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

COMPLIANCE INSPECTION REPORT FOR SHEEMA MUNICIPAL COUNCIL FOR THE FINANCIAL YEAR 2024/2025

JUNE 2026

TABLE OF CONTENTS

List of Tables

List of Figures

ACRONYMS

BEB	Best Evaluated Bidder
CC	Contracts Committee
ESHS	Environmental, Social, Health and Safety
FY	Financial Year
HC	Health Centre
OPD	Outpatient Department
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA Act, Cap. 205	Public Procurement and Disposal of Public Assets Act Chapter 205
PPDA	Public Procurement and Disposal of Public Assets Authority
SIG	Special Interest Group
UGX	Uganda shilling
UPDF	Uganda People's Defense Force
UPE	Universal Primary Education
USE	Universal Secondary Education

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out a compliance inspection on the procurement and disposal activities of Sheema Municipal Council (Entity) that covered a representative sample of 10 procurement transactions worth Uganda Shillings (UGX) 853,750,648 in the Financial Year 2024/2025.

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

The assessment revealed that the performance of the Entity in the Financial Year 2024/2025 was satisfactory with an overall weighted average risk rating of 20.4%. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the report.

Despite this satisfactory performance, the Entity had the following key exceptions:

1. Section 36 of the PPDA Act, Cap. 205 requires User Departments to undertake critical procurement functions, including planning, budgeting, preparation of specifications, evaluation, and contract management. However, 47 vacancies were identified across key departments such as Administration, Works, Finance, Natural Resources, Education, Production and Marketing departments, as well as Kagango, Kashozi, Kabwohe, and Sheema Central Divisions. These staffing gaps have placed excessive workload on the limited available personnel, thereby compromising their ability to effectively manage procurement and contract management processes within the Entity;

2. Contrary to Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023, which requires the Internal Audit Department to review procurement methods and payments for compliance with the Public Finance Management Act, 2015; the inspection established that procurement procedures were not audited as prescribed. This exposes the Entity to unchecked procurement irregularities, potential financial loss, diminished accountability, and reflects weak internal control systems in the Entity;

3. Section 10(1)(a) of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity to take corrective action if there is a persistent breach of the Act, regulations, or guidelines as directed by the Authority. However, the Entity did not implement 40% (four out of ten) of the Authority's previous recommendations from the Financial Year 2023/2024 Compliance Inspection report issued in January 2025. This raises concerns about the Entity's commitment to improve its procurement processes, addressing identified risks and ensuring accountability;

4. Contrary to Section 60(2) of the PPDA Act, Cap. 205, which requires Procuring and Disposing Entities to rationally plan procurement and disposal activities. Ten planned procurement transactions worth UGX 102,668,617 were not implemented. Furthermore, the Entity exceeded its procurement plan worth UGX 1,256,201,113 by 42%, equivalent to UGX 523,292,386. This reflects weaknesses in procurement planning and budgetary controls, thereby adversely affecting service delivery to the intended beneficiaries;

5. Section 60(6) of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity undertaking a procurement that spans more than one financial year to prepare a multiyear procurement plan using the guidelines issued by the Authority. However, the Entity did not include five procurement transactions worth UGX 12,090,539,572 in their FY 2024/2025 and FY 2025/2026 multi-year procurement plans, despite these projects spanning more than one financial year and execution still ongoing. This omission exposes the Entity to risks of project delays, disruption of work continuity, and cost overruns arising from inadequate long-term procurement planning;

6. Contrary to Paragraph 2.1(i) and (iii) of PPDA Guideline No. 11 of 2024, which require Procuring and Disposing Entities to reserve at least 15% of the annual procurement plan for the Special Interest Groups, the Entity did not reserve or plan any procurements for these groups in FY 2024/2025. This omission denies the targeted groups the opportunity to benefit from government expenditure, thereby exacerbating income inequality;

7. Regulation 15 (1) of the PPDA Regulations, 2023 requires Procuring and Disposing Entities to submit comprehensive monthly procurement reports to the Authority using Form 2 by the 15th of the following month. However, the Entity omitted 14 procurement transactions worth UGX 247,022,336 from their monthly reports submitted to the Authority. This omission undermines transparency and accountability, increasing the risk of fraud due to inadequate procurement oversight and controls;

8. Regulation 42(a) of the PPDA (Rules and Methods for procurement of supplies, works and Non consultancy services) Regulations, 2023 requires a Procuring and Disposing Entity, when preparing each bidding document, to ascertain that the statement of requirements defines the requirement precisely in a manner that leaves no doubt or assumption by a bidder. The solicitation document for the construction of a 2-classroom block at Rwentunda Primary School, worth UGX 92,033,648, lacked drawings, technical requirements, equipment and key personnel required and a clear bid validity period. This increased the risk of bidders submitting non-responsive bids and procurement of goods or services that do not meet user requirements;

9. Regulation 3 (1) of the PPDA (Contracts) Regulations 2023 requires notices of the Best Evaluated Bidder to be displayed within five working days after the Contracts Committee's award decision for a duration of ten working days. The Best-Evaluated Bidder notice for the construction of a 2-classroom block at Rwentunda Primary School, worth UGX 92,033,648, was displayed for only five working days. This was a sign of weak management oversight and non-compliance with procurement requirements;

10. Contrary to Section 60 (2) of the PPDA Act, Cap. 205 mandates rational planning for asset disposal by Procuring and Disposing Entities, the Entity failed to prepare a disposal plan for the Financial Year 2024/2025. Despite the Board of Survey Report identifying several obsolete assets for disposal, none of the obsolete assets were disposed of. Untimely disposal of obsolete assets ties up resources in unusable assets that continue to deteriorate and lose value through depreciation;

11. Section 66 of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities to consider environmental protection and social inclusion in all procurement processes. However, safety safeguards and environmental protection were ignored during the construction of a two-classroom

block at Rwentunda Primary School worth UGX 92,033,648. The contractor failed to secure the site by hoarding it despite construction taking place within an active school environment during the school term exposing pupils to site risks. Furthermore, the project design was inadequate as it did not provide for a water tank, gutters, or proper stormwater management. As a result, this has allowed uncontrolled storm water runoff to cause continuous soil erosion and structural damage to the newly constructed classroom block; and

12. Regulation 52(3)(a)(iv) of the PPDA (Contracts) Regulations, 2023 requires a contract manager to ensure adequate control over the cost, quality, and timely execution of contracts. Three Municipal Council projects implemented by the UPDF Engineering Brigade, worth UGX 11,919,958,139, had stalled. The UPDF demobilized from the construction sites, leaving them virtually abandoned with hardly any personnel present. Despite reaching their actual completion deadlines, these projects remained unfinished and are not serving their intended purpose.

In light of the above findings and the management responses, the Entity is required to implement the following recommendations:

1. The Accounting Officer should:
    - i. Liaise with the Permanent Secretary, Ministry of Defense and Veteran Affairs, to establish a formal project recovery road map for each of the stalled projects and set timelines for remobilization and completion of the projects in accordance with Regulation 52(3)(a)(iv) of the PPDA (Contracts) Regulations, 2023;
    - ii. Engage the Permanent Secretary of the Ministry of Finance, Planning, and Economic Development with comprehensive project appraisal reports to secure budgetary commitments, request prioritization in the subsequent cash flow release cycle and establish a definitive cash flow plan for the completion of these projects.
    - iii. Develop a comprehensive recruitment plan aligned with the secured wage budget increment and recruit the personnel to fill all vacancies in the upcoming financial year in accordance with public service regulations and Section 26(d) of the PPDA Act, Cap. 205;
    - iv. Implement all pending recommendations issued by the Authority in accordance with Section 10 (1) (a) of the PPDA Act, Cap 205 and instruct the Contracts Committee and Internal Audit to track the implementation progress and compile a status progress report that should be submitted to the Authority within the set deadline for verification;
    - v. Establish and enforce strict internal deadlines for all User Departments and Divisions to submit their procurement requisitions aligned with the approved annual procurement plan in accordance with Section 33 (a) of the PPDA Act Cap. 205;
    - vi. Reserve all procurements worth UGX 10,000,000 and below exclusively for competition among registered companies, firms, or associations of Special Interest Groups in accordance with Paragraph 2.2 (ii) of PPDA Guideline No. 11 of 2024 on Reservation Schemes;
    - vii. Review the Board of Survey recommendations, immediately dispose of all the obsolete assets and submit a disposal report to the Authority upon completion in accordance with Regulations 2 and 3 of the PPDA (Disposal of Public Assets) Regulations, 2023;
    - viii. Reinforce strict adherence to the Environmental, Social, Health, and Safety (ESHS) requirements by the contractors and budget for the acquisition of a water harvesting system at Rwentunda Primary School in accordance with Section 66 of the PPDA Act, Cap. 205; and

ix. Instruct the respective contract managers for all stalled projects to conduct a thorough site assessment within 14 days to document the exact value of outstanding works on each project and submit monthly progress updates to the Authority until project completion.

2. The Procurement and Disposal Unit should:

   i. Prepare a multi-year procurement plan for all procurement transactions that span more than one financial year in accordance with Section 60(6) of the PPDA Act, Cap. 205.
   ii. Prepare comprehensive monthly reports, verified by the Contracts Committee against procurement plans, minutes, and financial records, and submit to PPDA using the E-Reporting Link by the 15th of the following month in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023;
   iii. Display the Best Evaluated Bidder notices for a duration of ten working days in accordance with Regulation 3 (1) of the PPDA (Contracts) Regulations 2023;

3. The Contracts Committee should always scrutinize bidding documents for completeness, correctness, clarity, and accuracy before approval in accordance with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

4. The Internal Audit Department should immediately incorporate procurement and disposal compliance reviews into the department's upcoming quarterly work plans in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection on the procurement and disposal activities of Sheema Municipal Council that covered a representative sample of 10 procurement transactions worth UGX 853,750,648 in the Financial Year 2024/2025. The inspection involved a review of procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations.

1.2 Objective of the Compliance Inspection

The overall objective of the procurement and disposal inspection was to assess and establish the degree of compliance of the procurement and disposal system and processes of the Entity with the provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations.

The specific objectives of the inspection were to assess the:

i. Compliance of the Entity with the provisions of the PPDA Act, Cap. 205 and attendant PPDA Regulations with regard to the performance of the procurement structures and conduct of procurement processes;
ii. Compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap. 205 and attendant PPDA Regulations; and
iii. Level of efficiency and effectiveness in contract implementation, including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process.

1.3 Structure of the Entity

Section 28 (1) of the PPDA Act, Cap. 205 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. Ms. Lillian Kobusingye, the Town Clerk, was designated as the Accounting Officer of the Municipal Council during the FY 2024/2025.

Furthermore, Section 28 (1)(a) and (c) of the PPDA Act, Cap. 205 mandates the Accounting Officer to establish a Procurement and Disposal Unit (PDU) and a Contracts Committee (CC) staffed at an appropriate level. Their composition is detailed in Tables 1 and 2 below:

a) Procurement and Disposal Unit

The composition of the Procurement and Disposal Unit is shown in Table 1 below:

Table 1: Composition of the Contracts Committee

No.	Name	Academic & Professional qualifications & certifications	Job title	Date of appointment	Years of experience at the Entity
1.	Ms. Maude Katusiime	Bachelor's in Procurement and Logistics Management	Procurement Officer	26th July 2017	10

No.	Name	Academic & Professional qualifications & certifications	Job title	Date of appointment	Years of experience at the Entity
		Post-Graduate Diploma in Supply Chain Management			
2.	Ms. Annah Nkwatsibwe	Bachelor's in Procurement and Supply Chain Management	Assistant Procurement Officer	8th May 2019	8

b) Contracts Committee composition.
The Contracts Committee was fully constituted at the time of the inspection, as detailed in Table 2 below.

Table 2: Composition of the Contracts Committee

No.	Name	Job title	Committee position	Date of appointment	Date of expiry	Tenure
1.	Mr. Benson Ahimbisibwe	Senior Agricultural Officer	Chairperson	20th April 2026	23rd April 2029	1st Term
2.	Mr. Wilex Tumusiime	Commercial Office (Trade and Industry)	Secretary	29th July 2024	29th July 2027	2nd Term
3.	Mr. Serwano Musiime	Senior Environmental Officer/ Natural Resources	Member	3rd July 2025	3rd July 2028	1st Term
4.	Mr. Johnie Mwebembezi Kishate	Principal Education Officer	Member	20th April 2026	23rd April 2029	1st term
5.	Ms. Diana Namatovu	Labour Officer	Member	20th April 2026	23rd April 2029	1st term

1.4 Scope of the Compliance Inspection
The Authority carried out the procurement and disposal compliance inspection from 10th to 12th March 2026. The exercise covered a sample of 10 procurement transactions worth UGX 853,750,648 conducted during the Financial Year 2024/2025, a review of procurement structures and the procurement plan performance. The list of sampled transactions is contained under Appendix 2 and the analysis of the population and sample is shown in Table 3 below:

Table 3: Analysis of the population and sample selected for Financial Year 2024/2025

Procurement method	Population value (UGX)	Sample value (UGX)	% Value	Population No.	Sample No.	% No.
Open domestic bidding	1,681,634,851	761,717,000	45.2	243	9	3.7
Quotation method	98,333,648	92,033,648	93.5	7	1	14.2
Total	**1,779,968,499**	**853,750,648**	**47.9**	**250**	**10**	**4**

1.5 Methodology

The Entity was notified about the exercise on 3rd March 2026. A sample of 10 procurement transactions was selected based on stratified random sampling using the Contracts Committee minutes, the contracts register, monthly procurement and disposal reports.

The exercise was conducted under the supervision of the Regional Manager. During the exercise, the team reviewed the procurement plan for the FY 2024/2025, examined records and documents for each of the sampled procurement transactions.

On completion of data collection, members of the team met with various stakeholders such as the Accounting Officer, Contracts Committee members, PDU staff and User Department representatives to discuss and get clarifications on some of the preliminary findings.

A management letter was prepared and issued to the Entity on 22nd April 2026, with a request to submit management responses by 4th May 2026, which were officially submitted on 14th May 2026. These responses were analyzed by the Authority before preparing the compliance inspection report. The report presents the key findings and conclusions arising from the inspection.

1.6 Reporting

Findings are presented by exception, detailing the risk level and recommended actions. The procurement transactions are rated in four categories according to the weakness identified, namely; high risk, medium risk, low risk and satisfactory. The definition of the risk rating is in Appendix 1.

CHAPTER TWO: FINDINGS AND RECOMMENDATIONS OF THE AUTHORITY

2.1 Compliance with the general provisions of the PPDA Act, Cap. 205, and attendant Regulations regarding the performance of the procurement structures and the conduct of the procurement processes

The following areas of non-conformity were observed:

2.1.1 Staffing gaps in the User Departments are affecting procurement performance

Section 36 of the PPDA Act, Cap. 205 requires User Departments to perform essential procurement functions such as planning, budgeting, specifications preparation, evaluations and contract management.

The inspection revealed 47 vacant positions across key departments, including Administration, Works, Finance, Natural Resources, Education, Production and Marketing, plus Kagango, Kashozi, Kabwohe, and Sheema Central Divisions, impacting various functions. Specifically, vacancies include five in Administration, eight in Works, 10 in Finance, three in Natural Resources, four in Education, six in Production and Marketing, and five across each of the Kagango, Kashozi, Kabwohe, and Sheema Central Divisions.

The Entity attributed this understaffing to the lack of wages to have the positions filled. These unfilled positions are indicated in Appendix 4.

Implication

The limited staff available is overwhelmed by the excessive workload, which affects their effectiveness and efficiency and also compromises the procurement processes in the Entity.

Management Response

The staffing gaps resulted from an inadequate wage budget. However, the Municipal Council requested and secured a wage budget increment of UGX 2,518,788,374, which will be used to fund and fill several vacant positions in the next financial year.

Authority's comment

The Authority acknowledges the management response and commends the Entity's efforts to secure a wage enhancement. However, because the staffing gaps persisted during the year under review and will remain until the funds are fully utilized to fill the vacancies, the issue is not yet resolved. Consequently, the audit query is maintained.

Recommendations

The Accounting Officer should:

1. Develop a comprehensive recruitment plan aligned with the secured wage budget increment;
2. Recruit the personnel to fill all vacancies in the upcoming financial year in accordance with public service regulations and Section 26(d) of the PPDA Act, Cap. 205; and
3. Submit a progress report on the successful recruitment process to the Authority during the new financial year.

2.1.2 The Internal Audit Department failed to audit procurement procedures and methods

Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 requires the Internal Audit Department of a Procuring and Disposing Entity to audit procurement methods and payments to ensure compliance with the Public Finance Management Act, 2015.

However, the inspection found that the Internal Audit Department failed to audit procurement procedures as required, with no procurement transactions being reported in the four quarterly internal audit reports produced.

Implication

The Internal Audit department's failure to review procurement procedures may lead to unchecked procurement irregularities, potential losses, and a lack of accountability. Thus, depicting weak internal controls in the Entity.

Management Response

The Internal Audit Department currently operates with only one staff member, creating an operational bottleneck due to the excessive workload. However, since the Entity has received extra funds for recruitment, we hope to recruit more staff in the next few years for the department to improve.

Authority's comment

The Authority acknowledges the management response and the staffing shortage within the Internal Audit Unit. However, procurement and disposal reviews are mandatory statutory obligations that cannot be bypassed. These compliance reviews should have been integrated into the completed quarterly audits conducted, regardless of the personnel deficit. Therefore, the query was maintained.

Recommendations

1. The Internal Audit Department should immediately incorporate procurement and disposal compliance reviews into the department's upcoming quarterly work plans in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.
2. The Accounting Officer should expedite the recruitment process with the newly secured recruitment funds to fill the vacant audit positions and resolve the capacity deficit.

2.1.3 Failure to implement 40% of the Authority's Recommendations

Section 10 (1)(a) of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity to take corrective action regarding persistent breaches of the Act, regulations, or guidelines as directed by the Authority.

Contrary to this requirement, the Entity failed to implement 40% (four out of ten) of the previous recommendations detailed in the Financial Year 2023/2024 Compliance Inspection Report issued in January 2025, as indicated in Table 4 below.

Table 4: Unimplemented previous audit recommendations

No.	Recommendations	Implementation status
1.	Prepare a disposal plan for all assets that were recommended by the Board of Survey report in accordance with Section 60 (1) of the PPDA Act, Cap. 205.	Not implemented
2.	Prepare solicitation documents with clear statements of requirements, evaluation criteria and terms and conditions of the contract that are comprehensive to avoid ambiguities during the bidding process in accordance with Regulation 42 (a) and (b) of the PPDA (Rules and Methods for procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	Not implemented
3.	The Evaluation Committee(s) members should strictly adhere to the evaluation criteria set out in the solicitation document in accordance with Section 76 (3) of the PPDA Act, Cap. 205.	Not implemented
4.	The User Departments should ensure that the Environmental, Social, Health and Safety safeguards requirements are adhered to in accordance with Section 66 of the PPDA Act, Cap. 205.	Not implemented

Implication

Failure to implement audit recommendations raises concerns about the Entity's commitment to improve its procurement processes, addressing identified risks and ensuring accountability.

Management Response

Management acknowledged the query and pledged to improve.

Recommendations

The Accounting Officer should:

1. Implement all pending recommendations issued by the Authority in accordance with Section 10 (1) (a) of the PPDA Act, Cap 205; and
2. Instruct the Contracts Committee and Internal Audit to track the implementation progress and compile a status progress report that should be submitted to the Authority within the set deadline for verification.

2.1.4 Procurement planning and implementation

From the review of the Entity's procurement plan and awarded contracts, and the Entity's payment registers for the Financial Year 2024/2025, the Authority made the following findings:

i. Planned procurements not implemented

Section 60(2) of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities to plan their procurement and disposal activities rationally. 10 procurement transactions worth UGX 102,668,617, indicated in Table 5 below, were not implemented and this affected the service delivery:

Table 5: Procurements not implemented

No.	Procurement subject	Planned value (UGX)
1.	Supply of meals and refreshments	10,461,000
2.	Procurement and supply of chairs for Tourism Development and a table for the speaker for Tiled and Kashozi Division	7,546,698
3.	Purchasing and supply of furniture and fittings	30,000,000
4.	Procurement of cleaning materials and trees for the compound	1,090,000
5.	Construction and labelling of the Sheema Central Division gate	4,000,000
6.	Procurement of 3-seater twin desks to selected primary schools in Sheema Central Division	20,000,000
7.	Procurement of a laptop computer in Sheema Central Division	3,000,000
8.	Procurement of trees and fertilizers in Sheema Central Division	1,820,000
9.	Purchase of 3-seater twin desks in Kabwohe Division	13,750,919
10.	Tiling and painting of the Council Hall of Kabwohe Division	11,000,000
	Total	**102,668,617**

Implication

Failure to fully implement all planned procurements compromises the achievement of the annual service targets set by the Municipal and increases the risk of future budget cuts.

Management Response

Management acknowledged the query and explained that the planned procurements were not implemented because user departments at the divisions failed to submit their procurement requests to the Procurement and Disposal Unit as scheduled for handling.

Authority's comment

The Authority found the management response unsatisfactory, as blaming internal bureaucracy does not absolve management of its oversight and enforcement responsibilities. Allowing User Departments and Divisions to ignore the procurement plan demonstrates a clear failure of leadership and internal control. Management should take an active role in managing the procurement plan rather than passively waiting for submissions. Consequently, the query was maintained.

Recommendation

The Accounting Officer should establish and enforce strict internal deadlines for all User Departments and Divisions to submit their procurement requisitions aligned with the approved annual procurement plan in accordance with Section 33 (a) of the PPDA Act Cap. 205.

ii. Failure to plan for multi-year procurements in the procurement plans

Section 60(6) of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity undertaking a procurement that spans more than one financial year to prepare a multiyear procurement plan using the guidelines issued by the Authority.

However, the Entity failed to categorize five procurement transactions worth UGX 12,090,539,572 as multi-year projects within its FY 2024/2025 and 2025/2026 procurement plans. This omission occurred despite the contracts extending across two financial years, with execution still actively ongoing as of 13th March 2026. These unplanned multi-year procurements are indicated in Table 6 below:

Table 6: Unplanned Multi-year procurements

No.	Subject of procurement	Provider	Amount (UGX)	Contract signing date
1.	Construction of the Administration Block at the Municipal Council	UPDF Engineering Brigade	5,105,126,762	14th February 2024
2.	Construction of NCDC, ART Clinic, theatre and maternity complex at Kabwohe HC IV	UPDF Engineering Brigade	4,822,655,079	4th June 2024
3.	Construction of OPD and wards at Kabwohe HC IV	UPDF Engineering Brigade	1,992,176,298	13th June 2023
4.	Maintenance of Karera Seed School	Karera Seed School	170,581,433	15th May 2025
Total			**12,090,539,572**	

Implication

There is a risk of project delays and cost overruns as continuity of works can be disrupted, thus increasing costs and delaying completion if there is no structured multi- year planning.

Management Response

Management explained that funds for the UPDF project were released in unpredictable annual installments, making it impossible to determine the total contract amount available per financial year. Consequently, the Entity failed to plan without knowing when the release of funds for completion would be available. Furthermore, the Entity signed a Memorandum of Understanding with the UPDF Engineering Brigade.

Regarding Karera Seed School, the school was maintained using the balances on the UPE and USE Capitation Grant that were realized in the fourth quarter. These funds were reallocated to support the only seed school of the Municipal Council.

Authority's comment

The Authority found the management response unsatisfactory. Unpredictable installment-based funding of projects and utilization of UPE/USE capitation remainders do not exempt the Entity from its statutory obligation for multiyear planning for projects spanning over one year. A multiyear plan is the exact mechanism required to manage funding uncertainties and secure cash flow commitments across fiscal years. Therefore, the query is maintained.

Recommendation
The Procurement and Disposal Unit should prepare a multi-year procurement plan for all procurement transactions that span more than one financial year in accordance with Section 60(6) of the PPDA Act, Cap. 205.

iii. Failure to plan and implement reservation schemes for Special Interest Groups (SIGs)
Paragraph 2.1(i) and (iii) of PPDA Guideline No. 11 of 2024 require reserving at least 15% of the annual procurement plan for Women, Youth, and Persons with Disability Associations, and indicating these in the published plan. The Entity did not reserve or plan any procurement for these groups in FY 2024/2025, contrary to the Guideline. As a result, no procurements were reserved for this category of providers during implementation.

Implication
Failure to reserve procurements for the marginalized groups undermines the affirmative action towards the Women, Youth, and Persons with Disabilities and further deprives them of the opportunity to benefit from government spending, which in turn increases income inequality.

Management Response
Management acknowledged the query and pledged to improve.

Recommendations
1. The Accounting Officer should reserve all procurements worth UGX 10,000,000 and below exclusively for competition among registered companies, firms, or associations of women, youth, and persons with disabilities, in accordance with Paragraph 2.2 (ii) of PPDA Guideline No. 11 of 2024 on Reservation Schemes.
2. The Procurement and Disposal Unit should profile the providers in the Entity's prequalification list and identify those that qualify for the reservation to facilitate the shortlisting of providers for procurement of items under the reservation for Special Interest Groups.
3. The Commercial Officer should mobilize the communities to form Community-Based Organizations and have them registered with the Municipal or the Authority in order to benefit from the reservations for Special Interest Groups.

iv. Procurement transactions not reported to the Authority
Regulation 15 (1) of the PPDA Regulations, 2023 requires Procuring and Disposing Entities to submit comprehensive monthly procurement reports to the Authority using Form 2 by the 15th of the following month.

14 procurement transactions worth UGX 247,022,336 were not reported in the Municipal Council's monthly procurement and disposal reports submitted to the Authority, contrary to the above regulation. These transactions are indicated in Table 7 below:

Table 7: Procurement transactions not reported to the Authority

No.	Subject of Procurement	Amount (UGX)
1.	Renovation of a Laboratory at Karera Seed Secondary School	31,356,000
2.	Renovation of a 2-classroom block at Karera Seed Secondary School	40,950,433
3.	Renovation of a boy's dormitory at Karera Seed Secondary School	28,595,000

No.	Subject of Procurement	Amount (UGX)
4.	Renovation of an Administration Block at Karera Seed Secondary School	17,180,000
5.	Installation of lightning arrestors at Karera Seed Secondary School	9,500,000
6.	Renovation of rainwater harvesting at Karera Seed Secondary School	10,000,000
7.	Construction of a 4-stance pit latrine at Karera Seed Secondary School	33,000,000
8.	Construction of a temporary shelter at Kagango Slaughter slab	6,055,000
9.	Renovation of the floor at Kagango Slaughter slab	2,945,000
10.	Maintenance of a classroom at Katwe Primary School	40,066,903
11.	Purchase of Materials for fabricating culverts (Aggregates)	5,000,000
12.	Cleaning materials	4,000,000
13.	Construction of a staff toilet at Kabwohe HC IV	9,995,000
14.	Fencing Nyabuhama – New Itendero Matooke Market	8,380,000
	Total	**247,023,336**

The Entity also did not report procurement transactions conducted using the micro procurement method and revenue collection contracts in its monthly reports to the Authority.

Implication
This compromises the principles of transparency and accountability in the Entity, increasing the risk of procurement fraud without sufficient procurement controls in place.

Management Response
Management explained that because funds were sent directly to beneficiary facilities as delegated procurements, the Procurement Unit did not receive the data required for the monthly report to the Authority.

Authority's comment
The Authority found the management response unsatisfactory. The law mandates that all procurement activities conducted by the Entity must be consolidated and reported using Form 2. Management's failure to establish a robust internal mechanism to collect procurement data from all beneficiary facilities represents a severe breakdown in internal communication, risk management and financial oversight. The PDU must actively demand these facilities to submit reports rather than passively wait for them to comply on their own. Therefore, the query is maintained.

Recommendation
The Head Procurement and Disposal Unit should prepare comprehensive monthly reports, verified by the Contracts Committee against procurement plans, minutes, and financial records, and submit to PPDA via the E-Reporting Link by the 15th of the following month in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

v. Procurement plan implementation rate
Section 60 (2) of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities to undertake rational procurement planning.

The Entity exceeded the amended procurement plan of UGX 1,256,201,113 by UGX 523,292,386. Whereas, the Entity's procurement plan of UGX 1,841,425,219 was amended downwards to UGX 1,256,201,113 on 15th July 2025, monthly reports indicated actual spending of UGX 1,779,493,499, a 42% (UGX 523,292,386) variance above the revised budget as indicated in Table 8 below:

Table 8: Procurement plan implementation rate

Initial Total procurement plan value inclusive of VAT (UGX)	1,841,425,219
Amended Total procurement plan value inclusive of VAT (UGX)	1,256,201,113
Total procurement spend value inclusive of VAT (UGX)	1,779,493,499
Procurement plan implementation rate (%)	142%
Implementation variance (UGX)	523,292,386

Implication

Failure to adhere to the procurement plan reduces its effectiveness, turning it into a compliance measure instead of a strategic tool necessary for providing timely services to the community.

Management Response

Management explained that procurement variance was caused by the receipt of the mid-term supplementary budget during the financial year. These additional funds were primarily earmarked for emergency infrastructure activities, specifically focusing on road construction works.

Authority's comment

The Authority found the management response unsatisfactory. The receipt of supplementary funds does not excuse the Entity from its obligation to maintain an accurate and updated procurement plan. The Entity should have revised and updated its procurement plan to cater to the additional funding. Therefore, the query was maintained.

Recommendation

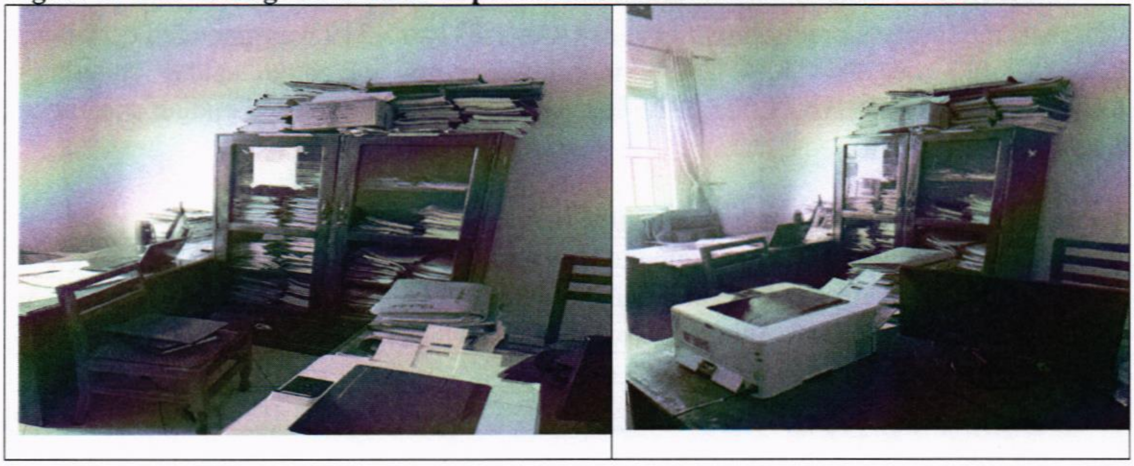
The Procurement and Disposal Unit should review and update its procurement plan quarterly or whenever necessary to align with changes in departmental work plans in accordance with Section 60 (7) of the PPDA Act, Cap. 205.

2.1.5 Poor record keeping

Section 44(1) of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity to maintain procurement records for at least seven years following contract completion.

However, records within the procurement and Disposal Unit were severely disorganized and improperly stored, cluttering desks, chairs and shelves. Furthermore, the unit shares its physical space with other departments like Planning, exposing confidential files to potential tampering, loss and unauthorized access. In this current state of poor custody, the statutory integrity and mandatory retention period for these files cannot be guaranteed. The poor storage condition of these documents is illustrated in Figure 1 below:

Figure 1: Poor storage conditions of procurement documents as of 13th March 2026



Implication

Poor storage of procurement and disposal records puts the Municipal's critical documents at risk of loss, damage, unauthorized access, tampering and a cluttered workspace, compromising the integrity of its procurement functions.

Management Response

Management acknowledged the query and assured the Authority that space constraints will be fully resolved once the construction of the new administrative block is complete.

Recommendations

The Accounting Officer should:

1. Budget and purchase storage cabinets for the Procurement and Disposal Unit in the next financial year, for purposes of proper record keeping; and
2. Fast-track the completion of the administration block so as to increase storage space for the records and office space for the staff.

2.1.6 Issuance of a poorly drafted bidding document with inadequate requirements

Regulation 42 (a) of the PPDA (Rules and Methods for procurement of works, supplies and Non consultancy services) Regulations, 2023 requires a Procuring and Disposing Entity, when preparing each bidding document, to ascertain that the statement of requirement defines the requirement precisely and in a manner that leaves no doubt or assumption by a bidder.

However, the Entity's solicitation document for the construction of a 2-classroom block at Rwentunda Primary School, worth UGX 92,033,648, lacked drawings, technical requirements, equipment and key personnel required and a clear bid validity period contrary to the above regulation.

Implication

There is a risk of bidders preparing non-responsive bids, which also leads to the procurement of items that do not meet the users' requirements.

Management Response

Management acknowledged the query and pledged to improve.

Recommendations

1. The Contracts Committee should always scrutinize bidding documents for completeness, correctness, clarity, and accuracy before approval in accordance with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.
2. The Procurement and Disposal Unit and User Departments should prepare quality solicitation documents with clear requirements that leave no doubt or assumption by a bidder in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for procurement of works, supplies and Non consultancy services) Regulations, 2023.

2.1.7 Non-compliance with the notice of Best Evaluated Bidder display requirements

Regulation 3 (1) of the PPDA (Contracts) Regulations, 2023 requires notices of the Best Evaluated Bidder to be displayed within five working days after the Contracts Committee's award decision for a duration of ten working days.

Contrary to this requirement, the Best-Evaluated Bidder notice for the construction of a 2-classroom block at Rwentunda Primary School, worth UGX 92,033,648, was displayed for only five working days.

Implication

This shows weak management oversight and compliance gaps, which could damage reputation by lowering confidence among bidders, donors, and the public. This also denies the aggrieved bidders ample time to prepare and submit their grievances to the Entity.

Management Response

Management acknowledged the query and pledged to improve.

Recommendation

The Procurement and Disposal Unit should display the Best Evaluated Bidder notices for a duration of ten working days in accordance with Regulation 3 (1) of the PPDA (Contracts) Regulations 2023.

2.2 Compliance of the Entity's Disposal process with the provisions of the PPDA Act, Cap. 205 and PPDA (Disposal of Public Assets) Regulations, 2023

The following exceptions were noted:

2.2.1 Failure to plan and dispose of obsolete assets

Section 60 (2) of the PPDA Act, Cap. 205requires a Procuring and Disposing Entity to undertake rational and structured planning for asset disposal.

However, the Procurement and Disposal Unit failed to prepare a disposal plan for the Financial Year 2024/2025, despite the Board of Survey Report identifying several obsolete assets for disposal in the previous years. The Entity appeared to view the Board of Survey as merely a compliance requirement rather than a guide for the disposal process, having not disposed of any assets in the past three years. Some of the obsolete assets in the Municipal yard are shown in Figure 2 below.

Figure 2: Some of the obsolete assets in the Municipal Yard

Implication

The Entity is reluctant to dispose of the obsolete assets, which inhibits the achievement of value for money, as funds are held up in assets and are also further lost through the continuous deterioration of the assets.

Management Response

Management acknowledged the query and pledged to improve.

Recommendations

1. The Procurement and Disposal Unit should prepare a disposal plan for all obsolete assets that were recommended by the Board of Survey report in accordance with Section 60 (1) of the PPDA Act, Cap. 205.
2. The Accounting Officer should review the Board of Survey recommendations, immediately dispose of all the obsolete assets and submit a disposal report to the Authority upon completion in accordance with Regulations 2 and 3 of the PPDA (Disposal of Public Assets) Regulations, 2023.

2.3 Efficiency and effectiveness, including the application of Environmental, Social, Health, and Safety (ESHS) Requirements during contract implementation

The following non-conformities were noted:

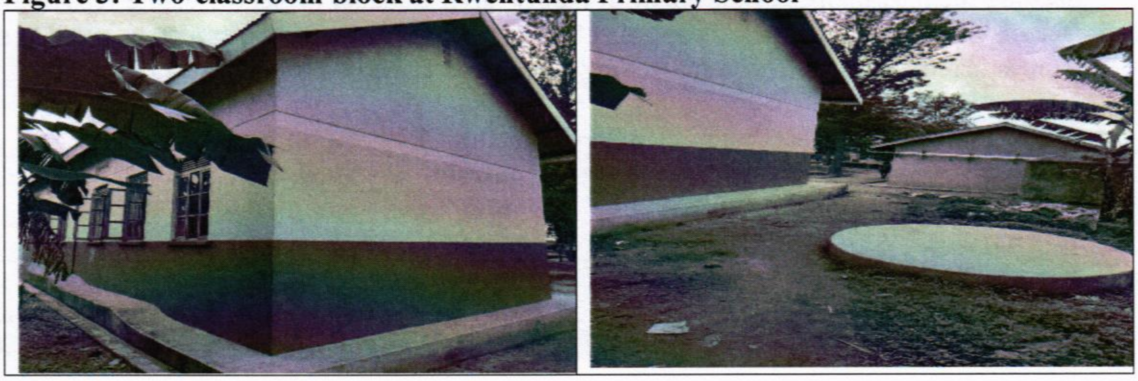
2.3.1 Non-adherence to the Environmental, Health, Social and Safety requirements

Section 66 of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities to consider environmental protection and social inclusion in all procurement processes.

However, it was noted that although Environmental, Social, Health, and Safety (ESHS) requirements had been incorporated in the Bills of Quantities for the construction of a two-classroom block at Rwentunda Primary School worth UGX 92,033,648, these requirements were not implemented by the contractor, as indicated in the progress report dated 1st April 2025. In addition, site hoarding was not undertaken despite construction taking place within an active school environment during the school term.

Furthermore, the project design was inadequate, as it did not provide for a water tank, gutters, or proper stormwater management. Figure 3 below shows the missing gutters and stormwater management measures.

Figure 3: Two-classroom block at Rwentunda Primary School



Implications

- The lack of a water tank and gutters led to an insufficient water supply and water accumulation around the classroom structures.
- Failure to properly secure the site exposes it to several risks, such as vandalism, theft of construction materials, increasing likelihood of accidents and injuries, unauthorized access, which can lead to loss and damage of equipment, among other risks.

Management Response

Management explained that the omission of the water harvesting system was due to severe budget constraints, which did not provide sufficient allocation to include a water harvesting tank and gutters.

Authority's comment

The Authority acknowledged the management response and found it unsatisfactory. Omitting water tanks, gutters and proper drainage is a critical design failure that allows uncontrolled storm water runoff to cause continuous soil erosion and structural damage to the classroom block.

Furthermore, management failed to address why the contractor did not implement site hoarding in an active school zone since these safety requirements were already included in the Bills of Quantities. Its omission highlights a severe failure of contract supervision and management rather than budget constraints. Therefore, the query was maintained.

Recommendations

1. The Accounting Officer should reinforce strict adherence to the Environmental, Social, Health, and Safety (ESHS) requirements by the contractors and budget for the acquisition of a water tank for the school and control erosion.
2. The Contracts Committee should verify and confirm that all procurement requisitions are complete with Bills of Quantities that promote sustainability and social inclusion in accordance with Section 66 of the PPDA Act, Cap. 205.

2.3.2 Stalled projects implemented under the UPDF Engineering Brigade

Regulation 52(3)(a)(iv) of the PPDA (Contracts) Regulations, 2023 requires a contract manager to ascertain that there is adequate control for the cost, quality, and time of the contract.

Contrary to this legal requirement, three Municipal Council projects implemented by UPDF Engineering Brigade under the Ministry of Defense and Veterans Affairs, worth UGX 11,919,958,139, have stalled. The UPDF forces have demobilized from the construction sites, leaving them virtually abandoned with hardly any personnel present. Despite reaching their actual completion deadlines, these projects remained unfinished and completely failed to serve their intended purpose. These stalled projects are indicated in Table 9 below:

Table 9: Stalled projects implemented under the UPDF Engineering Brigade

No.	Subject of procurement	Amount (UGX)	Contract signing date	Intended completion date	Observation
1.	Construction of the Administration Block at the Municipal Council	5,105,126,762	14th February 2024	14th August 2024	The project was incomplete, with 19% physical progress attained in three years.
2.	Rehabilitation of Kabwohe Health Center IV (NCDC Management and Research Center, Art clinic, theatre and maternity complex at Kabwohe HC IV and OPD at Migina HCIII	4,822,655,079	4th June 2024	3rd December 2024	The OPD at Migina was complete. The NCDC Research Centre and ART Clinic were at 65% physical progress. The Maternity and Theatre were incomplete at 10% physical progress.
3.	Construction of OPD, Male, Female, and	1,992,176,298	3rd July 2023	3rd January 2024	The Construction of the OPD, Male, Female, and

No.	Subject of procurement	Amount (UGX)	Contract signing date	Intended completion date	Observation
	Paediatric wards at Kabwohe HC IV				Paediatric wards at Kabwohe HC IV was incomplete. 75% physical progress had been attained.
Total		**11,919,958,139**			

The delay in project execution could be partially attributed to not paying the contractor in time for the work done and reorganization within the UPDF Engineering Brigade.

Implication
The community is deprived of the required service delivery that the structures were to provide.

Management Response
Management explained that the projects stalled because the administrative team at the UPDF Engineering Brigade under the Ministry of Defense and Veterans Affairs, which initially launched the project, was replaced by new leadership. However, the Entity is following up with new management to proceed with the pending projects. Furthermore, management highlighted severe fiscal limitations, noting that the Ministry of Finance, Planning and Economic Development allocated insufficient resources, providing only UGX 300,000,000 toward these projects.

Authority's comment
The Authority acknowledged the management response and found it unsatisfactory. Public offices operate under the principle of perpetual succession. Therefore, internal changes in leadership or management personnel do not absolve the Entity or Engineering Brigade of their binding contractual obligations. Therefore, the query was maintained.

Recommendations
The Accounting Officer should:

1. Liaise with the Permanent Secretary, Ministry of Defense and Veteran Affairs, to establish a formal project recovery road map for each of the stalled projects and set timelines for remobilization in accordance with Regulation 52(3)(a)(iv) of the PPDA (Contracts) Regulations, 2023;
2. Instruct the respective contract managers for each of the stalled projects to conduct a thorough site assessment within 14 days to document the exact value of outstanding works on each project and submit monthly progress updates to the Authority until project completion; and
3. Engage the Permanent Secretary of the Ministry of Finance, Planning, and Economic Development with comprehensive project appraisal reports to secure budgetary commitments, request prioritization in the subsequent cash flow release cycle and establish a definitive cash flow plan for the completion of these projects.

CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall compliance inspection performance

The performance of Sheema Municipal Council for the Financial Year 2024/2025 was satisfactory with an overall weighted average risk rating of 20.4%.

3.2 Entity's performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 10 below:

Table 10: Entity's performance

Risk rating	No.	%No.	Value (UGX)	Value %	Weights	Total weighted score	
						By No.	By value
High	1	10	92,033,648	10.8	0.6	6.0	6.5
Medium	1	10	255,295,000	29.9	0.3	3.0	9.0
Low	0	0	0	-	0.1	-	-
Satisfactory	8	80	506,422,000	59.3	0.0	-	-
Total	**10**	**100%**	**853,750,648**	**100%**	**1**	**9.0**	**15.5**

Weighted average (By No.) = $\frac{\text{Sum of weighted score x 100}}{60} = \frac{9.0 \text{ x100}}{60} = 15$

Weighted average (By value) = $\frac{\text{Sum of weighted score x 100}}{60} = \frac{15.5 \text{ x100}}{60} = 25.8$

Overall weighted average risk rating = $\frac{15+25.8}{2} = \frac{40.8}{2} = 20.4\%$

Figure 4: Risk rating by Number

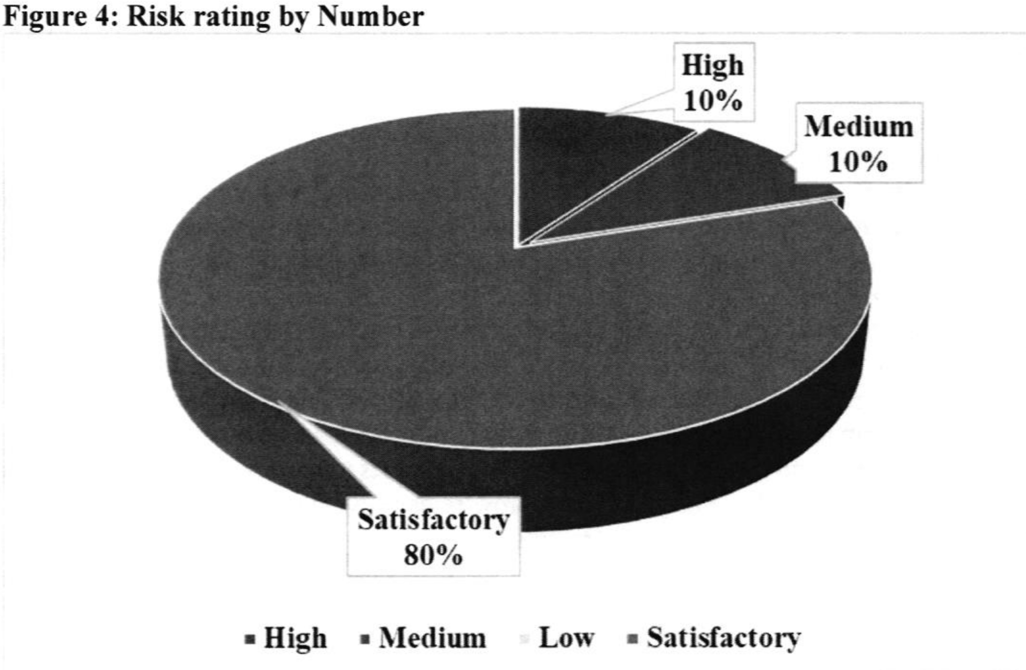
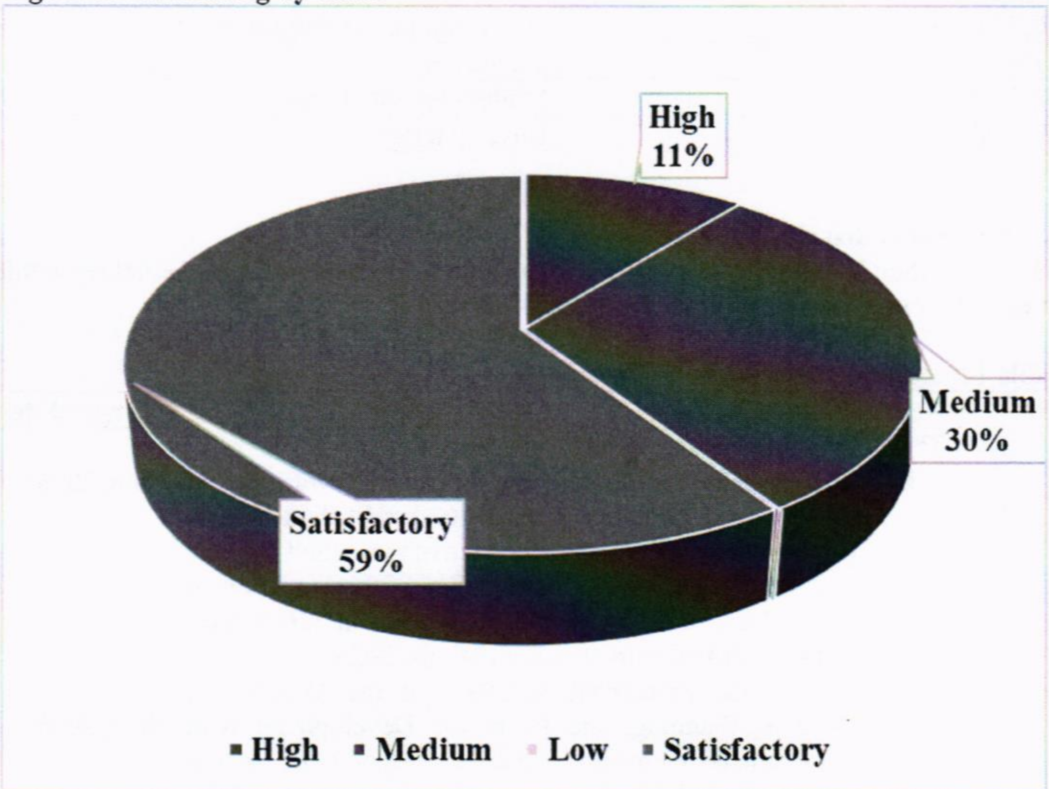


Figure 5: Risk rating by value



Since 20.4% falls within 0% -30% risk range, the performance of the Entity is rated moderately satisfactory as detailed in Table 11 below:

Table 11: Risk rating

Risk rating	Description of performance
0-30%	Satisfactory
31-70%	Moderately satisfactory
71-100%	Unsatisfactory

3.3 Recommended action plan

The Entity should implement the following recommendations in Table 12 below within the given time frame in order to improve its performance.

Table 12: Recommended action plan

No.	Recommended action	Target date
1.	The Accounting Officer should: i. Liaise with the Permanent Secretary, Ministry of Defense and Veteran Affairs, to establish a formal project recovery road map for each of the stalled projects and set timelines for remobilization and completion of the projects in accordance with Regulation 52(3)(a)(iv) of the PPDA (Contracts) Regulations, 2023; ii. Engage the Permanent Secretary of the Ministry of Finance, Planning, and Economic Development with comprehensive project appraisal reports to secure budgetary commitments, request prioritization in the subsequent cash flow release cycle and establish a definitive cash flow plan for the completion of these projects. iii. Develop a comprehensive recruitment plan aligned with the secured wage budget increment and recruit the personnel to fill all vacancies in the upcoming financial year in accordance with public service regulations and Section 26(d) of the PPDA Act, Cap. 205; iv. Implement all pending recommendations issued by the Authority in accordance with Section 10 (1) (a) of the PPDA Act, Cap 205 and instruct the Contracts Committee and Internal Audit to track the implementation progress and compile a status progress report that should be submitted to the Authority within the set deadline for verification; v. Establish and enforce strict internal deadlines for all User Departments and Divisions to submit their procurement requisitions aligned with the approved annual procurement plan in accordance with Section 33 (a) of the PPDA Act Cap. 205; vi. Reserve all procurements worth UGX 10,000,000 and below exclusively for competition among registered companies, firms, or associations of Special Interest Groups in accordance with Paragraph 2.2 (ii) of PPDA Guideline No. 11 of 2024 on Reservation Schemes;	June 2026 June 2026 September 2026 for iii to ix.

No.	Recommended action	Target date
	vii. Review the Board of Survey recommendations, immediately dispose of all the obsolete assets and submit a disposal report to the Authority upon completion in accordance with Regulations 2 and 3 of the PPDA (Disposal of Public Assets) Regulations, 2023; viii. Reinforce strict adherence to the Environmental, Social, Health, and Safety (ESHS) requirements by the contractors and budget for the acquisition of a water harvesting system at Rwentunda Primary School in accordance with Section 66 of the PPDA Act, Cap. 205; and ix. Instruct the respective contract managers for all stalled projects to conduct a thorough site assessment within 14 days to document the exact value of outstanding works on each project and submit monthly progress updates to the Authority until project completion.	
2.	The Procurement and Disposal Unit should: i. Prepare a multi-year procurement plan for all procurement transactions that span more than one financial year in accordance with Section 60(6) of the PPDA Act, Cap. 205. ii. Prepare comprehensive monthly reports, verified by the Contracts Committee against procurement plans, minutes, and financial records, and submit to PPDA using the E-Reporting Link by the 15th of the following month in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023; iii. Display the Best Evaluated Bidder notices for a duration of ten working days in accordance with Regulation 3 (1) of the PPDA (Contracts) Regulations 2023;	September 2026
3.	The Contracts Committee should always scrutinize bidding documents for completeness, correctness, clarity, and accuracy before approval in accordance with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.	September 2026
4.	The Internal Audit Department should immediately incorporate procurement and disposal compliance reviews into the department's upcoming quarterly work plans in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.	September 2026

Appendix 1: Risk rating criteria

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry a risk to the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	Planning: Lack of or failure to procure within the approved plan	This implies emergencies and the use of the direct procurement method, which affects competition and value for money.
		Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals, and usurping the powers of the PDU.	This implies the use of less competitive methods, which affects transparency, accountability, and value for money.
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct an evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend an award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files, namely, solicitation documents, submitted bids, evaluation reports, and contracts.	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 a 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, although less likely	Planning: Lack of initiation of procurements and	This implies committing the Entity without funds, thereby causing domestic arrears.

RISK	DESCRIPTION	AREA	IMPLICATION
	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 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.	confirmation of funds.	
		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 a lack of efficiency, standardization, and avoiding competition.
		Procurement Structures: Lack of procurement structures	This implies a lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and a lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendments and variations, which lead to unjustified delayed contract completion and a 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.	

RISK	DESCRIPTION	AREA	IMPLICATION
		Aspects of gender, social inclusion, environment, health, and safety are 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 practices. 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.	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 a conflict of interest and a lack of transparency.
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.		

SATISFACTORY

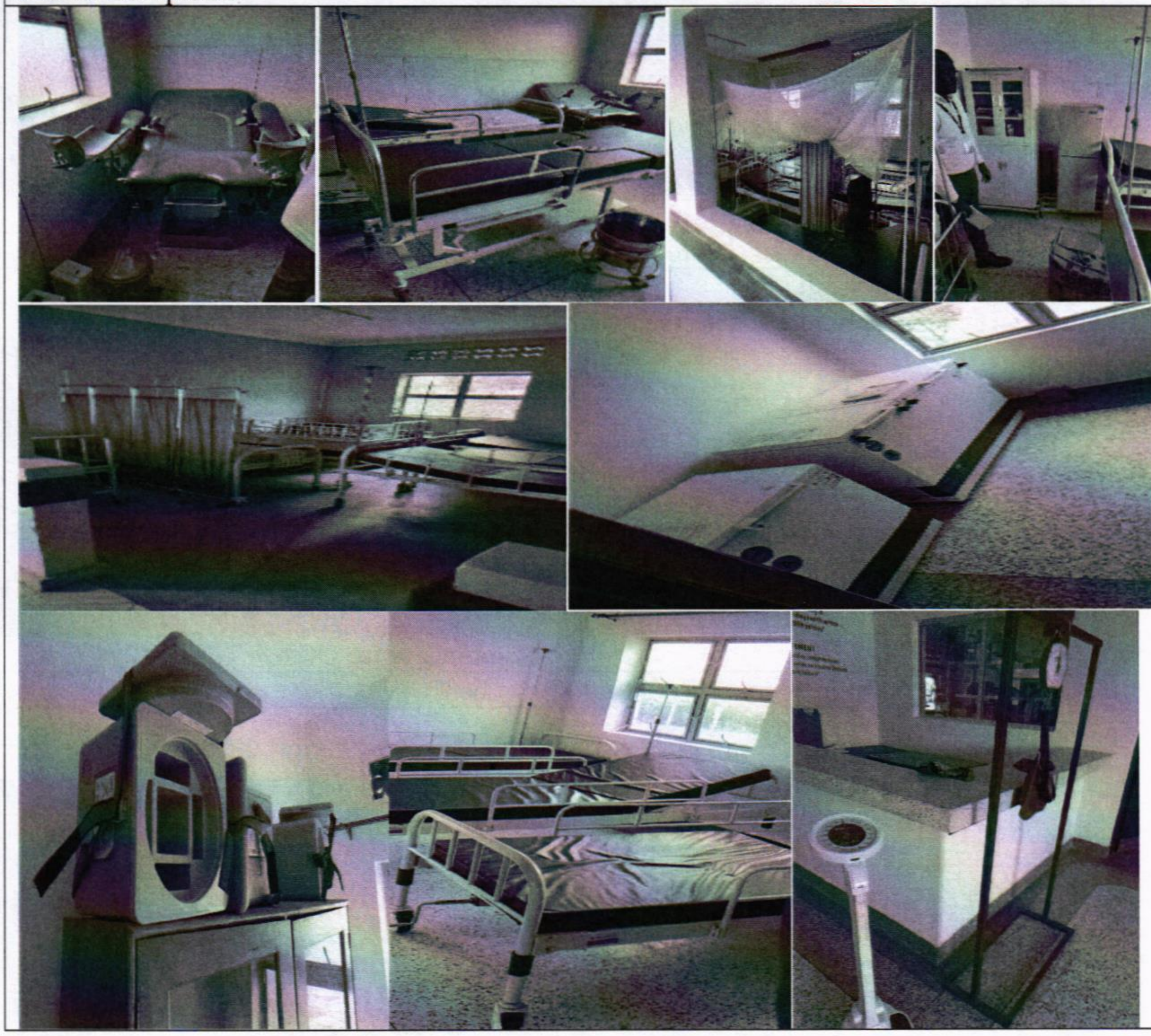
Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time.

Appendix 2: Sample list and reasons for risk rating

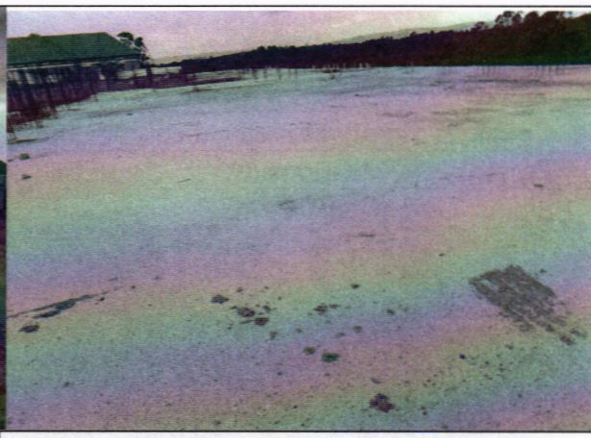
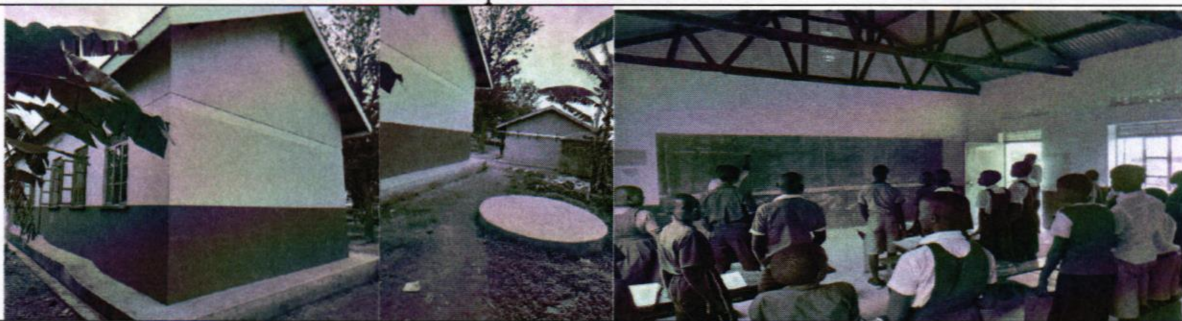
No.	Procurement subject	Procurement method	Provider	Contract value	Risk rating	Basis For Risk Rating
1.	Procurement of medical equipment for Migina and Kitojo HC III	Open domestic bidding	N2M Company	255,295,000	Medium Risk	• No user training was conducted
2.	Construction of a 2-classroom block at Rwentunda P/S	Open domestic bidding	Nuatu Consult Ltd	92,033,648	High Risk	• Non-adherence to ESHS requirements • Poorly drafted Standard Bidding Document • Insufficient display of the notice of the Best Evaluated Bidder
3.	Supply of fuel for Butsibo-Kakorogoto-Kanekye roads	Open domestic bidding	Tumuhimbise Peter Service Station	45,156,000	Satisfactory	No exceptions noted
4.	Supply of fuel for Nyamufumura-Mukinga-Omukitete	Open domestic bidding	Tumuhimbise Peter Service Station	64,400,000	Satisfactory	No exceptions noted
5.	Supply of fuel for Butsibo-Rutunguru-Itegyero 3km	Open domestic bidding	Tumuhimbise Peter Service Station	63,875,000	Satisfactory	No exceptions noted
6.	Supply of fuel for Kyogyera, Omukiteete, Rwamujojo, Katokye, Rweyeshera and Butsibo roads	Open domestic bidding	Tumuhimbise Peter Service Station	57,330,000	Satisfactory	No exceptions noted
7.	Supply of fuel for the maintenance and rehabilitation of the Ankole Western University Road	Open domestic bidding	Tumuhimbise Peter Service Station	54,800,000	Satisfactory	No exceptions noted

No.	Procurement subject	Procurement method	Provider	Contract value	Risk rating	Basis For Risk Rating
8.	Supply of fuel for emergency works at Kemikyera-Rushozi-Ahari 7.78km	Open domestic bidding	Tumuhimbise Peter Service Station	205,110,000	Satisfactory	No exceptions noted
9.	Servicing of excavator UG 1762W	Open domestic bidding	Speedway Petrol Station	9,751,000	Satisfactory	No exception noted
10.	Service grader steering cylinder UG 2066W	Open domestic bidding	Speedway Petrol Station	6,000,000	Satisfactory	No exception noted
Total				**853,750,648**		

Appendix 3: Physical verification pictures as of 10th March 2026

Case No: 1	Contract price: UGX 255,295,000
Contract: Supply of medical equipment for Migina and Kitojo HC III	
Provider: N2M Company	
Status: Completed	
	

	Contract price: UGX 5,105,126,762
Contract: Construction of the Administration Block	
Provider: UPDF Engineering Brigade	
Status: The works were incomplete.	

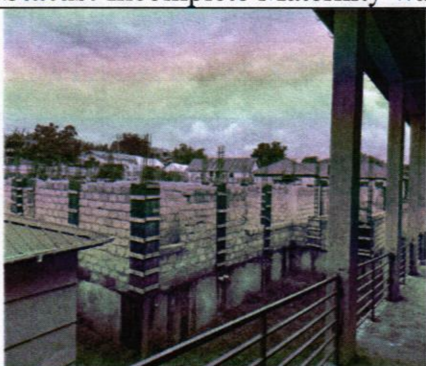
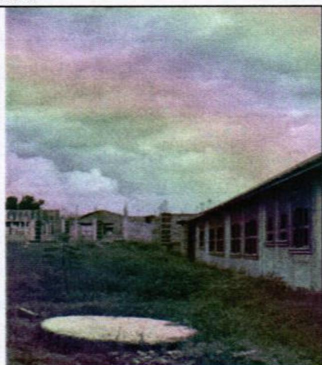
	
Case No. 2	**Contract price:** UGX 92,033,648
Contract: Construction of a classroom Block at Rwentunda Primary School	
Provider: Nuatu Consult Ltd	
Status: The classroom block was completed and in use	
	
	Contract price: UGX 1,992,176,298
Contract: Construction of general wards at Kabwohe HCIV	
Provider: UPDF Engineering Brigade	
Status: stalled	
	
Contract: Construction of a Hopiet-UG Non-Communicable Disease Control Management and Research Center and ART Clinic at Kabwohe Health Center IV	
Provider: UPDF Engineering Brigade	
Status: incomplete	

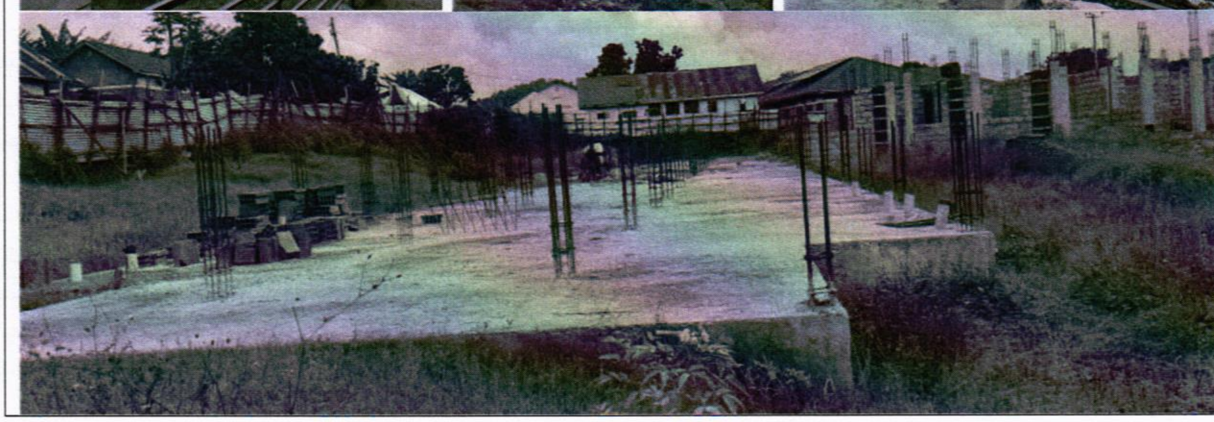
Contract price: UGX 4,822,655,079

Contract: Construction of theatre and maternity complex at Kabwohe HC IV

Provider: UPDF Engineering Brigade

Status: Incomplete Maternity wards



Appendix 4: Unfilled positions in Sheema Municipal Council

No.	Position	No. of positions	Filled	Vacant
Administration				
1.	Assistant Town Clerk	1	0	1
2.	Communications Officer	1	0	1
3.	Stenographer secretary	1	0	1
4.	Office Typist	1	0	1
5.	Senior Law Enforcement Officer	1	0	1
Works Department				
1.	Municipal Engineer	1	0	1
2.	Senior Engineer	1	0	1
3.	Road Inspector	1	0	1
4.	Plant Operator	2	0	2
5.	Plant attendant	2	0	0
6.	Porter	2	0	2
Finance				
1.	Senior Accountant	1	0	1
2.	Office attendant	5	2	3
3.	Driver	5	2	3
4.	Senior Planner	1	0	1
5.	Assistant Inventory Management	2	0	2
6.	Finance Officer	1	0	1
Internal Auditor Department				
1.	Senior Internal Auditor	1	0	1
Natural Resources				
1.	Environment Officer	1	0	1
2.	Physical Planner	1	0	1
3.	Land Supervisor	1	0	1
Education				
1.	Senior Inspector of Schools	1	0	1
2.	Senior Education Officer (Special needs)	1	0	1
3.	Inspector of schools	1	0	1
4.	Sports Officer	1	0	1
Community-Based Services				
1.	Community Development Officer	1	0	1
Production and Marketing				
1.	Senior Agricultural Officer	1	0	1
2.	Veterinary Officer	1	0	1
3.	Assistant Agriculture Officer	1	0	1
4.	Assistant Fisheries Officer	1	0	1
5.	Principal Commercial Officer	1	0	1
6.	Assistant Commercial Officer	1	0	1
Health				
1.	Senior Health Educator	1	0	1

No.	Position	No. of positions	Filled	Vacant
Kagango Division				
1.	Treasurer	1	0	1
2.	Assistant Treasurer	1	0	1
3.	Assistant Law Enforcement Officer	1	0	1
4.	Pool Stenographer	1	0	1
5.	Law Enforcement Officer	1	0	1
6.	Porter	1	0	1
Kashozi Division				
1.	Assistant Treasurer	1	0	1
2.	Law Enforcement Officer	1	0	1
3.	Pool Stenographer	1	0	1
4.	Office attendant	1	0	1
5.	Porter	1	0	1
Kabwohe Division				
1.	Treasurer	1	0	1
2.	Assistant Treasurer	1	0	1
3.	Law Enforcement Officer	1	0	1
4.	Pool Stenographer	1	0	1
5.	Assistant Law Enforcement Officer	1	0	1
Sheema Central Division				
1.	Assistant Town Clerk	1	0	1
2.	Assistant Treasurer	1	0	1
3.	Law Enforcement Officer	1	0	1
4.	Pool Stenographer	1	0	1
5.	Office attendant	1	0	1