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

COMPLIANCE INSPECTION REPORT FOR FINANCIAL YEAR 2024/2025

MAYUGE DISTRICT LOCAL GOVERNMENT

JUNE 2026

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ACRONYMS

Act	Public Procurement and Disposal of Public Assets Act, 205
CC	Contracts Committee
DLG	District Local Government
FY	Financial Year
GCC	General Conditions of Contract
HPDU	Head, Procurement and Disposal Unit
ITB	Instruction to the Bidders
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SCC	Special Conditions of Contract

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Mayuge District Local Government that covered 12 sampled procurement transactions under the Financial Year 2024/2025 vide **appendix 2**.

The overall objective of the compliance inspection was to assess and establish the degree of compliance of Mayuge District Local Government procurement and disposal systems and processes with the provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations, and assess the level of procurement and disposal performance over the inspection period.

From the findings of the audit exercise, the performance of the Entity revealed an aggregate risk rating of 50%, which is a **moderately satisfactory** performance as per the ranking in Table 16 of the attached audit report.

The following key exceptions were noted:

1. Section 60(7) of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity to, on a quarterly basis and whenever necessary, review and update its procurement plan. The Authority found that the Entity failed to adhere to the approved procurement plan resulting in over implementation amounting to UGX 1,514,801,208 (19%) over and above the procurement plan. The Entity's total procurement budget for the Financial Year 2024/2025 was UGX 7,839,120,721 against total procurement expenditure of UGX 9,353,921,929. This represents a material breach of procurement planning and budgetary control requirements;
2. Section 10(1)(a) of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity to comply with the Act and promote performance improvement in its procurement and disposal function. The Authority found that the Entity did not implement 100% of the previous audit recommendations which hindered performance improvement of the Entity's procurement and disposal function;
3. Regulation 3(1) of the PPDA (Contracts) Regulations, 2023, which requires a Procuring and Disposing Entity, within five days of the Contracts Committee's decision to award a contract, to display the notice of the Best Evaluated Bidder for a minimum of ten working days prior to contract award. The Authority found that Entity retrospectively approved the Best Evaluated Bidder for two procurements worth UGX 773,931,624 before the Contracts Committee had formally awarded the contract. This undermined the prescribed award process, which weakened compliance;
4. Regulation 5(1) of the PPDA (Evaluation) Regulations, 2023, which requires bids to be evaluated in accordance with the evaluation criteria specified in the bidding documents. The Authority found evaluation irregularities in four procurements worth UGX 419,144,434, which undermined the fairness, transparency and credibility of the evaluation process;
5. Regulation 9 (1) of the PPDA (Contracts) Regulations, 2023 provides for the contents of a contract_and the manner in which it should be prepared. The Entity signed inadequate contracts of seven Procurements worth UGX 1,644,184,687 which lacked key information. Lack of key information amounts to weak performance monitoring and implementation of sanctions for failure to perform as expected;
6. Regulations 2 (1) and (2) of the PPDA (Disposal of Public Assets) Regulations, 2023 which provides that for the purposes of disposal planning, an Accounting Officer shall, in each financial year, cause the public assets of a Procuring and Disposing Entity to be reviewed, to identify the public assets to be disposed of in the following financial year. The Authority found that the Entity did not to conduct disposal of obsolete assets which include; Motor

Vehicles, Motor Cycles and ICT equipment. This inhibited the achievement of value for money as funds are held up in assets and also lost through depreciation and vandalism; and

7. Regulation 11(2) of the PPDA (Contracts) Regulations, 2023 provides that the bidding documents shall state the requirement for a Performance Securing Declaration. Guideline No. 3 of 2024 on bid and performance securities provides that a Performance Securing Declaration shall be required for procurements under the restricted domestic, restricted international, quotation and direct bidding methods. The Authority found that the Entity did not request for a Performance Securing Declaration for nine contracts worth UGX 1,579,758,170. Absence of performance securing declaration leaves the Entity with no immediate administrative remedy to sanction the provider or claim compensation, thereby increasing the likelihood of financial loss, project delays, and failure to achieve value for money.

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

1. The Accounting Officer should:
    i. Enforce strict compliance with the approved procurement plan by ensuring that no procurement is initiated or awarded outside the approved plan unless the plan has been formally updated and approved, in accordance with Section 60 (10) of the PPDA Act, Cap 205 and institute quarterly procurement plan performance reviews to detect and address variances, assess implementation progress and ensure timely corrective action;
    ii. Put in place a strong internal mechanism and a dedicated team of staff that will always ensure full implementation of the Authority's previous audit recommendations in accordance with Section 10 of the PPDA Cap. 205;
    iii. Task the Head, Procurement and Disposal Unit to formally show cause why disciplinary action should not be taken against them for usurping the powers of the Contracts Committee contrary to Section 29(1) of the PPDA Act, Cap. 205 and further reinforce adherence to the statutory roles and responsibilities of procurement structures to prevent recurrence and uphold transparency, accountability, and institutional governance;
    iv. Only sign contracts that are complete and sufficiently detailed, with clear scope of works, specifications or terms of reference, deliverables, implementation timelines, performance standards, contract management requirements, and payment schedules, in accordance with Regulation 9 of the PPDA (Contracts) Regulations, 2023; and
    v. Expedite the disposal of obsolete assets in accordance with Regulation 2(1) of the PPDA (Disposal of Public Assets) Regulations, 2023, to minimise further deterioration and loss of asset value. Where the obsolete assets belong to, or are registered under, a line Ministry, the Accounting Officer should obtain the necessary disposal authority and documentation to enable lawful disposal and transfer of title to the successful buyers

2. The Head, Procurement and Disposal Unit should
    i. Strengthen procurement planning controls by ensuring that all cost estimates are supported by documented market surveys and that no procurement proceeds to the solicitation stage without confirmation of alignment to the approved procurement plan and budget in accordance with Section 60 (10) of the PPDA Act, Cap 205; and

ii. Brief all appointed Evaluation Committees and require them to strictly evaluate bids in accordance with the evaluation criteria specified in the respective bidding document, as required under Regulation 5(1) of the PPDA (Evaluation) Regulations, 2023.

Mayuge District Local Government should implement the recommended action plan on pages **27-28** of the report

CHAPTER 1: INTRODUCTION

1.1 Structure of the Entity

According to Section 28(1) 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. During the financial year 2024/2025, Mr. Batambuze Abdu was designated as the Accounting Officer.

1.2 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Mayuge District Local Government that covered 12 sampled procurement transactions under the Financial Year 2024/2025.

1.2 Main Audit Objective

The overall objective of the inspection was to assess and establish the degree of compliance of Mayuge District Local Government procurement and disposal system and processes with the provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations, and assess the level of procurement performance over the inspection period.

The specific objectives of the inspection of Mayuge Local Government District were to:

1. To Establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations with regard to the performance of the procurement structures and conduct of procurement processes;
2. To Assess the degree of compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations; and
3. To Assess the level of efficiency and effectiveness in contract implementation, including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process.

1.3 Scope of the Audit

The exercise covered a sample of 12 procurement transactions worth UGX. 3,671,661,306 conducted during the Financial Year 2024/2025, vide Annex 2.

1.4 Methodology

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

During the compliance inspection exercise, the auditors 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 exercise commenced on 01st December 2025, and a debrief meeting to discuss preliminary findings was held with the Entity management and staff on 03rd December, 2025, before the team could embark on preparation of the management letter. The management letter was sent to the Entity on 05th March 2026 with a request to submit a management response by 16th March 2026, which was submitted on 23rd April 2026.

This report presents the key findings and conclusions arising from the compliance inspection exercise.

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

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

2.1.1. Implementation above the Procurement Plan

The Entity's total procurement budget for the Financial Year 2024/2025 was UGX 7,839,120,721 as per the Entity's consolidated procurement plan. A review of the monthly reports submitted to the Authority indicated a total procurement spend of UGX 9,353,921,929 (119%) implying that the Entity implemented procurements worth UGX 1,514,801,208 (19%) above the procurement plan as detailed in Table 1 below:

Table 1: Analysis of Procurement Spend

Total procurement plan value inclusive VAT (UGX)	7,839,120,721
Total procurement spend value inclusive VAT (UGX)	9,353,921,929
Implementation Rate (%)	119%
Implementation variance (UGX)	(1,543,363,208)
Implementation variance (%)	-(19%)

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

The variance of the procurement plan execution is further illustrated in Table 2 below:

Table 2: Variance in Procurement Plan Execution

No.	Description	Planned Amount (UGX)	Actual/Procured Amount (UGX)	Variance (UGX)	Variance type
1.	Micro Irrigation Scale	1,152,768,000	4,989,347,264	(3,836,579,264)	Over expenditure
2.	Other Planned Procurements	6,686,352,721	4,393,136,665	2,293,216,056	Under Expenditure
	TOTAL	**7,839,120,721**	**9,382,483,929**	**(1,543,363,208)**	**Net over expenditure**

Implication

The over-expenditure of UGX 1,543,363,208 against the approved procurement plan represents a material breach of procurement planning and budgetary control requirements, contrary to Section 36 (2) of the PPDA Act. Cap. 205, which mandates that procurement shall be conducted in accordance with the approved procurement plan. This deviation undermines fiscal discipline, exposes the Entity to audit sanctions, and compromises value for money.

Management Response

Management acknowledged the over expenditure and attributed it to the failure to update the procurement plan following the re-vote of funds under the Micro-Scale Irrigation Grant amounting to UGX 4,060,010,441. This led to misalignment between the approved procurement plan and the actual available budget.

Authority's Comment

The Authority noted Management's response and observed that the Entity did not revise the procurement plan to reflect the re-vote of funds under the Micro-Scale Irrigation Grant. Consequently, the procurement plan remained misaligned with the available budget

Recommendations

1. The Accounting Officer shall enforce strict compliance with the approved procurement plan by ensuring that no procurement is initiated or awarded outside the approved plan unless the plan has been formally updated and approved, in accordance with Section Section 36 (2) of the PPDA Act, Cap. 205 and institute quarterly procurement plan performance reviews to detect and address variances, assess implementation progress and ensure timely corrective action.
2. The Head Procurement and Disposal Unit should strengthen procurement planning controls by ensuring that all cost estimates are supported by documented market surveys and that no procurement proceeds to solicitation stage without confirmation of alignment to the approved procurement plan and budget, in compliance with the PPDA regulatory framework.

2.1.2 Failure to Implement 100% of the Previous Audit Recommendations for the FY 2024/25

The Authority found that Mayuge District Local Government did not implement 100% of the previous Audit recommendations. The Entity had been issued its previous audit report for the Financial Year 2022/2023 in May 2024. Out of the 10 recommendations made, four 40%) recommendations were partially implemented, six (60%) recommendations were not implemented as detailed in Table 3 below:

Table 3: Status of Previous Audit Recommendations

No.	Recommendation	Status	Management Response
1.	The Accounting Officer should put in place a strong internal mechanism and a dedicated team of staff for implementation of audit recommendations that will ensure full implementation of the Authority's previous audit recommendations;	Partially implemented	*Management responded that a team comprising of principal auditor, procurement officer, district engineer and representative of respective user department had been constituted.* **Authority's Comment** The Authority noted the Management response and the appointment letter for the team responsible for

No.	Recommendation	Status	Management Response
			monitoring implementation. However, the audit finding was retained to enable follow up to the performance of the Entity.
2.	The Accounting Officer should investigate the causes of the low bidder participation and devise means to attract more potential bidders;	Not Implemented	*Management stated that Internal audit has been instructed to conduct an audit on low bidder participation.*
3.	The Accounting should follow the procurement lead times set out in Section: 48 of the PPDA Act, 2003 in order to achieve efficiency in the procurement process;	Not Implemented	*Management acknowledged the delays especially at the initiation stage of procurement, and stated that it had agreed with all user Departments that all procurement initiations should be completed by 15th day June of every financial year.* **Authority's comment** Authority noted the management response but retained the audit finding for future follow up
4.	The Accounting Officer should recover from the provider or refund UGX 22,906,191 paid as VAT where payment ought not to have been made;	Not Implemented	*Management acknowledged that the funds had not yet been recovered but indicated that follow-up actions with the contractors are ongoing.* **Authority's comment** The Authority noted the response; however, no evidence was provided to substantiate the claimed efforts to recover the Government funds.
5.	The Accounting Officer should ensure that project beneficiaries are identified in a timely manner and educated on their rights and obligations in order to effectively and efficiently implement government programs.	Not Implemented	**Management Response** *Management indicated that there had been an improvement in the farmer identification process and that committed farmers were*

No.	Recommendation	Status	Management Response
			identified and subsequently received irrigation kits. **Authority's comment** The Authority reviewed the list availed for verification but noted that it did not indicate the dates of identification, the selection methods used, or evidence of training provided to the farmers on the use and management of the irrigation kits.
6.	The Accounting Officer should task the Contract Manager to show cause why disciplinary action should not be taken against them for certifying payment for works that were not fully executed; and	Not Implemented	*Management stated that Chief Administrative Officer had cautioned officers appointed as project manager not to indulge in to any payments of incomplete works failure to adhere individual will be accountable.* **Authority's comment** There was no evidence provided to support the management response.
7.	The Head Procurement and Disposal Unit should shortlist at least six bidders, except for micro procurement, which should have three bidders in line with Regulation 53 (1) of the PPDA (Rules and Methods for procurement of supplies, works and non-consultancy services) Regulations, 2023.	Partially Implemented	*Management did not provide any response*
8.	The Evaluation Committee should desist from making amendment the evaluation criteria stated in the bidding document, and should not use any other criteria other than the criteria specified in the bidding document during an evaluation in line with Regulation 5 (2) of the PPDA (Evaluation) Regulations, 2023	Not Implemented	*Management responded that it has adhered to the recommendation.* **Authority's comment** Authority noted that irregularities at evaluation stage were still persisting.

No.	Recommendation	Status	Management Response
9.	The Contract Managers should ensure that providers performs the contract in accordance with the terms and conditions specified in the contract in line with Regulation 52 (b) of the PPDA (Contracts) Regulations, 2023.	Partially Implemented	*Management responded that Contract managers have improved through continued submission of project management reports.*
10.	The Head of Internal Audit should investigate payments for works not yet executed to assess whether there was value for money, and provide a report to the Authority within four months	Partially Implemented	*Management stated that an investigation had been instituted and report shall be availed to the Authority.* **Authority's comment** Authority noted the response and found that the corresponding letter from the Accounting Officer to Principal Internal Auditor was dated 10th March 2026, which implied that the entity did not act after the PPDA report of 2023/2024

Implication

Failure to fully implement previous audit recommendations denied the Entity an opportunity to continuously improve in their procurement processes.

Recommendation

The constituted team (Principal Auditor, Procurement Officer, District Engineer and representative of respective User department) should enforce full implementation of the Authority's previous audit recommendations for the Entity's improved performance.

2.1.3 Failure to include Reference Number on the Requisition Form

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

The Authority found that the Head, PDU did not indicate reference numbers on 12 requisition forms of procurements worth UGX 3,671,661,306

Implication

Failure to indicate reference numbers on procurement requisition forms affected the link between the initial need and the final purchase, creating significant operational, financial, and compliance risks.

<u>Management Response</u>
Management acknowledged the audit finding and further stated that, currently, each procurement is provided with a unique reference number.

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

2.1.4 Low Bidder participation
Sections 48 and 49 of the PPDA Act, Cap. 205, provides that all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money.

The Authority found low bidder response rates in six procurements worth UGX, 431,429,046 when the Request for Quotation method was used. The Entity attracted either one or two bidders, with most sampled procurements at an average response rate of two bids when the Request for Quotation method was used, as indicated in Table 4 below.

Table 4: Procurements with Low Bidder Participation:

No.	Procurement details	Method of procurement	Number of Bidders Invited	Contract Value (UGX)	Number of Bids Submitted
1.	Construction of two Classroom Block at Bugadde Primary School under SFG Mayu 890/wrks/24-25/00047	Request for Quotation	06	86,327,066	2
2.	Construction of two Classroom Block at Lukindu Primary School Mayu 890/wrks/24-25/00005		07	86,325,827	2
3.	Renovation of a 3-class room block at Bubinge P/S under Non-Wage MAYU/890/Wrks/2024/2025/00020		06	79,566,536	2
4.	Supply and delivery of science equipment's and chemical reagents for Wairasa seed secondary school Lot 2 MAYU890/WORKS/2024/2025/00310		01	55,575,000	1
5.	Design, Supply and Installation of Micro scale irrigation system under batch II for MAYU890/WRKS/2024/2025/000125		06	89,635,572	2

No.	Procurement details	Method of procurement	Number of Bidders Invited	Contract Value (UGX)	Number of Bids Submitted
6.	Construction of a 5-stance lined pit latrine for Boys at Luubu P/S Mayu890/Wks/24-25/00011		06	33,999,045	2
Total				**431,429,046**	**Av. 2**

Implication

The procuring entity faces reduced negotiating power, higher costs, and potential quality compromises.

Management Response

Management acknowledged the audit finding and attributed low level of bidder participation to the setting of low reserve prices for projects compared to neighbouring districts, which discouraged potential bidders. Management pledged that it plans to revise the reserve prices in line with prevailing market rates to enhance competition.

Authority's comment

The Authority noted the management response and found it not satisfactory because there was no evidence that the approved bidders received the bid documents and failed to respond because of low reserve prices thus maintaining the audit finding.

Recommendations

The Accounting Officer should:

i. Focus on improving transparency during the bidding process, and enhancing communication with the bidders;
ii. Organize and hold suppliers conference where interaction with the current and potential service providers could help air out the reasons for low bidder turn up and resolve any challenges if any preventing the reasonable bidder participation.

2.1.5 Delays in Procurement Processes

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

The Authority found delays in the procurement processes at different stages of eight procurements worth UGX 2,897,729,682 as indicated in Table 5 below;

Table 5: Delays in the Procurement Process

No.	Subject of Procurement	Amount (UGX)	PPDA Findings
1.	Construction of two Classroom Block at Bugadde Primary School under SFG Mayu 890/wrks/24-25/00047	86,327,066	• Delay by PDU to submit to CC for 121 working days for approval of the method, shortlist, bidding document from 10th April 2024 when the Accounting

No.	Subject of Procurement	Amount (UGX)	PPDA Findings
			Officer signed the requisition form to 30th September 2024 • Delay to issue the Best Evaluated Bidder Notice for 17 working days from 31st October 2024 to 17th November 2024 • Delay to sign the contract by 64 working days from 30th November 2024 to 14th February 2025.
2.	Supply and Delivery of ICT Equipment for Wairasa Seed Secondary School MOES / SPLS/24-25/00309	163,615,260	Delay by PDU to submit to CC for approval of the method, shortlist, bidding document from 10th April 2024 until 16th December 2024 when it was published causing a delay of 171 working days
3.	Construction of two Classroom Block at Lukindu Primary School Mayu 890/wrks/24-25/00005	86,325,827	Delay by PDU to submit to CC for approval of the method, shortlist, bidding document from 10th April 2024 until 30th September 2024 causing a delay of 121 working days.
4.	Phase 4 Construction of Mayuge District Council Hall under DDEG Mayu 890/wrks/24-25/00035	255,932,108	Delay by PDU for 124 working days to submit to CC for approval of the method, shortlist, bidding document from 25th April 2025 to until 21st October 2024
5.	Rehabilitation of 10.20Km of community access road in Kityerere Sub-Country, Mayuge District Under NOSP Bartch A CARS MOLG-NOSP/MAYUGE/WORKS/2023/2024/00003/LOT 44	1,639,084,251	• Delayed publishing of the advert. The Accounting Officer approved the requisition form on 8th May 2024 but the procurement was published on 30th May 2024. Causing a delay of 18 working days. • Delay to evaluate the bids for 64 working days from 2nd July 2024 to 8th October 2024 when the report was signed • Delayed contract signing for 13 working days after clearance from Solicitor General clearance dated

No.	Subject of Procurement	Amount (UGX)	PPDA Findings
			24th October 2024 to 12th November 2024
6.	Renovation of a 3-class room block at Bubinge P/S under Non-Wage MAYU/890/Wrks/2024/2025/00020	79,566,536	• Delayed commencement of evaluation exercise by 8 working days from 7th October 2024 when bids were received to 15th October 2024 when evaluation was conducted • Delay to seek approval of evaluation report for 13 days of CC for from15th October 2024 when the report was signed to 31st October 2024 when it was approved.
7.	Design, Supply and Installation of Micro scale irrigation system under batch II MAYU890/WRKS/2024/2025/000125	89,635,572	Delay by PDU to seek approval of the method for 133 days from 22nd April 2024 when the Accounting Officer approved the requisition form to 31st October when CC approved
8.	Construction of a 5-stance lined pit latrine for Boys at Luubu Primary school Mayu890/Wks/24-25/00011	33,999,045	Delay to sign the contract for 15 days from 30th October 2024 to 20th November 2024
9.	Borehole Drilling, Test pumping, Casting and Installation of 17 Deep Boreholes Ref: Mayu890/Wrks/24-25/00057	373,252,349	Delay by PDU to seek approval of the method from CC for 127 from 30th April 2024 when the Accounting Officer approved the Requisition Form to 4th November 2024 when CC approved
10.	Construction of OPD at Bwalula H/C II Mayu890/Wks/24-25/00142	89,991,668	• Delay by PDU for 122 working days to submit to CC for approval of the method, shortlist, bidding document from 19th April 2024 when the Accounting Officer approved the requisition form to 21st October 2024 when CC approved • The CC delayed to approve the evaluation report by 16 working days i.e. 4th November 2024 to 21st November 2024

No.	Subject of Procurement	Amount (UGX)	PPDA Findings
	Total	**2,897,729,682**	

Implication
Delays in procurement processes cause significant financial, operational, and reputational damage, typically leading to project cost escalations.

Management Response
Management acknowledged the delays experienced at various stages of the procurement process and expressed commitment to adherence to the prescribed timelines.

Recommendation
The Accounting Officer should enforce strict compliance with Section 51 of the PPDA Act, Cap. 205 by ensuring that all procurement activities are planned and executed within the prescribed lead times. This should include strengthening procurement planning, closely monitoring adherence to approved timelines, and instituting internal controls to track progress at each stage of the procurement cycle. In addition, responsibility should be assigned to specific officers for managing timelines, and accountability measures should be applied in cases of unjustified delays, in order to enhance efficiency and value for money in the procurement process.

2.1.6 Retrospective Approval of the Best Evaluated Bidder
Regulation 3(1) of the PPDA (Contracts) Regulations, 2023 states that a Procuring and Disposing Entity shall, within five days of the decision of the Contracts Committee to award a contract, display a notice of the best evaluated bidder. The notice shall be published for a minimum of ten working days prior to contract award.

The Authority found that the Best Evaluated Bidder Notices in two procurements worth UGX 773,931,624 were displayed before the Contracts Committee's award of the contracts as indicated in Table 6 below:

Table 6: Procurement with Retrospective Approval of the Best Evaluated Bidder

No	Subject of Procurement	Contract value (UGX)	PPDA Findings	Management Response
1.	Phase Three Construction of Busira RGC Piped Water Supply Scheme Under Ugift	718,356,624	The Contracts Committee meeting that approved the Evaluation reports was held on 4th December 2024 but the Best evaluated Bidder Notice was issued on 20th November 2024	*Management acknowledged the audit finding and attributed the premature display of the Best Evaluated Bidder Notices to an oversight by the Head of Procurement.*
2.	Supply and delivery of	55,575,000	The Contracts Committee	*Management acknowledged the audit finding and*

	science equipment's and chemical reagents for Wairasa seed secondary school		approved the award of a contract on 25th February 2025 for a bidder already displayed on 12th February 2025	*attributed the premature display of the Best Evaluated Bidder Notices to an oversight by the Head of Procurement.*
	TOTAL	**773,931,624**		

Implication

The Head, Procurement and Disposal Unit usurped the powers of the Contracts Committee hence hindering transparency and accountability in the procurement process.

Recommendation

The Accounting Officer should caution the Head, Procurement and Disposal Unit against premature display of Best Evaluated Bidder Notices before formal Contracts Committee award decisions are made, and require strict adherence to the prescribed award process under the PPDA Act, Cap. 205 and the PPDA (Contracts) Regulations, 2023.

2.1.7 Irregularities at Bid Evaluation Stage

Regulations 5 (1) of the PPDA (Evaluation) Regulations, 2023 provides that the evaluation of bids shall be conducted in accordance with the evaluation criteria specified in the bidding documents.

The Authority found irregularities at bid evaluation in four procurements worth UGX 419,144,434. As illustrated in Table 7 below:

Table 7 : Procurement Transactions with Irregularities at the Evaluation Stage

No	Subject of Procurement	Contract value (UGX)	PPDA Findings	Management Response
1.	Construction of two Classroom Block at Bugadde Primary School under SFG Mayu 890/wrks/24-25/00047	86,327,066	The evaluate team did not conduct the preliminary/ administrative, commercial and technical stages of evaluation on the premise that they relied on prequalification hence showing lack of knowledge of procurement procedures	*Management acknowledged the audit finding and pledged that continued capacity building session would be enhanced on how evaluations are conducted.*
2.	Supply and Delivery of ICT Equipment for	163,615,260	The evaluate team did not conduct the preliminary/	*Management acknowledged the audit finding and pledged that*

No	Subject of Procurement	Contract value (UGX)	PPDA Findings	Management Response
	Wairasa Seed Secondary School Ref: MOES / SPLS/24-25/00309		administrative, commercial and technical stages of evaluation on the premise that they relied on prequalification hence showing lack of knowledge of procurement procedures	*continued capacity building session would be enhanced on how evaluations are conducted*
3.	Renovation of a 3-class room block at Bubinge P/S under Non-Wage Ref: MAYU/890/Wrks/2024/2025/00020	79,566,536	• The evaluation team evaluated a bid from M/s Sonsole General Ltd yet the bidder was not approved by the Contracts Committee. • The evaluation team did not conduct the preliminary/ administrative, commercial and technical stages of evaluation on the premise that they relied on prequalification, hence showing lack of knowledge of procurement procedures. There was no technical assessment of CVs of technical teams to ascertain general	Management acknowledged the audit finding and pledged that continued capacity building session would be enhanced on how evaluations are conducted

No	Subject of Procurement	Contract value (UGX)	PPDA Findings	Management Response
			work experience & specific experience	
4.	Design, Supply and Installation of Micro scale irrigation system under batch MAYU890/WRKS/2024/2025/000125	89,635,572	Yistsam did not submit Tax Clearance Certificate but was the Best Evaluated Bidder	*Management stated that, at the time of the audit, the Tax Clearance Certificate (TCC) was attached to the documents and was presented for verification.* **Authority's comment** The Authority noted the Entity's response. However, the Tax Clearance Certificate (TCC) submitted by Yistam was issued on 23rd December 2024, after the bidding period had closed on 20th September 2024 and after the Contracts Committee had approved the evaluation report on 31st October 2024. This indicates that the TCC was not available at the time of bid submission and evaluation, and therefore could not have formed a valid basis for determining the bidder's eligibility or compliance during the evaluation process.
	TOTAL	**419,144,434**		

Implication

Irregularities at the evaluation stage of a procurement process are critical failures that violate fundamental principles of fairness, transparency, and accountability, often leading to severe legal, financial, and operational consequences.

Recommendations

1. The Evaluation Committee must strictly adhere to the set evaluation criteria in accordance with the evaluation criteria specified in the bidding document as provided under Regulations 5 (1) of the Public Procurement and Disposal Assets (Evaluation) Regulations, 2023.
2. The Head Procurement and Disposal Unit and the Evaluation Committee must adhere to the criteria stated in the solicitation document in accordance to Regulation 24(1) Evaluations Regulation, 2023.

2.1.8 Failure to Deliver the Notice of Best Evaluated Bidder

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

The Authority found that in all sampled procurement transactions worth UGX 3,671,661,306, the Entity did not communicate deliver and obtain proof of delivery of the Notice of Best Evaluated Bidder to all the bidders that participated in the bidding process.

Implication

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

Management Response

Management acknowledged the audit finding and stated that it was an oversight and that suitable means of communication would be used to notify all bidders the participated in the bidding processes and proof shall be obtained.

Recommendation

The Accounting Officer must enforce issuance of notices of best evaluated bidders to all bidders who participated in the procurement processes in accordance with Regulation 3(4) and (5) of the PPDA (Contracts) Regulations, 2023.

2.1.9 Signing of Inadequate Contracts

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

The Authority found irregularities in signed contracts of seven procurements worth UGX 1,644,184,687, which lacked key information as detailed in Table 8 below:

Table 8: Procurements with Inadequate Contracts

No.	Subject of Procurement	Amount (UGX)	Irregularity
1.	Construction of two Classroom Block at Bugadde Primary School under SFG	86,327,066	• The contract did not provide for Program of works • The Contract had no General Conditions of contract

No.	Subject of Procurement	Amount (UGX)	Irregularity
	Mayu 890/wrks/24-25/00047		• The Contract did not provide for Performance securing declaration
2.	Construction of two Classroom Block at Lukindu Primary School Mayu 890/wrks/24-25/00005	86,325,827	• The contract did not provide for Program of works • The Contract had no General Conditions of contract • The Contract neither provided for performance security nor Performance securing declaration.
3.	Phase 4 construction of Mayuge District Council Hall under DDEG Mayu 890/wrks/24-25/00035	255,932,108	• The contract did not provide for Program of works • The Contract had no General Conditions of contract
4.	Phase Three Construction of Busira RGC Piped Water Supply Scheme Under Ugift Mayu 890888/wrks/24-25/00061	718,356,624	• The contract did not provide for Program of works as it is clearly stated that the no program updates shall be required as per GCC 27 of the SCC • The Contract had no General Conditions of contract
5.	Construction of a 5-stance lined pit latrine for Boys at Luubu P/S Mayu890/Wks/24-25/00011	33,999,045	• The Contract did not provide for program of works. SCC (GCC 27) clearly stated that program of works are not required • The Contract did not provide for performance securing declaration SCC (GCC 52.1) a Performance. securing declaration was not required
6.	Construction of OPD at Bwalula H/C II Mayu890/Wks/24-25/00142	89,991,668	• The Contract did not provide for program of works. SCC (GCC 27) clearly stated that program of works are not required • The Contract did not provide for performance securing declaration SCC (GCC 52.1) a Performance. securing declaration was not required
7.	Borehole Drilling, Test pumping, Casting and Installation of 17 Deep Boreholes	373,252,349	The Contract did not provide for program of works. SCC (GCC 27) clearly stated that program of works are not required

No.	Subject of Procurement	Amount (UGX)	Irregularity
	Mayu890/Wrks/24-25/00057		
	Total	**1,644,184,687**	

Implication

Without a programme of works and performance securing declaration, the Entity lacked a clear baseline for tracking progress against agreed milestones, making supervision and performance assessment difficult. It amounts to weak performance monitoring and implementation of sanctions for failure to perform as expected.

Management Response

Management acknowledged the audit finding attributing it to an oversight, and undertook to ensure that only duly signed contracts with clearly defined and comprehensive scopes of work, specifications/terms of reference, deliverables, timelines, performance standards, and payment schedules are executed going forward.

Recommendations

The Accounting Officer should:

i. Only sign contracts that are comprehensive enough with clear scope of works, specifications/terms of reference, deliverables, timelines, performance standards and payment schedules in accordance with Regulation 9 of the PPDA (Contracts) Regulations, 2023;

ii. Task Contract Managers to always:
   a) Receive Performance Securing Declarations as a formal commitment by the contractors to perform the contract in accordance with its terms, failing which sanctions may apply: and
   b) In accordance with Regulation 3(g) of the PPDA (Contracts) Regulations, 2023 submit monthly reports on the progress of the contract to the Accounting Officer and to the Procurement and Disposal Unit.

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

2.2.1. Failure to Dispose Boarded of Items.

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

The Authority reviewed the Entity's Board of Survey report for the Financial Year 2023/2024 and noted the presence of several assets due for disposal that had not been disposed. A Procuring and Disposing Entity may use the board of survey or a User Department to identify the public assets to be disposed of. The assets that were due for disposal are indicated in Table 9 below:

Table 9: Assets recommended by the Board of Survey for disposal but never disposed of

No	Item / Asset Description	Reg No/Tag Number/ Engraved Code	Remarks
1.	Honda Motor Cycle	UAC 766U	To be disposed of
2.	Mitsubishi Tipper Truck	LG 0010-51	To be disposed of
3.	Jeep Cheroke	UG2318M	To be disposed of
4.	Mitsubishi Tipper Truck	LG 0008-51	To be disposed of
5.	Ford Everest	LG 010-075	To be disposed of
6.	Tipper Faw	LG 0002-075	To be disposed of
7.	Yamaha Motor Cycle	UAC 166z	To be disposed of
8.	Motor Cycle	UG 236R	To be disposed of
9.	CPU	GOU-IRISH-AID007	To be disposed of
10.	Yamaha Motor Cycle	UG 1000Z	To be disposed of
11.	Honda Motor Cycle	UG 2589R	To be disposed of
12.	Printers	DLSP/P/001/09	To be disposed of

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

Figure 1:Some of the obsolete assets that are due for disposal

These photos were taken on 3rd December 2025 at Mayuge DLG Offices.

Implication
Failure to dispose boarded off assets that no longer contribute to service delivery, while their value diminishes over time due to depreciation inhibits the achievement of value for money as funds are held up in assets and also lost through depreciation and vandalism.

Management Response
Management acknowledged the audit finding and stated that it had engaged the services of a qualified valuer to undertake the district asset valuation, with the aim of expediting the disposal process.

Authority's comment
The Authority reviewed the management response and noted the letter addressed to the Accountant General, MoFPED dated 23rd March 2026, requesting permission to engage a qualified and certified valuer to support asset evaluation process.

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

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

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

The Authority found that Performance Securing Declarations were not submitted in nine procurements worth UGX 1,579,758,170 (Contracts) as listed in Table 10 below:

Table 10: Transactions without Performance Securing Declaration

No.	Subject of Procurement	Contract Value (UGX)
1.	Construction of two Classroom Block at Bugadde Primary School under SFG	86,327,066
2.	Supply and Delivery of ICT Equipment for Wairasa Seed Secondary School	163,615,260
3.	Construction of two Classroom Block at Lukindu Primary School	86,325,827
4.	Phase 4 construction of Mayuge District Council Hall under DDEG	255,932,108
5.	Phase Three Construction of Busira RGC Piped Water Supply Scheme Under Ugift	718,356,624

No.	Subject of Procurement	Contract Value (UGX)
6.	Construction of a 5-stance lined pit latrine for Boys at Luubu P/S	33,999,045
7.	Construction of OPD at Bwalula H/C II	89,991,668
8.	Design, Supply and Installation of Micro scale irrigation system under batch II	89,635,572
9.	Supply and delivery of science equipment's and chemical reagents for Wairasa seed secondary school	55,575,000
	Total	**1,579,758,170**

Implication

Without a Performance Securing Declaration, the Entity is exposed to a heightened risk of contractor default, as there is no legally enforceable commitment mechanism to deter non-performance. In the event that the provider fails to fulfil contractual obligations, the Entity will have no immediate administrative remedy to sanction the provider or claim compensation, thereby increasing the likelihood of financial loss, project delays, and failure to achieve value for money.

Management Response

Management acknowledged the audit finding attributing it to an oversight, and undertook to ensure that all future bidding documents clearly specify the requirement for a performance securing declaration.

Recommendation

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

2.3.2 Failure to Prepare Contract Implementation Plans

Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023 provides that upon receipt of the contract, the contract manager shall prepare a contract management plan using Form 49 in Schedule 2 to the Regulations, and forward a copy of the contract management plan to the Procurement and Disposal Unit for purposes of monitoring.

The Authority found that contract implementation plans were not prepared in six procurements worth UGX 3,039,519,056. The procurements where contract implementation plans were not prepared are detailed in Table 11 below:

Table 11: Failure to Prepare Contract Implementation Plans

No.	Subject of Procurement	Amount (UGX)
1.	Supply and Delivery of ICT Equipment for Wairasa Seed Secondary School	163,615,260
2.	Phase Three Construction of Busira RGC Piped Water Supply Scheme Under Ugift	718,356,624

No.	Subject of Procurement	Amount (UGX)
3.	Rehabilitation of 10.20Km of community access road in Kityerere Sub-Country, Mayuge District Under NOSP Bartch A CARS • Bugade B Nakirimira B (2.9km) • Magemeso Ndaiga C Mitimito Ps Lutale (4.6 Km) • St Marys Ps-Bubinge- Busimo- Kikandwa Car Road (2.7km)	1,639,084,251
4.	Supply and delivery of science equipment's and chemical reagents for Wairasa seed secondary school Lot 2	55,575,000
5.	Design, Supply and Installation of Micro scale irrigation system under batch II	89,635,572
6.	Borehole Drilling, Test pumping, Casting and Installation of 17 Deep Boreholes	373,252,349
	Total	**3,039,519,056**

Implication

Failure to prepare the implementation plans exposed contract execution at the risk of failure to meet the contractual requirements in a way that achieves value for money to the Entity.

Management Response

Management acknowledged the error, attributing it to an oversight, and undertook to ensure that Contract Managers prepare contract management plans using Form 49 in Schedule 2 to the Regulations and submit copies to the Procurement and Disposal Unit for monitoring purposes.

Recommendation

Contract Managers should prepare Contract Management Plans using Form 49 of the PPDA Contracts Regulations in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.

2.3.3 Missing Records on Procurement Action Files

Section 44 (1) of the PPDA Act, Cap. 205, provides that the Procuring and Disposing Entity shall maintain records on its procurement and disposal proceedings for a period of seven years from the date of a decision to terminate the procurement and disposal action, or the date of contract completion, whichever comes later.

The Authority found that there were missing records on eight procurement action files worth UGX 3,098,517,549 as indicated in Table 12 below:

Table 12: Procurements with Missing Records

No.	Subject of Procurement	Amount (UGX)	Missing Records
1.	Construction of two Classroom Block at Bugadde Primary School under SFG Procurement Plan: Yes Ref: Mayu 890/wrks/24-25/00047	86,327,066	• Site possession letter • Completion certificate • Hand over report

No.	Subject of Procurement	Amount (UGX)	Missing Records
2.	Supply and Delivery of ICT Equipment for Wairasa Seed Secondary School MOES / SPLS/24-25/00309	163,615,260	• Contract implementation plan • Inspection report • Completion report
3.	Phase 4 construction of Mayuge District Council Hall under DDEG Mayu 890/wrks/24-25/00035	255,932,108	• Contract implementation plan • Commencement order • Site possession letter • Completion report
4.	Phase Three Construction of Busira RGC Piped Water Supply Scheme Under Ugift Mayu 890888/wrks/24-25/00061	718,356,624	• Contract implementation plan
5.	Construction of OPD at Bwalula H/C II On Procurement Plan: yes Mayu890/Wks/24-25/00142	89,991,668	• Letter of appointment of contract manager • Completion letter • Ethical code of conduct
6.	Rehabilitation of 10.20Km of community access road in Kityerere Sub-Country, Mayuge District Under NOSP Bartch A CARS	1,639,084,251	• Bidding document • Ethical code of conduct
7.	Supply and delivery of science equipment's and chemical reagents for Wairasa seed secondary school Lot 2 Procurement Plan: MAYU890/WORKS/2024/2025/00310	55,575,000	• Ethical code of conduct • Contract implementation plan Form 49 • Contract management reports • Performance securing declaration
8.	Design, Supply and Installation of Micro scale irrigation system under batch II MAYU890/WRKS/2024/2025/000125	89,635,572	• Contract implementation plan Form 49 • Performance securing declaration
	Total	**3,098,517,549**	

Implication

Poor record keeping disrupts audit trail and makes it difficult to verify procurement decisions taken, track approvals, or support audit reviews.

Management Response

Management stated that, at the time of the audit, the relevant documents were in the custody of the Contract Managers however, they were later availed for verification.

Authority's comment
The Authority reviewed the submitted documents and maintained the findings, which still had missing documentation or where the documentation presented was insufficient to adequately address the issue raised.

Recommendations
- Accounting Officer shall observe that the Entity maintains the records on procurement and disposing proceedings for a period of seven years from the date of decision to terminate a procurement or disposal action or completion, whichever comes later in accordance with Section 44(1) of the PPDA Act, Cap. 205
- The Head, Procurement and Disposal shall adhere to Section 33(o) of the PPDA Act Cap. 205 that requires all records regarding procurement and disposal proceedings are properly kept and filed in their respective files

CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section will present graphically the scores per area assessed under different performance audit objectives.

3.1 Overall Audit Conclusion

The performance of Mayuge District Local Government for the Financial Year 2024/2025 was **moderately satisfactory** performance with overall weighted average risk rating of **50%**
The risk rating is as in Table 13 below:

Table 13: ***Risk rating Table***

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

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 14 below:

Table 14: Risk Computation

Risk category	No.	%No	Value (UGX)	%Value	Weights	Total Weighted score	
						by value	by No.
High	0	0	0	0	0.6	0	0
Medium	12	100	3,671,661,306	100	0.3	30	30
Low	00	00	00	00	0.1	00	0
Satisfactory	00	00	00	00	1	00	0
Total	**12**	**100**	**3,671,661,306**	**100**	**1**	**30**	**30**

Weighted Average (By NO.) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{30}{60} \times 100 = 50\%$

Weighted Average (By Value) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{30}{60} \times 100 = 50\%$

Combined Weighted Average = $\frac{50\% + 50\%}{2} = 50\%$

Figure 2: Graphical Representation of the Entity's Risk Assessment by Number

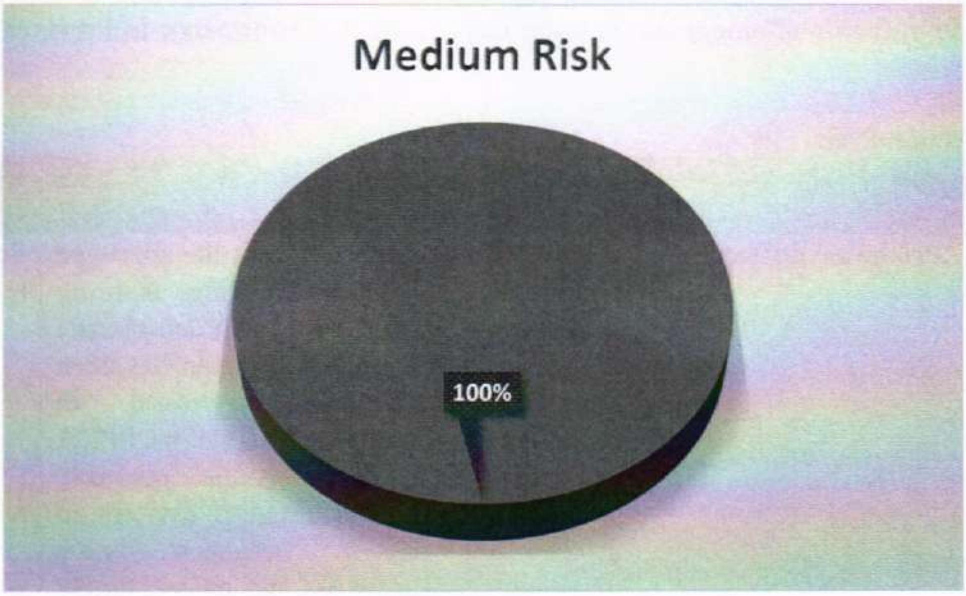
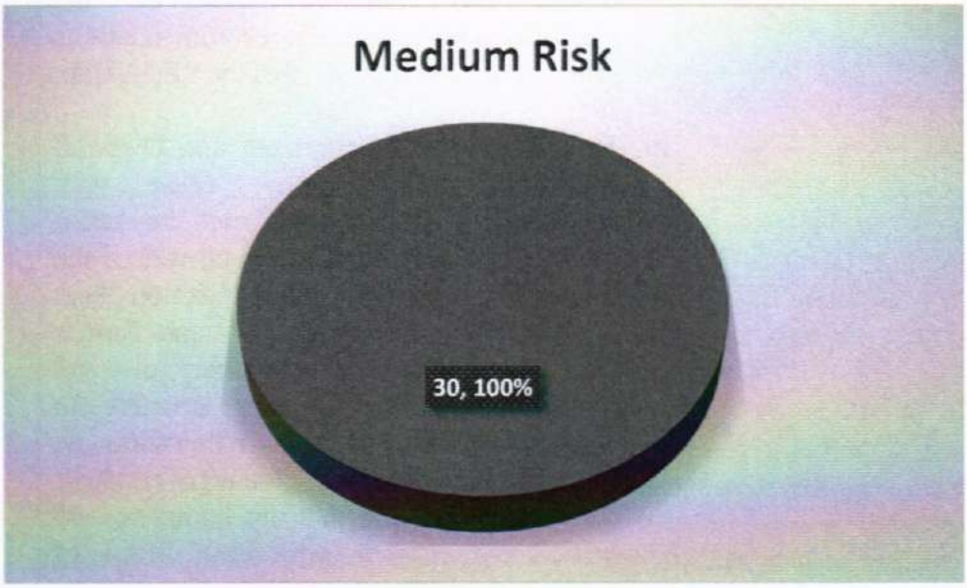


Figure 3: **Graphical Representation of the Entity's Risk Assessment by Value**



3.3 Recommended Action Plan

Mayuge District Local Government should implement the following recommendations in Table 15 below within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 15: Action Plan

No.	Responsible Officer	Recommendation	Target Date
1.	The Accounting Officer	i. Enforce strict compliance with the approved procurement plan by ensuring that no procurement is initiated or awarded outside the approved plan unless the plan has been formally updated and approved, in accordance with Section 60 (10) of the PPDA Act, Cap 205 and institute quarterly procurement plan performance reviews to detect and address variances, assess implementation progress and ensure timely corrective action; ii. Put in place a strong internal mechanism and a dedicated team of staff that will always ensure full implementation of the Authority's previous audit recommendations in accordance to section 10 of the PPDA Cap. 205; iii. Task the Head, Procurement and Disposal Unit to formally show cause why disciplinary action should not be taken against them for usurping the powers of the Contracts Committee contrary Section 29(1) of the PPDA Act, Cap. 205 and further reinforce adherence to the statutory roles and responsibilities of procurement structures to prevent recurrence and uphold transparency, accountability, and institutional governance; iv. Only sign contracts that are complete and sufficiently detailed, with clear scope of works, specifications or terms of reference, deliverables, implementation timelines, performance standards, contract management requirements, and payment schedules, in accordance with Regulation 9 of the PPDA (Contracts) Regulations, 2023; and v. Expedite the disposal of obsolete assets in accordance with Regulation 2(1) of the PPDA (Disposal of Public Assets) Regulations, 2023, to minimise further	September 2026

No.	Responsible Officer	Recommendation	Target Date
		deterioration and loss of asset value. Where the obsolete assets belong to, or are registered under, a line Ministry, the Accounting Officer should obtain the necessary disposal authority and documentation to enable lawful disposal and transfer of title to the successful buyers	
2.	The Head Procurement and Disposal Unit	i. Strengthen procurement planning controls by ensuring that all cost estimates are supported by documented market surveys and that no procurement proceeds to the solicitation stage without confirmation of alignment to the approved procurement plan and budget in accordance with Section 60 (10) of the PPDA Act, Cap 205; and ii. Arrange and brief all appointed Evaluation Committees and require them to strictly evaluate bids in accordance with the evaluation criteria specified in the respective bidding document, as required under Regulation 5(1) of the PPDA (Evaluation) Regulations, 2023	September 2026

ANNEX 1: CASE BY CASE ANALYSIS

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	Supply and delivery of science equipment and chemical reagents for Wairasa Seed Secondary School MAYU890/WORKS/2024/2025/00 310 UGX. 55,575,000	• No reference number on all documents file • Failure to confirm the availability of funds and the Vote • Submission to CC form five was let blank • Low bidder participation • Delays in the bidding process • No Ethical code of conduct • Retrospective issue of best evaluated bidder notice before the CC approval • Inadequate contract • Missing information
2.	Phase Three Construction of Busira RGC Piped Water Supply Scheme Under Ugift MAYU 890888/WRKS/24-25/00061 UGX: 718,356,624	• Failure to indicate reference number on the Form 5 • Failure to fill the funds availability section • No Shortlist of firms was approved by CC • Retrospective issue of best evaluated bidder notice before the CC approval • Inadequate Contract • Failure to enforce submission of performance securing declaration as per GCC 52.1 of the special conditions of contract • Missing information
3.	Construction of two Classroom Block at Bugadde Primary School under SFG Mayu 890/wrks/24-25/00047 UGX 86,327,066	• No Reference Number on the Requisition Form • Failure to fill the funds availability section • No shortlist was approved by CC by relying on prequalification • Delay by PDU to submit to CC for approval of the method, shortlist, bidding document • The evaluate team did not evaluate the bids at preliminary/ administrative, commercial and technical stage by relying on prequalification • Delay to approve the evaluation report • Delay to issue the Best Evaluated Bidder • Delay to sign the contract • Inadequate contract • Missing information
4.	Supply and Delivery of ICT Equipment for Wairasa Seed Secondary School MOES / SPLS/24-25/00309	• Failure to indicate reference number on the Form 5 • Failure to fill the funds availability section • No specification attached to the Requisition

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	UGX: 163,615,260	• Form 5 was blank from part II • No CC minutes approving the method, bidding document, and Evaluation team • Delay by PDU to submit to CC for approval of the method, shortlist, bidding document • Incomplete Evaluation without preliminary and technical evaluation • Inadequate contract • Failure to submit performance securing declaration • Missing information
5.	Construction of two Classroom Block at Lukindu Primary School Mayu 890/wrks/24-25/00005 Actual: 86,325,827	• Failure to indicate reference number on the Form 5 • Failure to fill the funds availability section • No Bills of Quantities attached to the requisition • No shortlist was approved by CC • Delay by PDU to submit to CC for approval of the method, shortlist, bidding document until 30th September 2024 • No Ethical code of conduct • The evaluate team did not evaluate the bids at preliminary/ administrative, commercial and technical stage by relying on prequalification • Inadequate Contract • Missing information
6.	Phase 4 construction of Mayuge District Council Hall under DDEG Mayu 890/wrks/24-25/00035 UGX : 255,932,108	• Failure to indicate reference number on the Form 5 • Failure to fill the funds availability section • No shortlist was approved by CC • Delay by PDU to submit to CC for approval of the method, shortlist, bidding document until 30th September 2024 • Failure to enforce submission of performance securing declaration as its stated under GCC 52.1 of the special conditions of contract • No Performance Securing Declaration • Missing information
7.	Rehabilitation of 10.20Km of community access road in Kityerere Sub-Country, Mayuge District Under NOSP Bartch A CARS	• Not reference on form 5 • No issued SBD • That the bidding process was handled by the MoLG so there was no CC approval of SBD at the entity level

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	•Bugade B Nakirimira B (2.9km) •Magemeso Ndaiga C Mitimito Ps Lutale (4.6 Km) •St Marys Ps-Bubinge- Busimo-Kikandwa Car Road (2.7km) MOLG-NOSP/MAYUGE/WORKS/2023/2024/00003/LOT 44 UGX. 1,639,084,251	• Delays • Irregularities at evaluation stage • No Ethical code of conduct for evaluators • Delays at evaluation • Delayed contract signing
8.	Renovation of a 3-classroom block at Bubinge P/S under Non-Wage MAYU/890/Wrks/2024/2025/00020 UGX: 79,566,536	• Confirmation of the need of the procurement by Head of Department was left blank • Failure to confirm availability of funds and vote number on form 5 • No reference number on form 5 • Low bibber participated, issued to only two bidders • Irregularities at evaluation stage • Delays at evaluation • Delayed contract signing • Inadequate contract • Missing information
9.	Design, Supply and Installation of Micro-scale irrigation system under batch II MAYU890/WRKS/2024/2025/000125 UGX: 89,635,572	• Form 5 not referenced • Procuring above the estimated and approved funds • Low bidder participation • Irregularities at bidding • Low bidder participation • Inadequate contract • Missing information
10.	Borehole Drilling, Test pumping, Casting and Installation of 17 Deep Boreholes Mayu890/Wrks/24-25/00057 UGX: 373,252,349	• Incomplete requisition Form 5 • Shortlist of bidders not approved by CC • Inadequate Notice of invitation to bid • Failure to sign ethical code of conduct • Signing of contract with wrong powers of attorney • Signing of inadequate contracts • Failure to adopt SG recommendations • Failure to submit a Performance Securing Declaration Missing information

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
11.	Construction of a 5 stance lined pit latrine for Boys at Luubu Primary school Mayu890/Wks/24-25/00011 UGX : 33,999,045	• Incomplete requisition Form 5 • Failure to approve the shortlist • Inadequate Notice of invitation to bid • Low Bidder participation • Failure to sign ethical code of conduct • Delay to sign the contract • Signing of inadequate contracts • Failure to request for a Performance Securing Declaration • Missing information
12.	Construction of OPD at Bwalula H/C II Mayu890/Wks/24-25/00142 UGX: 89,991,668	• Incomplete requisition Form 5 • Failure to approve the shortlist of bidders • Inadequate Notice of invitation to bid • Failure to sign ethical code of conduct • Delay by CC to approve evaluation report • Signing of inadequate contracts • Failure to request for a Performance Securing Declaration • Missing information

ANNEX 2: SAMPLE LIST FOR MAYUGE DISTRICT LOCAL GOVERNMENT FOR FINANCIAL YEAR 2024/2025

No.	Subject of Procurement	Reference Number	Method of Procurement	Date of Award	Provider	Amount (UGX)
1.	Construction of two Classroom Block at Bugadde Primary School under SFG	Mayu 890/wrks/24-25/00047	Request for Quotation	14th February 2024	Mercy Commercial Agency Ltd	86,327,066
2.	Supply and Delivery of ICT Equipment for Wairasa Seed Secondary School	MOES / SPLS/24-25/00309	Open Domestic Bidding	28th February 2025	Prosight Engineering Limited	163,615,260
3.	Construction of two Classroom Block at Lukindu Primary School	Mayu 890/wrks/24-25/00005	Request for Quotation	21st January 2025	Consordium Property Agency Limited	86,325,827
4.	Phase 4 construction of Mayuge District Council Hall under DDEG	Mayu 890/wrks/24-25/00035	Request for Quotation	11th December 2024	Waziba General Contractors and Designers Ltd	255,932,108
5.	Phase Three Construction of Busira RGC Piped Water Supply Scheme Under Ugift	Mayu 890888/wrks/24-25/00061	Restricted Domestic Bidding	23rd December 2024	Virmir Technical Investments Ltd	718,356,624
6.	Construction of a 5-stance lined pit latrine for Boys at Luubu P/S	Mayu890/Wks/24-25/00011	Request for Quotation	20/11/2024	Prigodina Investments U Ltd	33,999,045
7.	Construction of OPD at Bwalula H/C II	Mayu890/Wks/24-25/00142	Request for Quotation	3/12/24	Wazibas General Contractors Ltd	89,991,668
8.	Borehole Drilling, Test pumping, Casting and Installation of 17 Deep Boreholes	Mayu890/Wrks/24-25/00057	Restricted Domestic Bidding	23/12/2024	AADHIRA Solutions Ltd	373,252,349
9.	Rehabilitation of 10.20Km of community access road in Kityerere Sub-Country, Mayuge District Under NOSP	NOSP/MAYUGE/WORKS/2023/2024/00003/ 44	Open bidding	12/11/2024	Jameso Enterprises Ltd	1,639,084,251
10.	Renovation of a 3-class room block at Bubinge P/S	MAYU/890/Wrks/2024/2025/00020	Request for Quotation	18/11/2024	Palmline Construction Ltd	79,566,536

No.	Subject of Procurement	Reference Number	Method of Procurement	Date of Award	Provider	Amount (UGX)
11.	Supply and delivery of science equipment's and chemical reagents for Wairasa seed secondary school	MAYU890/WORKS/2024/2025/00310	Open bidding (MoE&S)	27/02/2025	A.N. DDAMULIRA LTD	55,575,000
12.	Design, Supply and Installation of Micro-scale irrigation system under batch II	MAYU890/WRKS/2024/2025/000125	Request for Quotation	22/10/2024	Heavy Duty Contractors Ltd Yistam Enterprises Ltd	89,635,572
	Total					**3,671,661,306**

ANNEX 3: COMPOSITION OF CONTRACTS COMMITTEE

No.	Name	Job Tittle	Position on the Committee	Date of Appointment
1.	Dr. Kasadha Mathias	District Production Officer	21st July 2023	Chairman
2.	Babirye Saniya	Information Technology Officer	2nd May 2024	Member
3.	Onduso Ivan	Senior Planner	11th March 2024	Secretary
4.	Naguyo Edward		30th January 2023	Member
5.	Ochieng Osapat Patrick	District Sports Officer	3rd July 2025	Member

ANNEX 4: STAFF IN THE PROCUREMENT AND DISPOSAL UNIT

No.	Name	Qualification	Position
1.	Mr Etalu Joseph	Bachelor of Procurement and Logistics Management. Post Graduate of Procurement and Supply Chain Management. Charter Institute of Purchasing and Supply Level 6	Senior Procurement Officer
2.	Minyanya Faiswal	Masters of Business Administration majoring in Supplies and Procurement Management Bachelor in Supplies and Procurement Management Diploma in Business studies majoring in accounting	Procurement Officer

ANNEX 5: RISK RATING CRITERIA

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

RISK	DESCRIPTION	AREA	IMPLICATION
	system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.	**Record Keeping:** Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance	**Planning:** Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

RISK	DESCRIPTION	AREA	IMPLICATION
	with detailed procedures.		

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