango and avocado) for the school administration; and replanting **paspalum grass** on disturbed surfaces other than the designed walkways
Total		**2,997,767,510**	

Implication
Failure to implement ESHS requirements increases the risk of accidents and injury to workers and the public (especially children), and may lead to environmental degradation (soil erosion, loss of vegetation, poor site restoration) and community complaints.

Management Response
Management acknowledged the Authority's observation and promised to comply with the recommendations.

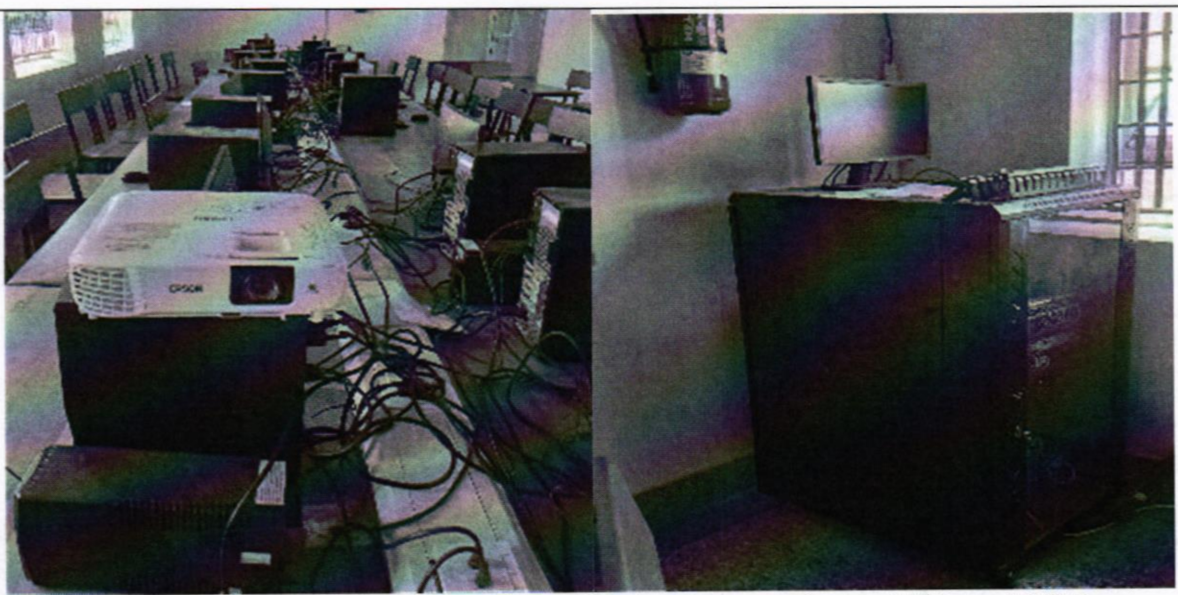
Recommendations
1. The Accounting Officer should recover from the contractors, or obtain a refund of amounts paid for ESHS requirements where the required ESHS activities were not implemented in accordance with the contract and the Bill of Quantities, and retain evidence of recovery/refund on the contract file.
2. The Contract Managers should always task the contractors to meet their contractual obligations as stipulated in the contracts including the contractor's adherence to environmental, health and social safeguard measures and its compliance in accordance with Regulation 52 of the PPDA (Contracts) regulations, 2023.

2.3.4 Failure to engrave property of the Government of Uganda
Section 34 (2) of the Public Finance Management Act (PFMA) requires that an electronic or manual asset register, in the prescribed form (TF 26), be maintained for all assets and that all such assets be appropriately marked or engraved to enable easy identification as Government assets.

The Authority found that in procurements for the supply of science kits and chemical reagents for Ntwetwe and Nsambya Seed Secondary Schools worth UGX 112,000,000, and supply of ICT equipment for the same schools worth UGX 330,000,000, the delivered items were not engraved/marked for identification. The affected ICT supplies included desktop computers, multipurpose printers, projectors and network rack cabinets, while the science equipment included student microscopes, electronic DC balances, triple beam balances, unisex human torso models, Van de Graaff generators and ripple tanks, among others, as shown in Figure 1 below:

Figure 1: Physical status of the ICT equipment and Science kits supplied to Nsambya Seed Secondary School

Science equipment kits at Nsambya Seed Sec. School not engraved as at 31st March 2026



ICT equipment at Nsambya Seed Secondary school not engraved as at 31st March 2026

Implication

The assets could not be identified as the property of the school and ultimately the Government of Uganda.

Management response

Management acknowledged the Authority's observation and explained that the Head Teacher of Nsambya Seed school was instructed to use part of the Capitation Grant, to engrave all equipment at the school. And for the equipment at Ntwetwe Seed School the engravement was to be done when the school was fully operationalized.

Authority's comment: The Authority noted management's response; however, the Entity did not provide (i) evidence of the instruction letter issued to the Head Teacher of Nsambya Seed School to undertake engravement, and (ii) a written commitment from the Head Teacher confirming that funds were provided for engravement under the Capitation Grant. Management is advised to make explicit provision for engravement in the relevant Bills of Quantities and to require Contract Managers to follow up and document implementation, including evidence of engravement for all procured equipment.

Recommendation

The Accounting Officer should task the District Education Officer to coordinate with the Head Teachers of Nsambya and Ntwetwe Seed Secondary Schools to have all the supplies engraved for ease of identification i.e., the Science kits and ICT supplies.

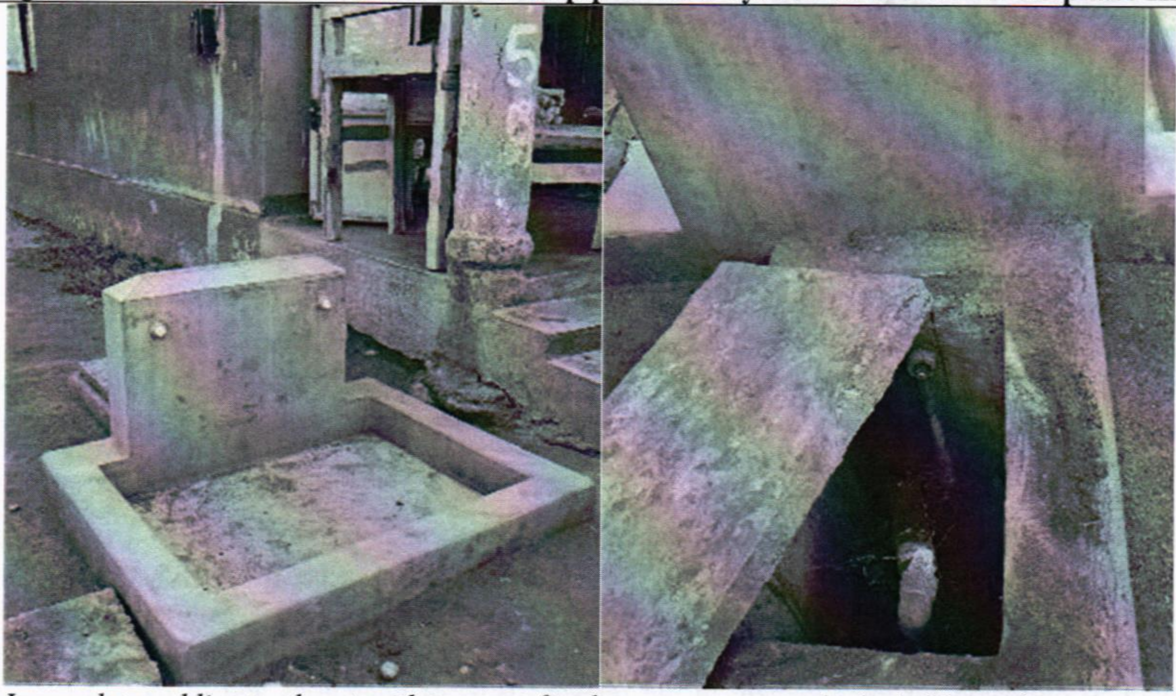
2.3.5 Incomplete works for the small piped water system at Wattuba RGC (Phase III)

Regulation 52 (1) (a) 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*".

During the verification exercise, the Authority found that Waterfix Engineering (U) Ltd, contracted to construct a small piped water system at Wattuba RGC (Phase III) worth UGX 323,816,000, had not fully completed the works, including installation of some public standposts. The Bill of Quantities provided for construction of seven (7) public standposts (two taps each) complete with water meters, drainage channels/soakway pits and all associated earthworks, building works, concrete works, plumbing and fittings (including brass stopcocks, lockable steel meter protection boxes and taps). The contractor was also required to supply, plant and maintain 50 water-friendly trees within the catchment area as guided by the District Environment Officer and Project Engineer.

The inspection team accessed one (1) of the seven standposts and noted that the taps were not fixed, and the water meters and lockable steel meter protection box had not been installed. The photos of the works are shown under Figure 2 below.

Figure 2: Construction works for the small piped water system at Wattuba RGC phase III



Incomplete public stand post with taps not fixed, water meters and a lockable steel meter protection box not installed among others as at 31st March 2026

Implication

This undermined service delivery and value for money, since incomplete construction and installation of the public standposts limits access to safe water for the intended users and may render the system non-functional. It also exposes the Entity to the risk of paying for incomplete works, delays in completion, disputes, and additional costs to rectify omissions.

Management response

Management acknowledged the Authority's observation and attributed this to unfulfilled provision or construction of a "Service Duct" to cross the main Kiboga –Hoima Highway Road which was under rehabilitation by the Ministry of Works and Transport through Abubaker Technical Services & General Supplies Ltd. The Entity had stakeholders' consultation meetings and follow ups with Abubaker Technical Services & General Supplies Ltd in regards to construction of Service Duct *facilities to enable utilities services like water supply, telecommunication, sewerage. The mandates to cut cross the highway road, construct and install 600mm service duct at chainage 85+ 080 was with Abubaker Technical Services & General Supplies Ltd as per the approved design and contract under this rehabilitation of Busunju –Kiboga-Hoima Road. However, 5% of the contract sum for the construct a small piped water system at Wattuba RGC (Phase III) was retained to cater for the incomplete works.*

Authority's comment: The Authority noted management's response; however, the Entity did not provide documentary evidence of the reported engagements and follow-ups with Abubaker Technical Services & General Supplies Ltd (e.g., correspondence, meeting minutes, site instructions, or agreed action plans) for verification. Consequently, the agreed timeline and commitments for construction of the service duct facilities could not be confirmed. Accordingly, the observation was maintained.

Recommendations

The Accounting Officer should:

(i) Formally follow up with the Ministry of Works and Transport to secure and document a clear timeline and commitment for Abubaker Technical Services & General Supplies Ltd to complete the service duct facilities at the affected chainage, including providing supporting evidence of engagements (correspondence/meeting minutes/site instructions).

(ii) Also coordinate with Waterfix Engineering (U) Ltd to update the implementation schedule upon completion of the duct works, and ensure the retained 5% is managed in line with contract provisions until the outstanding works are completed, to minimise time and cost overruns for the Wattuba RGC (Phase III) small piped water system.

2.4 IMPLEMENTATION OF FORCE ACCOUNT MECHANISM

2.4.1 Failure to maintain procurement and contract management files on Force Account

Section 130 (5) (e) of the PPDA Act, Cap. 205 provides that, "*for the purpose of ensuring value for money in the application of the Force Account Mechanism, the Accounting Officer of a Procuring and Disposing Entity shall maintain and manage the records, equipment and supplies of the works in accordance with the Public Finance Management Act, Cap. 171*".

During the review of the revised Annual Procurement and Disposal Plan for FY 2024/2025 received on 28th August 2024, the Authority noted that the Entity, under the Works Department, planned among other requirements for routine mechanised road maintenance, procurement of supplies under framework contracts, and repair and servicing of vehicles, as indicated in Table 15 below:

Table 15: Planned supplies and services in the FY 2024-2025

No.	Subject of procurement	Amount (UGX)	Source of funding	Procurement Method
1.	Routine mechanised maintenance of Kyenda-Bekina-Guwe-Misago-Kamukanga	400,000,000	PMG	Quotation method
2.	Supply of fuel and lubricants	2,663,736,677	LRR/DDEG/ URF/PMG	Open Domestic/ Framework
3.	Repair of motor vehicle/cycle	254,482,579	LRR/DDEG/ URF/PMG	Open Domestic/ Framework
4.	Supply of culverts and other road construction materials	154,464,000	LRR/DDE G/URF	Open Domestic/ Framework
Total		**3,472,683,256**		

The Authority reviewed the Entity's procurement reports for the financial year 2024-2025 and noted the following:

a) The Entity did not submit to the Authority the monthly reports for procurements conducted under framework contract for all supplies and services contrary to Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 that requires submission to the Authority monthly report for the procurement and disposal activities undertaken by the 15th day of the following month for the previous month.

b) There were no procurement and contract management files for the road works executed using Force Account Mechanism, and additionally the following records were missing, contrary to Section 130 (5) (e) of the PPDA Act, Cap. 205:
   i. Quarterly reports to URF/Ministry of Works & Transport for all the roads implemented under Force Account Mechanism during the Financial Year 2024-2025; and
   ii. Appointments of Force Account Supervisors and Force Account Managers in accordance with to Regulations 5 and 6 of the PPDA (Force Account Mechanism) Regulations, 2014.

c) **Routine mechanised maintenance of Kyenda–Bekina–Guwe–Misago–Kamukanga Road (UGX 400,000,000):** Although this procurement was provided for in the procurement plan and management indicated that the works had been undertaken, the Entity did not avail the procurement and contract management file. Consequently, the entire set of supporting records was not available for verification including the following key records:

i. Appointments of Force Account Supervisor and Force Account Manager in accordance with to Regulations 5 and 6 of the PPDA (Force Account Mechanism) Regulations, 2014;
ii. Records of assessment on cost savings of the direct and overhead costs in use of Force Account contrary to Regulation 3 (1) of the PPDA (Force Account Mechanism) Regulations, 2014;
iii. Status reports on progress and completion of the works; and
iv. Records for the supply of materials worth UGX 26,666,666 acquired through framework contracts including call-off order, delivery note and Goods Received Note.

Implications

- Failure to maintain and manage records relating to Force Account Mechanism activities casts doubt on transparency and value for money.
- Failure to report procurements rendered the Entity non-compliant to the legal requirement and limited transparency in the procurement activities of the Entity.
- Failure to appoint the Force Account Manager and Supervisor leads to lack of oversight and supervision which poses a risk of poor-quality works and potential mismanagement of resources

Management Response

Management noted the Authority's observation and explained that all documents relating to the procurement of materials and fuel were in the Procurement and Disposal Unit and other documents were kept in Finance and Works departments, and were retrieved for verification.

Authority's comment: Noted the Entity's response, however, the aforementioned records were not provided for verification.

Recommendations

The Accounting Officer should:

i) Task the District Engineer to maintain all records on the implementation of Force Account Mechanism and share copies with the Procurement and Disposal Unit for filing in accordance with accordance with Section 130 (5) (e) of the PPDA Act, Cap. 205. Furthermore, the records should be made accessible efficiently whenever various mandated stakeholders require access;
ii) Incorporate the procurements under framework contract in the monthly reports and submit to the Authority in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023; and
iii) in writing, appoint a supervisor to supervise the works executed using the force account mechanism in accordance with Regulations 5 and 6 of the PPDA (Force Account Mechanism) Regulations, 2014

2.5 PROGRESS AND PERFORMANCE OF THE MICRO-SCALE IRRIGATION PROGRAM IN KYANKWANZI DISTRICT LOCAL GOVERNMENT

Background

The Government of Uganda, with support from the World Bank through the Uganda Intergovernmental Fiscal Transfers (UgIFT) Programme for Results – Additional Financing (UgIFT-AF), received funding to implement micro-scale irrigation schemes for low-income farmers. The initiative aimed to promote uptake of cost-effective micro-irrigation technologies to improve farmer productivity and livelihoods, in line with the National Irrigation Policy and Uganda Vision 2040.

The Micro-scale Irrigation Program supports farmers to purchase and use individual irrigation equipment through a matching grant scheme, in which the cost of the equipment is co-financed by the farmer and the Government of Uganda. The Government subsidises between 25% and 75% of the total cost of the irrigation equipment (which can be sprinkler, drip and drag hosepipe methods using either solar or petrol energy sources). The level of the subsidy varies according to the choice of the irrigation equipment/ technology selected by the farmer as indicated below:

- For solar-powered irrigation equipment, the maximum Government co-payment is 75% of the total cost of equipment and is capped at UGX 18,000,000.
- For petrol-powered irrigation equipment the maximum Government co-payment is 25% of the total cost of equipment and is capped at UGX 5,000,000.

Kyankwanzi District Local Government received funds worth UGX 754,008,000 (as indicated in the revised procurement plan received by the Authority on 9th July 2024), for the design, supply and installation of the Solar power Micro-scale irrigation systems in the Financial Year 2024-2025.

The Authority noted that, 54 farmers were eligible in the financial year 2024-2025 for the design, supply and installation of the Solar power Micro-scale irrigation systems; however, records of farmers who expressed their interest, farmers who made the co-payment and information on total number of microscale irrigation kits installed and completed in FY 2024/2025, were not provided by the Entity as indicated in Table 16 below:

Table 16: Summary and status of the procurement of microscale irrigation equipment

Level	Definition	Kyankwanzi DLG statistics by Number (FY 2024/25)
'Interested' Farmer	Those farmers who submitted an Expression of Interest (EOI) and met the basic self-assessed criteria	No details provided
'Eligible' Farmer	Those farmers who had a farm visit and were found to meet the eligibility criteria	54
'Approved' Farmer	Those farmers who made the co-payment, provided documentary proof of their land tenure (if possible) and signed an MOU with the Local Government	No complete details provided with 11 farmers having paid part or full co-fund
"Installation Accepted' Farmer	Those farmers who had the irrigation equipment installed and the Local Government and farmer verified the equipment and installation was as per quotation and standards	No complete details provided with 11 farmers having paid part or full co-fund

Level	Definition	Kyankwanzi DLG statistics by Number (FY 2024/25)
'Completed' Farmer	Those Farmers where the irrigation equipment supplier was paid by the Local Government and all paperwork is complete	No complete details provided with 11 farmers having paid part or full co-fund
Total of microscale irrigation kits installed and completed in FY 2024/2025		No complete details provided with only a certificate of completion for Kasegu submitted

2.5.1 Missing Records on the Procurement Action Files

Section 33 (o) of the PPDA Act, Cap. 205 provides that "*a Procuring and Disposing Entity shall maintain and archive records of the procurement and disposal process*".

The Authority found that the following procurement and contract management records for design, supply and installation of micro-scale irrigation systems were missing from the procurement action file for the farmers in Table 17 below:

i) Letter of appointment of the contract manager;
ii) Technical supervision reports;
iii) Payment records to the contractors with no payment certificates and payment vouchers;
iv) Full payments of co-fund for 44 farmers;
v) Substantial completion certificates;
vi) Contract management plan/plans (Form 49); and
vii) Program for the works in accordance with GCC 36.1 of the signed contract which requires the contractor to submit the program for the works within 10 days of delivery of the letter of acceptance

The details of farmers with missing records are as indicated in Table 17 below:

Table 17: List of farmers with missing records

No.	Farmer	Award Value (UGX)	Contractor	Expected Co-Fund (UGX)	Co-Fund receipted (UGX)
1.	Agaba Fred	26,112,400	Science Corner Engineering Ltd	6,528,100	6,528,100
2.	Amanya Ivan	22,150,000	Science Corner Engineering Ltd	5,537,500	4,537,500
3.	Becungura Moses	24,380,600	Science Corner Engineering Ltd	6,095,150	6,095,150
4.	Begura Kabwiza Fridah	22,910,000	Science Corner Engineering Ltd	5,537,500	-
5.	Fr. Ssewagudde Vicent	26,112,400	Science Corner Engineering Ltd	6,528,100	-
6.	Isingoma Geoffrey	23,150,000	Science Corner Engineering Ltd	5,787,500	1,000,000
7.	Kakooza Edward	16,000,000	Science Corner Engineering Ltd	4,000,000	-
8.	Kakooza Lawrence	18,000,000	Science Corner Engineering Ltd	4,500,000	-

No.	Farmer	Award Value (UGX)	Contractor	Expected Co-Fund (UGX)	Co-Fund receipted (UGX)
9.	Kamuntu George	24,750,000	Science Corner Engineering Ltd	6,187,500	6,187,500
10.	Kasegu	18,000,000	Science Corner Engineering Ltd	4,500,000	-
11.	Katunguki Kham	24,112,400	Science Corner Engineering Ltd	6,028,100	-
12.	Kayondo Francis	22,150,000	Science Corner Engineering Ltd	5,537,500	-
13.	Kempaka David	18,076,200	Science Corner Engineering Ltd	4,519,050	-
14.	Keren Kashure	22,150,000	Together as One Investments Ltd	5,537,500	-
15.	Kisagala Frank	18,625,000	Science Corner Engineering Ltd	4,656,250	-
16.	Kyokuzera Grace	22,000,000	Science Corner Engineering Ltd	5,500,000	-
17.	Makanika Robert	24,000,000	Science Corner Engineering Ltd	6,000,000	-
18.	Manoni Obed	22,150,000	Together as One Investments Ltd	5,537,500	-
19.	Matama Kellen Akandwanaho	26,112,400	Science Corner Engineering Ltd	6,528,100	6,528,100
20.	Mbabazi Annet	19,625,500	Science Corner Engineering Ltd	4,906,375	4,920,550
21.	Muhamad Abubakar	22,150,000	Waterfix Engineering (U) Ltd	5,537,500	-
22.	Musabe Edward	22,410,000	Together as One Investments Ltd	5,585,000	-
23.	Mwojo Elinest	24,000,000	Waterfix Engineering (U) Ltd	6,000,000	-
24.	Nakasolya Proscovia	22,150,000	Together as One Investments Ltd	5,537,500	-
25.	Nankya Dorothy Evelyn	26,509,750	Science Corner Engineering Ltd	6,627,438	5,000,000
26.	Nanyunja Zirimiti Betty	22,150,000	Science Corner Engineering Ltd	5,537,500	-
27.	Natwijuka Kenneth	22,150,000	Waterfix Engineering (U) Ltd	5,537,500	-
28.	Nuwomurungi Sharon	23,000,000	Waterfix Engineering (U) Ltd	5,750,000	-
29.	Nsaija Gideon	22,150,000	Waterfix Engineering (U) Ltd	5,537,500	-
30.	Nyangabo Gerald	22,150,000	Science Corner Engineering Ltd	5,537,500	-
31.	Rukundo Moses Rwakihumuro	23,000,000	Waterfix Engineering (U) Ltd	5,750,000	-

No.	Farmer	Award Value (UGX)	Contractor	Expected Co-Fund (UGX)	Co-Fund receipted (UGX)
32.	Rwashande Steven	22,150,000	Science Corner Engineering Ltd	5,537,500	-
33.	Rwemera Tumuhairwe Johnson	22,150,000	Together as One Investments Ltd	5,537,500	-
34.	Rwiija Kezekia	22,340,000	Together as One Investments Ltd	5,585,000	5,000,000
35.	Semakubire Francis	18,000,000	Science Corner Engineering Ltd	4,500,000	-
36.	Walugembe Appolo	24,000,000	Science Corner Engineering Ltd	6,000,000	-
37.	Wandera James	22,150,000	Waterfix Engineering (U) Ltd	5,537,500	1,000,000
38.	Lwakako Charles	22,150,000	No details provided	5,537,500	-
39.	Taremwa Geoffrey African	22,150,000	No details provided	5,537,500	-
40.	Kabandize Kajuga Elisa	22,150,000	No details provided	5,537,500	-
41.	Gatete Geofrey	22,150,000	No details provided	5,537,500	-
42.	Mwebaze Jonathan	22,150,000	No details provided	5,537,500	-
43.	Kugumaho Robert	22,340,000	No details provided	5,537,500	-
44.	Ntambara Andrew	22,340,000	No details provided	5,537,500	-
45.	Kacumu Yosam	22,760,000	No details provided	5,585,000	-
46.	Muhanguzi Grace	22,150,000	No details provided	5,690,000	-
47.	Ntengye Flidah	22,910,000	No details provided	5,537,500	-
48.	Musisi John	23,400,000	No details provided	5,850,000	-
49.	Kyarisima Apophia	-	No details provided	-	1,500,000
50.	**Total**	**1,069,826,650**		**267,011,663**	**48,296,900**

Implication
Failure to provide records limited access to details on micro-irrigation systems and therefore affecting the inspection trail.

Management Response
Management noted the Authority's observation and explained that documents were kept on a different file in the Production Department were retrieved for verification.

Authority's comment: Noted the Entity's response; however, no records were provided for verification. Additionally, bids for 13 farmers including evaluation reports and Contracts Committee awards were not on file and these farmers were; Lwakako Charles, Taremwa Geoffrey African, Kabandize Kajuga Elisa, Gatete Geofrey, Mwebaze Jonathan, Kugumaho Robert, Ntambara Andrew, Kacumu Yosam, Muhanguzi Grace, Ntengye Flidah, Musisi John, Muhanguzi Abel and Kyarisima Apophia

Recommendations

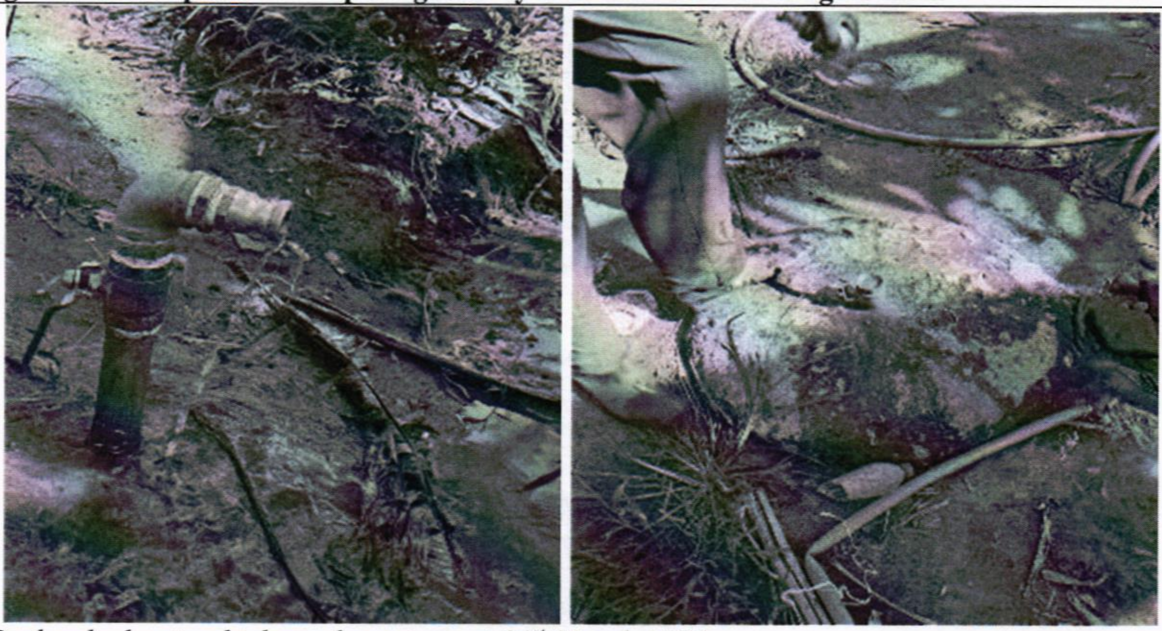
1. The Head, Procurement and Disposal Unit should liaise with Production Department and Finance Department for copies of all documentation relating to the establishment of the microscale irrigation schemes and archive on the procurement action file in accordance with Section 33 (o) of the PPDA Act, Cap. 205.
2. The Contract Managers should:
   i. Keep and archive all contract management records and distribute copies to key stakeholders including the Procurement and Disposal Unit as required in accordance with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023; and
   ii. Prepare Contract Management Plans using Form 49 and forward a copy to the Procurement and Disposal Unit for purposes of monitoring in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.

2.5.2 Incomplete Microscale Irrigation Project at Kasegu's Farm

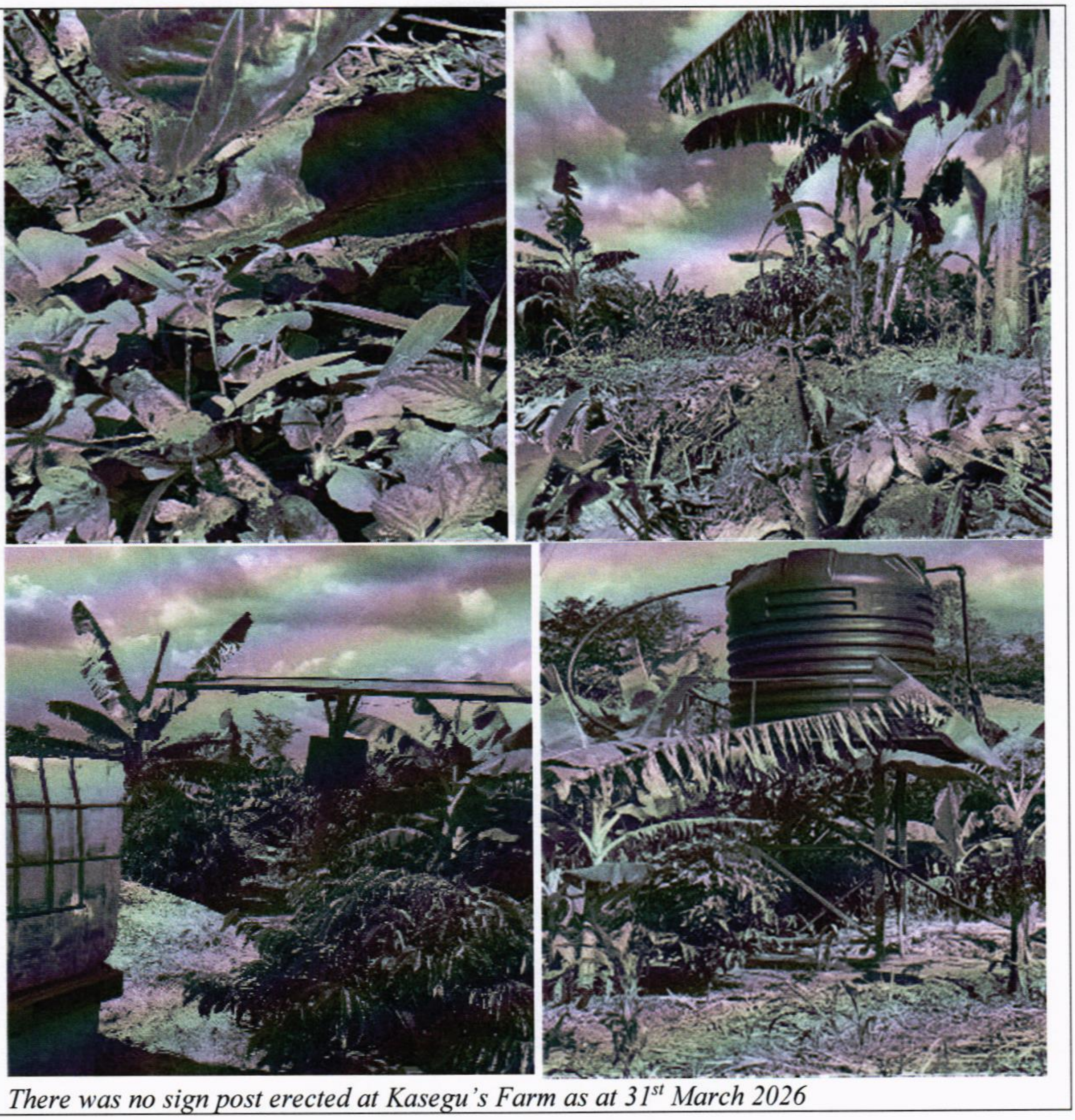
Regulation 52 (1) (a) of the PPDA (Contracts) regulations, 2023 provides that; a contract manager shall make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract.

During the verification exercise, the Authority found that Kasegus's Farm was operational; however, the contractor had not installed a signpost. In addition, some of the hydrants installed had become defective with no repair or replacement. The status of Kasegu's farm is as shown in Figures 3 below:

Figure 3: Solar powered drip irrigation system installed at Kasegu's farm



Broken hydrants which need repair as at 31st March 2026



There was no sign post erected at Kasegu's Farm as at 31st March 2026

Note: The full name of the farmer identified as "Kasegu" was not indicated in the records on file, including the bidder's submission; only the name "Kasegu" was used throughout the documentation.

Implication

This undermined accountability and effective contract management, since the beneficiary could not be conclusively identified in the records, weakening traceability and verification of the installation and associated payments. The absence of a signpost reduced transparency and public monitoring, while defective hydrants without repair or replacement indicate weak enforcement of warranty/defects obligations, risking service disruption and reduced value for money.

Management response

Management acknowledged the Authority's observation and promised to take action. For the hydrants that had become defective, action was taken and repairs were made.

Authority's comment: Noted the Entity's response; however, no report with pictorial evidence was provided for verification on correction/repair of the defective hydrants.

Recommendations

1. The Accounting Officer should regularise beneficiary identification records by ensuring that full beneficiary details (full name, NIN/contact, location and verification evidence) are captured consistently in all procurement and contract documentation, including the bidder's submission, evaluation records and contract file, to strengthen traceability and accountability.
2. The Contract Manager should enforce contract completion and defects obligations by requiring the contractor to install the required signpost and to repair or replace defective hydrants within a specified timeframe, and to provide evidence of rectification (inspection report and photos). Where the contractor fails to comply, the Entity should apply the applicable contractual remedies, including withholding payments and/or other sanctions.
3. The Head, Production Department should maintain a beneficiary installation and maintenance register for the irrigation programme, capturing installation status, defects reported, corrective actions taken, and dates of verification to support monitoring and value for money.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall Inspection Conclusion

The performance of Kyankwanzi District Local Government for the Financial Year 2024/2025 was **Moderately Satisfactory** with an overall weighted average risk rating of **65.66%.**

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 18 below:

Table 18: Risk Computation

Risk Category	No.	No.%	Value (UGX)	Value %	Weights	Total Weighted Average	
						By No.	By Value
High	1	9.09	2,400,000,000	9	0.6	5.45	32.18
Medium	10	90.91	2,075,471,890	91	0.3	27.27	13.91
Low	0	-	0	0	0.1	0.00	-
Satisfactory	0	-	0	0	0	0.00	-
Total	**11**	**100**	**4,475,471,890**	**100**	**1**	**32.72**	**46.09**

Weighted Average (By No.) = $\frac{\sum \text{Weighted Score}}{60} \text{ X } 100 = \frac{32.72 \text{ X } 100}{60} = 54.5\%$

Weighted Average (By Value) = $\frac{\sum \text{Weighted Score}}{60} \text{ X } 100 = \frac{46.09 \text{ X } 100}{60} = 76.82\%$

Combined Weighted Average = $\frac{54.5+76.82}{2} = 65.66\%$

Since **65.66%** falls within the **31-70** risk range, the performance of the Entity is rated **Moderately Satisfactory** as detailed in Table 19 below:

Table 19: Risk rating Table

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

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

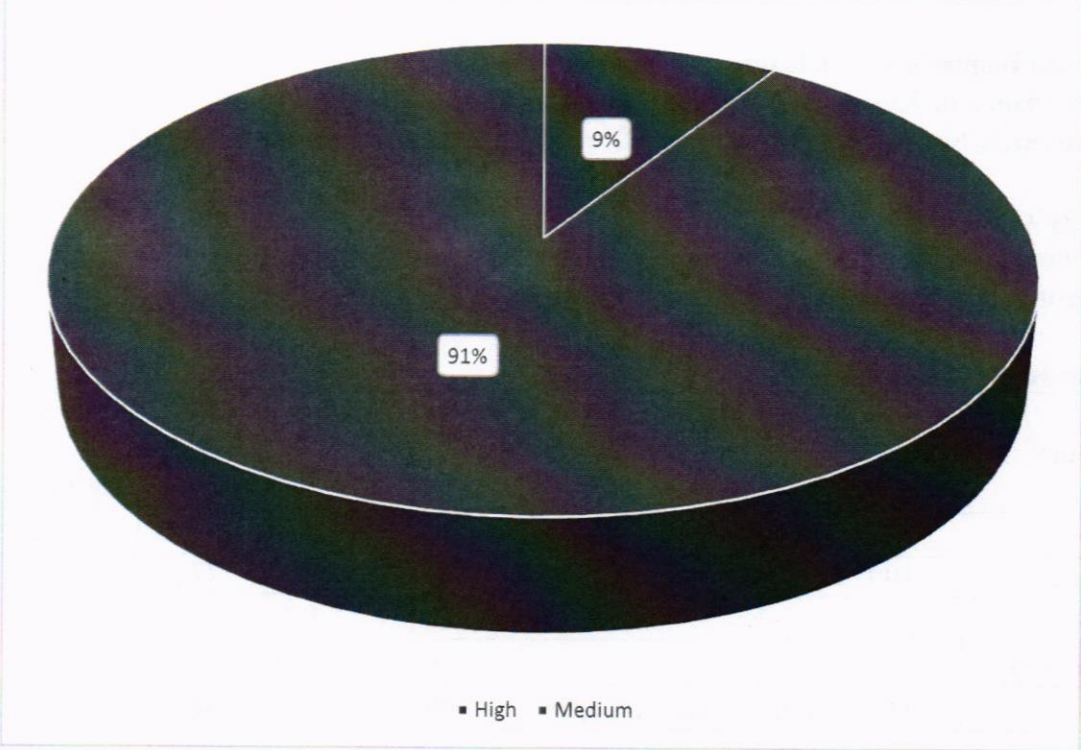
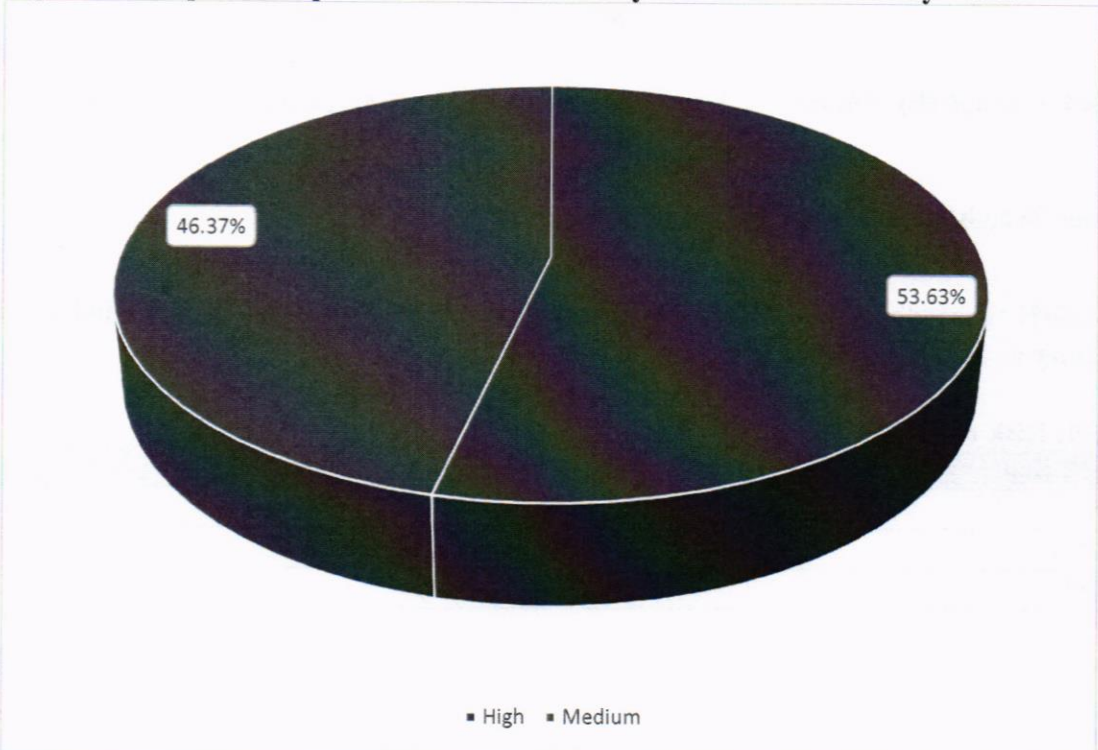


Figure 5: Graphical Representation of the Entity's Risk Assessment by Value



3.3 Inspection Opinion/Conclusion

The Procurement and Disposal activities of Kyankwanzi 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 the 2014 for 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 non-submission and late submission of monthly reports; non-implementation of 48.01% of the procurement plan; failure to conduct detailed evaluation; failure to dispose of obsolete assets; failure to maintain key procurement, Force Account and contract management records; and failure to monitor contractors' compliance with environmental, social, health and safety safeguards.

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 Kyankwanzi District Local Government for the FY 2024/2025 is assessed as **Moderately Satisfactory**, with an overall weighted average risk of **65.66%**, but requiring targeted management interventions to strengthen procurement efficiency, contract management and compliance with statutory and regulatory requirements.

3.4 Recommended Action Plan

Kyankwanzi District Local Government should implement the following recommendations in Table 20 below within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 20: Action Plan

Finding	Action/ Recommendation	Responsible Officer	Target Date
Failure to adhere to reporting timelines	Submit the monthly procurement and disposal reports to the Authority by the 15th day of the following month, in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 and through electronic submissions via the e-Reporting Link (https://ereports.ppda.go.ug/) as provided in Circular No. 5 of 2025.	Accounting Officer/ Head PDU	Monthly
Failure to implement 48.01% of the procurement plan	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.	Accounting Officer/ User Departments/ Head PDU	Continuous
Failure to conduct detailed technical evaluation	Conduct targeted training and capacity building for key technical staff involved in bid evaluation to strengthen adherence to the approved evaluation methodology and consistent application of stated criteria.	Accounting Officer	September 2026
Failure to dispose obsolete assets	Determine the reserve price of the assets to be disposed of by obtaining a valuation in accordance with Regulation 24 of the PPDA (Disposal of Public Assets) Regulations, 2023 and prepare a disposal plan.	Accounting Officer	October 2026
Failure to maintain procurement and contract management files on Force Account	Maintain all records on the implementation of Force Account Mechanism and share copies with the Procurement and Disposal Unit for filing in accordance with accordance with Section 130 (5) (e) of the PPDA Act, Cap. 205. Furthermore, the records should be made accessible efficiently whenever various mandated stakeholders require access.	Accounting Officer/ District Engineer	Continuous
Failure to conduct detailed technical evaluation	Conduct a detailed technical evaluation of bids in line with the criteria stated in the bidding document and in accordance with Regulation 15 of the PPDA (Evaluation) Regulations, 2023.	Evaluation Committees	During Evaluation

Finding	Action/ Recommendation	Responsible Officer	Target Date
Failure to implement 48.01% of the procurement plan	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 prioritised needs, in accordance with Sections 60 (2) (a) and 60 (2) (d) of the PPDA Act, Cap. 205.	Head, PDU	Quarterly
Failure to Maintain Contract Management Records	Liaise with User Departments including Engineering, Production and Finance Departments for copies of all documentation relating to a procurement and archive on the procurement action file in accordance with Section 33 (o) of the PPDA Act, Cap. 205.	Head, PDU	Continuous
Failure to Maintain Contract Management Records	Keep and archive all contract management records and distribute copies to key stakeholders including the PDU as required under Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023.	Contract Managers	Continuous
Failure to Maintain Contract Management Records	Prepare a contract management plans using Form 49 and forward a copy to the Procurement and Disposal Unit for purposes of monitoring in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.	Contract Managers	Immediately after contract signing
Failure to Maintain Contract Management Records	Always task contractors to submit work programs as per the terms and conditions of the contract before contract execution and enforce contractor's compliance to environmental, health and social safeguard measures in accordance with Regulation 52 (3) (ii) of the PPDA (Contracts) Regulations, 2023.	Contract Managers	Continuous

APPENDIX 1: CASE BY CASE ANALYSIS

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	**Subject:** Rehabilitation of 20.92km of community access roads in Butemba and Banda S/C **Ref:** MoLG-NOSP /KYANKWANZI/ WORKS/02024-2025/00032/Lot 77 **Actual:** UGX 2,400,000,000 **Method:** Open Domestic **Provider**: Tri-Tech Technical Services Ltd	• Missing Records - Solicitor General Clearance - Copy of Contract - Progress and completion reports with pictorial evidence - Payment records • No detailed reports with pictorial evidence on the implementation of the ESHS aspects worth UGX 111,870,000
No.	**MEDIUM RISK CONTRACTS**	**REASONS FOR MEDIUM RISK**
1.	**Subject:** Construction of Kiganda Sub- County offices **Ref:** Kyan875/works/2024-2025/0007 **Actual:** UGX 194,462,330 **Method:** Quotation **Provider**: Jilo Construction (U) Ltd	• No evidence of communication of the invitation to bid to all shortlisted bidders • Did not conduct a detailed evaluation • Site visit certificate introduced as a new requirement during evaluation • Low bidder participation • Missing Records - Progress and completion reports with pictorial evidence - Payment records - Contract Management Plan (Form 49)
2.	**Subject:** Hydrogeological surveying, siting and drilling of 08 boreholes **Ref:** Kyan875/works/2024-2025/0002 **Actual:** UGX 169,627,360 **Method:** Quotation **Provider**: Icon Project Ltd	• Did not conduct a detailed evaluation • Drilling permit introduced as a new requirement during evaluation • Missing Records - Progress and completion reports with pictorial evidence - Payment records - Contract Management Plan (Form 49) • Contractor did not submit the program for the works • No detailed report with pictorial evidence on the implementation of the Environmental mitigation
3.	**Subject:** Design, supply and installation of micro-scale irrigation schemes **Ref:** Kyan875/works/2024-2025/0056 **Actual:** UGX 704,442,050 **Method:** Quotation	• Missing Records on the Procurement Action Files - Letter of appointment of the Contract Manager; - Technical supervision reports; - Payment records to the contractors with no payment certificates and payment vouchers; - Full payments of co-fund for 44 farmers; - Substantial completion certificates;

	Providers: • Science corner engineering Ltd • Together as one Investment Ltd • Waterfix Engineering (U) Ltd	- Contract management plan/plans (Form 49) - Program for the works • Signpost not installed by the contractor
4.	**Subject:** Supply of ICT equipment for Ntwetwe and Nsambya Seed Secondary Schools **Ref:** Kyan875/supplies/2024-2025/0010 **Actual:** UGX 330,000,000 **Method:** Open bidding **Provider**: Sandrax Lab Tech Solutions Ltd	• Missing Records - Appointment of contract manager - Evidence of delivery i.e., delivery notes, Invoices, GRN, verification report - Payment records - Contract management plan -Form 49 • Failure to engrave Government property
5.	**Subject:** Supply of Science kits and chemical reagents for Ntwetwe and Nsambya seed **Ref:** Kyan875/supplies/2024-2025/0011 **Actual:** UGX 112,000,000 **Method:** Open bidding **Provider**: A.N Ddamulira Ltd	• Missing Records - Appointment of contract manager - Evidence of delivery i.e., delivery notes, Invoices, GRN, verification report - Payment records - Contract management plan -Form 49 • Failure to engrave Government property
6.	**Subject:** Rehabilitation of 09 boreholes **Ref:** Kyan875/works/2024-2025/0056 **Actual:** UGX 89,300,000 **Method:** Quotation **Provider**: Dak Technical Services Ltd	• No evidence of communication of the invitation to bid to all shortlisted bidders • Low bidder participation • Missing Records - Progress and completion reports with pictorial evidence - Payment records - Contract Management Plan (Form 49) • Contractor did not submit program for the works
7.	**Subject:** Supply and installation of metallic storage container **Ref:** Kyan875/supplies/2024-2025/0009 **Actual:** UGX 47,500,000 **Method:** Quotation	• No evidence of communication of the invitation to bid to all shortlisted bidders • Low bidder participation • Missing Records - Progress and completion reports on the installation of the container with pictorial evidence - Contract Management Plan (Form 49)

	Provider: Dak Technical Services Ltd	• Contractor did not submit the program for the works
8.	**Subject:** Construction of a 2 classroom block at Kaseeta Primary School **Ref:** Kyan875/works/2024-2025/0009 **Actual:** UGX 79,663,570 **Method:** Quotation **Provider**: Bikwiri Investments Ltd	• No evidence of communication of the invitation to bid to all shortlisted bidders • Did not conduct a detailed evaluation • Low bidder participation • Missing Records - Progress and completion reports with pictorial evidence - Payment records - Contract Management Plan (Form 49) • Contractor did not submit the program for the works • No detailed report with pictorial evidence on the implementation of Environmental Matters
9.	**Subject:** Construction of a small piped water system at Wattuba RGC (Phase III) **Ref:** Kyan875/works/2024-2025/0003 **Actual:** UGX 323,816,000 **Method:** Quotation **Provider**: Waterfix Engineering (U) Ltd	• No evidence of communication of the invitation to bid to all shortlisted bidders • Did not conduct a detailed evaluation • Low bidder participation • Missing Records - Site investigation report (s) as required under GCC 14.1 of the Contract - Performance Security Bank Guarantee of 10% of the contract price as required under GCC 52.3 - Contract Management Plan (Form 49) - Progress and completion reports with pictorial evidence - Reports on Testing works such as Water tightedness tests and Pressure testing of and sterlisation of water mains. - Payment records • No detailed report with pictorial evidence on the implementation of environmental conservation and mitigation measures • Incomplete works with the taps not fixed, and the water meters and lockable steel meter protection box had not installed
10.	**Subject:** Construction of a 5 stance lined pit latrine at Buguluma Primary School **Ref:** Kyan875/works/2024-2025/0013 **Actual:** UGX 24,660,580 **Method:** Quotation **Provider**: Mardev Investments Ltd	• No evidence of communication of the invitation to bid to all shortlisted bidders • Missing Records - Progress and completion reports with pictorial evidence - Payment records - Contract Management Plan (Form 49) • Contractor did not submit the program for the works • No detailed reports with pictorial evidence on the implementation of the Environment concerns and mitigation measures

APPENDIX 2: PROCUREMENT SAMPLE LIST FOR KYANKWANZI DISTRICT LOCAL GOVERNMENT FOR THE FINANCIAL YEAR 2024/25

No.	Reference No.	Subject of procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk Rating
1.	Kyan875/supplies /2024-2025/0010	Supply of ICT equipment for Ntwetwe and Nsambya Seed Secondary Schools	Open bidding	Sandrax Lab Tech Solutions Ltd	330,000,000	Medium
2.	Kyan875/supplies /2024-2025/0011	Supply of Science kits and chemical reagents for Ntwetwe and Nsambya seed	Open bidding	A.N Ddamulira Ltd	112,000,000	Medium
3.	Kyan875/works/2 024-2025/0056	Rehabilitation of 09 boreholes	Quotation	Dak Technical Services Ltd	89,300,000	Medium
4.	Kyan875/supplies /2024-2025/0009	Supply and installation of metallic storage container	Quotation	Dak Technical Services Ltd	47,500,000	Medium
5.	Kyan875/works/2 024-2025/0009	Construction of a 2 classroom block at Kaseeta Primary School	Quotation	Bikwiri Investments Ltd	79,663,570	Medium
6.	Kyan875/works/2 024-2025/0002	Hydrogeological surveying, siting and drilling of 08 boreholes	Quotation	Icon Project Ltd	169,627,360	Medium
7.	Kyan875/works/2 024-2025/0007	Construction of Kiganda Sub-County offices	Quotation	Jilo Construction (U) Ltd	194,462,330	Medium
8.	Kyan875/works/2 024-2025/0003	Construction of a small piped water system at Wattuba RGC (Phase III)	Quotation	Waterfix Engineering (U) Ltd	323,816,000	Medium
9.	Kyan875/works/2 024-2025/0013	Construction of a 5-stance lined pit latrine at Buguluma Primary School	Quotation	Mardev Investments Ltd	24,660,580	Medium
10.	Kyan875/works/2 024-2025/0056	Design, supply and installation of micro-scale irrigation schemes	Quotation	1. Science corner engineering Ltd 2. Together as one Investment Ltd 3. Waterfix Engineering (U) Ltd	704,442,050	Medium
11.	MoLG-NOSP /KYANKWANZI/ WORKS/02024-2025/00032/Lot 77	Rehabilitation of 20.92km of community access roads in Butemba and Banda S/C	Open Domestic	Tri-Tech Technical Services Ltd	2,400,000,000	High
	Total				**4,475,471,890**	

APPENDIX 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	**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	This implies lack of efficiency, standardisation and avoiding competition.

RISK	DESCRIPTION	AREA	IMPLICATION
	management action 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.	records of issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	
		Procurement Structures: Lack of procurement structures	This implies 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	**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
	matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.		

SATISFACTORY

Relates to 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.