PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY

"Regulating for Results"

REPORT ON THE PROCUREMENT AND DISPOSAL AUDIT OF CAPITAL MARKETS AUTHORITY FOR THE FINANCIAL YEAR 2024/2025

JUNE 2026

TABLE OF CONTENTS

List of Figures

List of Tables

Acronyms

AO	Accounting Officer
CC	Contracts Committee
CMA	Capital Markets Authority
EC	Evaluation Committee
FY	Financial Year
HPDU	Head, Procurement and Disposal Unit
NOBEB	Notice of Best Evaluated Bidder
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SBD	Standard Bidding Document

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a procurement and disposal audit of the Capital Markets Authority for the Financial Year 2024/25 and reviewed 16 sampled procurement transactions.

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

The specific objectives of the audit of the Capital Markets Authority were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act Cap. 205, Regulations 2023 and Guidelines 2024 and 2025 with regard to the performance of the procurement structures and conduct of procurement and disposal processes;
2. Establish the level of compliance with the PPDA Act Cap. 205, Regulations 2023 and PPDA Guidelines in the conduct of procurement and disposal activities;
3. Establish the level of efficiency and effectiveness in contract implementation, including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process; and
4. Establish the level of compliance in the management of the Entity's fleet and fuel management systems.

The procurement and disposal activities of Capital Markets Authority for the FY 2024/25 were generally complied with the requirements of the PPDA Act, Cap. 205, the attendant Regulations of 2023, and applicable PPDA Guidelines, 2024. The Entity maintained functional procurement structures and for the most part followed prescribed procedures in the transactions reviewed.

The Entity was adversely affected by several systemic weaknesses. Chief among these were understaffing in the Procurement and Disposal Unit, failure by Evaluation Committees to consistently apply evaluation criteria, delayed evaluation of bids, low implementation of the procurement plan and irregularities in contract management. These shortcomings resulted in delays, budget variances, and increased risk exposure.

Accordingly, the overall procurement and disposal performance of Capital Markets Authority during the year under review was assessed as **Moderately Satisfactory**, with a weighted risk rating of **36.81%**.

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

1. Failure to fully implement previous audit recommendations: Of 14 recommendations made in FY 2023/24, five (35.71%) were fully implemented, while nine (64.29%) were partially implemented contrary to Section 10 of the PPDA Act, Cap. 205. Failure to fully implement audit recommendations affects the performance of the procurement and disposal function and perpetuates recurring irregularities.

2. Low procurement plan implementation: The Entity achieved only 59.1% implementation of its procurement plan, with a budget variance of UGX 1,007,296,443.33, contrary to Section 60(2)(d) of the PPDA Act, Cap. 205. Low implementation undermines service delivery, weakens fiscal discipline and delays achievement of planned outputs.

3. Non-implementation of reservation schemes: The Entity failed to allocate 15% of its procurement budget to Special Interest Groups (Women, Youth, and Persons with Disabilities), contrary to Section 53 of the PPDA Act, Cap. 205 and PPDA Guideline No. 11 of 2024. This undermined inclusivity, equitable access to procurement opportunities, and compliance with national policy objectives.

4. Inadequate staffing in the Procurement and Disposal Unit: The Procurement and Disposal Unit operated with only one officer against an approved structure of three, contrary to Section 32 of the PPDA Act, Cap. 205. Inadequate staffing led to delays, poor record-keeping, and compliance gaps.

5. Inadequate solicitation documents: The procurementsof supply of laptops and consultancy services for development of a 5-year development plan worth UGX 142,509,217 contained brand-specific references and ambiguous evaluation criteria, contrary to Regulation 34(3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 and Regulation 38 of the PPDA (Procurement of Consultancy Services) Regulations, 2023. Branding reduces competition and increases risks of inflated costs, while ambiguous criteria compromise the fairness and defensibility of contract award decisions.

6. Unjustified use of the direct procurement method: Three procurements worth UGX 49,677,000 were awarded through the direct procurement method without adequate justification, contrary to Section 91 of the PPDA Act, Cap. 205. This undermined competition, reduced transparency and created risks of bias and failure to achieve value for money.

7. Irregularities during evaluation of bids: Acceptance of a United States Dollar -denominated Irregular evaluation in the procurement for review of CMA's risk-based methodology worth UGX 165,140,930: Acceptance of a United States Dollar -denominated proposal and use of an unauthorized exchange rate leading to contracting at an inflated price of UGX 165,140,930 from UGX 160,200,000 contrary to Regulation 5(1) of the PPDA (Evaluation) Regulations, 2023 and Regulation 34(6)(a)(xi) of the PPDA (Procurement of Consultancy Services) Regulations, 2023. Poor evaluation compromises value for money, distorts contract prices, and exposes the Entity to disputes and financial loss.

8. Signing of contracts above estimated amounts: Three contracts worth UGX 55,297,520 were signed above initiation estimates without market price reassessment, contrary to Regulation 6(1)(b) and Regulation 7(1) of the PPDA (Contracts) Regulations, 2023. This practice undermines value for money, weakens budgetary discipline, and exposes the Entity to risks of financial loss.

9. Irregularities during contract implementation: Six procurements worth UGX 216,569,600 were implemented with expired contracts, unauthorized call-off orders, and inclusion of unapproved items, contrary to Regulations 51–52 of the PPDA (Contracts) Regulations, 2023. Weak contract management undermines accountability, creates risks of irregular expenditure, and diminishes stakeholder confidence.

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

1. The Accounting Officer should:
   i. Implement all previous audit recommendations in accordance with Section 10 of the Public Procurement and Disposal of Public Assets Act, Cap. 205 and submit a status report to the Authority within four months of issue of the audit report.
   ii. Review and update the procurement plan quarterly in accordance with Section 60(7) and (8) of the PPDA Act, Cap. 205, and introduce a procurement implementation dashboard reviewed monthly by Senior Management and the Contracts Committee to track progress and corrective actions.
   iii. Ensure that the Procurement and Disposal Unit is adequately staffed in accordance with Section 32 of the PPDA Act, Cap. 205, to improve efficiency, compliance, and record-keeping standards.
   iv. Request training on the application of reservation schemes to ensure consistent compliance with Section 53 of the PPDA Act, Cap. 205 and PPDA Guideline No. 11 of 2024.
   v. Task Evaluation Committees to adhere strictly to the evaluation criteria provided in solicitation documents in accordance with Regulation 5(1) of the PPDA (Evaluation) Regulations, 2023, and ensure that exchange rates applied are consistent with Regulation 34(6)(a)(xi) of the PPDA (Procurement of Consultancy Services) Regulations, 2023.

   vi. Ensure that contracts are signed within initiation estimates and supported by market price reassessments in accordance with Regulation 6(1)(b) and Regulation 7(1) of the PPDA (Contracts) Regulations, 2023.

2. The Head, Procurement and Disposal Unit should:
   i. Revise the Entity's procurement plan to integrate reservation schemes at the planning stage, ensuring that at least 15% of the annual procurement budget is allocated to Special Interest Groups in line with Section 53 of the PPDA Act, Cap. 205 and PPDA Guideline No. 11 of 2024.
   ii. Eliminate brand-specific specifications unless justified by technical necessity in accordance with Regulation 34(3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, and clarify evaluation criteria by defining qualifications, roles, and scoring benchmarks in line with Regulation 38 of the PPDA (Procurement of Consultancy Services) Regulations, 2023.
   iii. Ensure that where the direct procurement method is used, the decision is justified in accordance with Section 91 of the PPDA Act, Cap. 205, demonstrating exceptional circumstances that prevent competition.

3. The Contracts Committee should:
   i. Diligently review solicitation documents and contracts for completeness, consistency, and errors before approval, in accordance with Section 30(e) of the PPDA Act, Cap. 205.
   ii. Ensure that decisions are made transparently and returned to the Accounting Officer with reasons where disagreements arise, in line with Regulation 12 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.
   iii. Justify approvals of direct procurement strictly under exceptional circumstances in accordance with Section 91 of the PPDA Act, Cap. 205.

4. Evaluation Committees should:
   i. Conduct evaluations strictly in accordance with the criteria specified in solicitation documents, in line with Regulation 5(1) of the PPDA (Evaluation) Regulations, 2023.
   ii. Apply Regulation 7 of the PPDA (Evaluation) Regulations, 2023 to seek clarifications for minor omissions before eliminating bidders, ensuring fairness and transparency.
   iii. Reject materially non-responsive bids and avoid introducing new criteria during evaluation, in accordance with Regulation 5(2) of the PPDA (Evaluation) Regulations, 2023.

5. Contract Managers should:
   i. Enforce contract timelines, obtain approvals for extensions, and ensure that call-off orders are issued only by authorized officers in accordance with Regulations 51-53 of the PPDA (Contracts) Regulations, 2023.
   ii. Prepare and submit Contract Management Plans and performance reports to the Procurement and Disposal Unit in accordance with Regulation 52(3)(f) and (g) of the PPDA (Contracts) Regulations, 2023.
   iii. Monitor contract duration and issue change orders upon approval of the Accounting Officer in line with Regulation 53(3) and (4) of the PPDA (Contracts) Regulations, 2023.

Capital Markets Authority should implement the recommended action plan on **pages 30 to 35** of this report.

CHAPTER 1: INTRODUCTION

1.1 Structure of the Entity

Capital Markets Authority (CMA) Uganda is the statutory regulator of Uganda's capital markets, mandated to license market players, protect investors, and ensure fair, transparent, and efficient securities markets. It oversees stock exchanges, brokers, fund managers, investment advisors and operates the Investor Compensation Fund.

According to Section 28 of the PPDA Act Cap. 205, the Accounting Officer has the overall responsibility for the successful execution of procurement, disposal and contract management in a Procuring and Disposing Entity. For the period under review, the Accounting Officer was Ms. Josephine O. Ossiya.

The Permanent Secretary/Secretary to the Treasury of the Ministry of Finance, Planning and Economic Development approved the members of the Contracts Committee listed in Table 1 below:

Table 1: Membership of the Contracts Committee

No.	Name	Designation
1.	Ms. Immaculate Nabwire	Chairperson
2.	Mr. Joseph Magala	Member
3.	Ms. Gloria Kisakye Bayiga	Member
4.	Mr. Dreck Murozi	Member

According to Section 33 (a) of the PPDA Act, Cap 205, all procurement or disposal activities of the Procuring and Disposing Entity, except adjudication and the award of contract, are to be managed by the Procurement and Disposal Unit.

The Procurement and Disposal Unit during the Financial Year under review was headed by Ms. Caroline Epodoi Ebiru.

1.2 Background

The Public Procurement and Disposal of Public Assets Authority carried out a procurement and disposal audit ofCapital Markets Authoritythat covered a representative sample of16 procurement transactions.

The audit involved a review of procurement structures, procurement, and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act Cap 205, PPDA Regulations 2023 and PPDA Guidelines.

1.3 Main Audit Objectives

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of the Capital Markets Authority's procurement system and processes and the disposal processes with the provisions of the PPDA Act Cap. 205, Regulations 2023 and PPDA Guidelinesand assess the level of procurement performance over the audit period.

The specific objectives of the audit of the Capital Markets Authority were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act Cap. 205, Regulations 2023 and Guidelines 2024 and 2025 with regard to the performance of the procurement structures and conduct of procurement and disposal processes;
2. Establish the level of compliance with the PPDA Act Cap. 205, Regulations 2023 and PPDA Guidelines in the conduct of procurement and disposal activities;
3. Establish the level of efficiency and effectiveness in contract implementation, including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process; and
4. Establish the level of compliance in management of the Entity's fleet and fuel management systems.

1.4 Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues, and contract implementation of 16transactions under Financial Year 2024/25contained in *Appendix1.*

The distribution of the sample vis-à-vis the procurement population is indicated in Table 2 below:

Table 2: Distribution of the transaction's population and sample for CMA for FY 2024 - 2025

Distribution of the transaction's population and sample for CMA FY 2024 - 2025						
Method	**Value (UGX)**			**Number**		
	Population	**Sample**	**%**	**Population**	**Sample**	**%**
Request for Quotations	926,197,195	726,701,137	78	17	10	59
Direct	339,403,000	339,403,000	100	6	6	100
Micro procurements	192,659,685.67	0	0	12	0	0
Total	**1,458,259,880.67**	**1,345,104,137**	**92**	**35**	**16**	**45.7**

The Authority also paid specific attention to fleet management and fuel management as themes during the audit. The findings under these sections are reported in Chapter 2 objective 2.4.

1.5 Audit Methodology

1.5.1 Audit Procedures

On 31st March 2026, the Entity was notified about the audit exercise. An audit launch meeting was held on 8th April 2026 between the audit team and the Entity's officials.

Two officers conducted the exercise under the supervision of the Manager, Performance Monitoring. During the exercise, the team examined records and documents of the sampled procurement transactions and undertook physical verification of some procurements such as vehicles and online systems such as the Electronic Document Management System (EDMS).

On completion of file review, the audit team met with various stakeholders to discuss and obtain clarifications on some of the preliminary findings. A debrief meeting was held on 25th May 2026 between the audit team and the Entity 's officials. A management letter was issued to the Entity for management's response on 28th May 2026 and the Entity's responses to the raised issues were received on 10th June 2026. An exit meeting was held on 10th June 2026 at the PPDA Head Office in Kampala.

1.5.2 Methodology

The audit was conducted in accordance with the Public Procurement and Disposal of Public Assets Act, Cap. 205, its attendant Regulations, and internationally recognised public sector auditing standards. A combination of compliance and substantive procedures was applied to assess adherence to statutory requirements and the effectiveness of procurement and contract management processes.

i. Document Review: Solicitation documents, Terms of Reference, evaluation reports, Contracts Committee submissions, payments and correspondences with stakeholders were examined to verify compliance with the PPDA Act, Cap. 2025,Regulations 2023 and PPDA Guidelines.
ii. Interviews and Clarifications: Discussions were held with staff of the Procurement and Disposal Unit, User Departments and Evaluation Committees to obtain explanations for observed irregularities and delays.
iii. Data Analysis: Procurement timelines, bid evaluation records and payment schedules were analyzed against statutory benchmarks to identify deviations, contradictions and irregularities.
iv. Verification of Evidence: Supporting documents such as bid submissions, proposal securing declarations, and payment certificates were cross-checked for authenticity, accuracy and compliance.
v. While the audit confirmed the existence and installation of supplies, it did not independently validate their technical quality, durability, or performance standards. This limitation should be considered when interpreting the audit findings, particularly in relation to contract implementation and value for money assessment.
vi. Triangulation: Findings were validated by comparing documentary evidence, management responses, physical verification results and statutory requirements to ensure objectivity and reliability of conclusions.
vii. Compliance testing: Each transaction was tested against the requirements of the PPDA Act, Cap.205, PPDA Regulations, 2023 and PPDA Guidelines focusing on solicitation, evaluation, award, contract signing, and implementation.
viii. Contract implementation review: Verification of contract management practices, including submission of performance guarantees, preparation of contract management plans, adherence to timelines and application of Environmental, Social, Health and Safety (ESHS) requirements.
ix. Fleet and fuel management assessment: Review of fleet records, fuel consumption logs, and monitoring mechanisms to establish compliance with approved procedures and efficiency in resource utilization.

1.6 Audit Limitation

The audit was limited to the sample of procurement and disposal transactions selected for review, as detailed in Appendix 1. While the sample represented a significant proportion of the procurement population by value, the findings may not necessarily reflect the full extent of compliance across all transactions undertaken by the Entity during the Financial Year 2024/25.

CHAPTER 2: DETAILED AUDIT FINDINGS

2.1 Level of compliance by the Entity with the general provisions of the PPDA Act Cap. 205, Regulations 2023 and PPDA Guidelines2025 with regard to the performance of the procurement structures and conduct of procurement and disposal processes

2.1.1 Failure to fully implement previous audit recommendations

Regulation 10 of the PPDA Act Cap. 205 provides that the Accounting Officer shall be responsible for the implementation of recommendations made by the Authority.

The Authority noted that of the 14 previous audit recommendations for the FY 2023/2024 made to the Entity, five (35.71%) were fully implemented, while nine (64.29%) were partially implemented as indicated in Table 3 below:

Table 3: Status of Implementation of Previous Audit Recommendations

S/No	Recommendation	Status of Implementation
1.	The Accounting Officer should implement the Authority's recommendations and submit to PPDA a status report on the same within six months from the issue of the compliance inspection report in accordance with Section 28 (1) of the PPDA Act Cap. 205.	Partially Implemented
2.	The Accounting Officer should, on a quarterly basis, and in any other case, review and update the Entity's procurement plan, considering the feedback from User Departments on the status of implementing planned procurements in accordance with Section 60 (7) of the PPDA Act Cap. 205.	Partially Implemented
3.	The Accounting Officer should constitute a Board of Survey or request the Heads of User Department to assess the condition of all the Entity's public assets and identify obsolete assets for disposal in accordance with Regulation 2 (2) of the PPDA (Disposal of Public Assets) Regulations, 2023.	Fully Implemented
4.	The Contracts Committee should diligently review the contracts for completeness, consistency, and errors before approving contracts in accordance with Section 30 (e) of the PPDA Act, Cap. 205.	Fully Implemented
5.	The Procurement and Disposal Unit should implement decisions of the Contracts Committee in accordance with Section 33 (c) of the PPDA Act, Cap. 205.	Fully Implemented
6.	The Procurement and Disposal Unit should engage the previously shortlisted providers to understand reasons for the low bidder participation and submit a report to PPDA - within three months from issue of the final report - on the findings made and plausible measures to mitigate low	Partially Implemented

S/No	Recommendation	Status of Implementation
	bidder participation in accordance with Section 33 (r) of the PPDA Act, Cap. 205.	
7.	The Procurement and Disposal Unit should prepare and maintain a prequalified list of providers in accordance with Section 33 (l) of the PPDA Act, Cap. 205.	Partially Implemented
8.	The Evaluation Committees should conduct evaluation within the time period specified in Regulation 4 (1) of the PPDA (Evaluation) Regulations, 2023.	Partially Implemented
9.	The Evaluation Committees should not make any amendment during an evaluation including any addition to the evaluation criteria stated in the bidding document and use any other criteria other than the criteria specified in the bidding document in accordance with Regulation 5 (1) & (2) of the PPDA (Evaluation) Regulations, 2023.	Partially Implemented
10.	The User Departments in liaison with the Procurement and Disposal Unit should streamline the implementation of the procurement plan in line with the approved budget in accordance with Section 36 (2) of the PPDA Act Cap. 205.	Partially Implemented
11.	The User Departments should initiate procurements in a timely manner for procurement items that fall under the approved procurement plan and budget for the financial year so that by the time the funds are received, a contract can be issued and service delivery expedited in accordance with the PPDA circular on initiation of procurements dated 8th October 2010.	Fully Implemented
12.	The Heads of User Departments should nominate a member of the Department to be appointed as Contract Manager proceeding contract award in accordance with Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023.	Fully Implemented
13.	The Contract Managers should appraise and report on the performance of providers in performance reports and progress reports to the Accounting Officer and to the Procurement and Disposal Unit in accordance with Regulation 52 (3) (f) & (g) of the PPDA (Contracts) Regulations, 2023.	Partially Implemented
14.	The Contract Managers should monitor the duration of contracts and issue change orders to providers extending the contract duration, upon receiving the Accounting Officer's approval, in accordance with Regulation 53 (3) & (4) of the PPDA (Contracts) Regulations, 2023	Partially Implemented

The audit noted that a key factor in the Entity's failure to address prior audit findings is the absence of a structured follow-up process to oversee the implementation of audit recommendations.

Implication

Failure to fully implement audit recommendations affects the performance of the procurement and disposal function.

Management Response

The primary factor underlying the Entity's inability to fully implement prior audit recommendations has been the understaffing within the Procurement and Disposal Unit (PDU). The PDU has been operating with only one staff member at the level of a Procurement Officer, while the Entity's budget and procurement workload have grown considerably over the years. This imbalance has stretched the available human resources, making it difficult to execute day-to-day procurement activities and simultaneously maintain a structured follow-up process for the closure of prior audit findings. However, an additional staff is being recruited to bring the number of staff in the PDU to two officers. This additional resource will directly alleviate the workload burden and create capacity for dedicated follow-up on audit recommendations and implementation.

In addition, the follow-up of implementation of audit findings now sits with the Internal Audit Department and has been included in the performance scorecards for all Directors. Management commits to systematically address all the pending recommendations from the FY 2023/2024 audit cycle, in accordance with Section 10 of the PPDA Act Cap. 205

Authority's Comment

The Authority notes that while the Entity has made progress in implementing some of the recommendations from the FY 2023/24 audit, the majority (64.29%) remain only partially implemented. This reflects a systemic weakness in follow-up and accountability mechanisms within the procurement function.

The Authority emphasizes that Section 10 of the PPDA Act, Cap. 205 places a clear obligation on the Accounting Officer to ensure full implementation of audit recommendations. Partial implementation undermines the effectiveness of the audit process, perpetuates recurring irregularities, and weakens confidence in the Entity's procurement and disposal systems.

The Authority further observes that the underlying cause, understaffing in the Procurement and Disposal Unit, has contributed to delays and poor recordkeeping. However, the Authority stresses that this does not absolve the Entity of its statutory responsibility. The integration of audit follow-up into the Internal Audit Department's scorecards is a positive step, but stronger oversight and resourcing are required to ensure timely closure of audit findings.

Recommendations

The Accounting Officer should implement all previous audit recommendations in accordance with Section 10 of the PPDA Act Cap. 205.

2.1.2 Low Procurement Plan Implementation

Section 60 (2) (d) of the PPDA Act Cap. 205 provides that a Procuring and Disposing Entity shall plan its procurement and disposal in a rational manner and, in particular, shall integrate its procurement budget with its expenditure programme.

A review of the Entity's procurement plan, monthly reports and Contracts Committee minutes for FY 2024/25 revealed a procurement plan implementation rate of 59.1% with a budget variance of UGX 1,007,296,443.33 as indicated in Table 4 below:

Table 4: Procurement Plan Implementation

Analysis of procurement spend	
Total procurement budget/plan value inclusive VAT (UGX)	2,465,556,324
Total procurement spend value inclusive VAT (UGX)	1,458,259,880.67
Procurement plan implementation (%)	59.1%
Variance (UGX)	1,007,296,443.33

Source: CMA monthly reports and submitted consolidated procurement plan

Implications

Failure to fully implement the procurement plan affects service delivery.

Management Response

The low implementation rate was attributable to some items being substituted while others being deferred. To address this finding and strengthen procurement plan implementation going forward, Management has ensured that the procurement plans are reviewed regularly and updated as and when needs arise to reflect any deferrals, additions, or changes in priority, in accordance with Section 60(7) of the PPDA Act Cap. 205. This will ensure that the plan remains a live and accurate planning instrument throughout the financial year.

Authority's Comment

The Authority notes the Entity's explanation that certain procurements were substituted or deferred, and that plans were reviewed periodically. However, the Authority observes that had the procurement plan been formally updated and approved to reflect these changes, the variance of UGX 1,007,296,443.33 would not have remained as significant. This indicates weaknesses in procurement planning and inadequate integration of the procurement plan with the Entity's expenditure programme.

Recommendation

The Authority noted the response and recommends that the Entity should review and update its procurement plan quarterly and, in any other case, wherever necessary, in the event certain items are not procured as planned in accordance with Section 60 (7) of the PPDA Act Cap. 205. An updated and approved plan should be submitted to the Authority in accordance with Section 60 (8) of the PPDA Act Cap. 205.

2.1.3 Reservation schemes to promote local content

Clause 2.1 (i) of PPDA Guideline No. 11 of 2024 provides that a Procuring and Disposing Entity shall reserve at least 15% of its Annual Procurement Plan Budget for award to registered associations of Women, Youth and Persons with Disabilities.

The audit reviewed the Entity's procurement plan for the FY 2024/25 and found that it did not cater for Special Interest Groups in contravention of the PPDA Guideline No. 11 of 2024. Consequently, the Company did not comply with the 15% procurement reservation scheme for registered associations of Women, Youth, and Persons with Disabilities, and no contracts were awarded to these groups during the FY 2024/25.

Implication

Failure to implement the reservation scheme undermines inclusivity and equitable access to public procurement opportunities. It denies Special Interest Groups the statutory benefits intended to promote their participation in public procurement, weakens compliance with national policy objectives and erodes public confidence in the fairness of procurement processes.

Management Response

Management acknowledges the finding that the procurement plan for FY 2024/25 did not incorporate the reservation scheme for Special Interest Groups (Women, Youth, and Persons with Disabilities) as required under Clause 2.1(i) of PPDA Guideline No. 11 of 2024 and Section 53 of the PPDA Act Cap. 205. However, this does not mean that the Authority has not invited/reached out to special interest groups to bid.

On several occasions, we have reached out to some providers on the special interest groups register to supply some items like laptops and the response has always been "We don't supply that".

Also, in most of our procurements that fall below UGX 30,000,000, we have always put a clause that states that "women, youth and people with disabilities are encouraged to bid"

However, in a bid to promote local content, we are committed to ensuring that 15% of the Authority's budget is reserved for the special interest groups where possible. The reservation scheme has already been incorporated into the Entity's procurement plan for FY 2026/27, with at least 15% of the annual procurement budget ring-fenced for award to registered associations of Women, Youth, and Persons with Disabilities, in accordance with PPDA Guideline No. 11 of 2024.

PDU will ensure that the 15% allocation is not only planned but actively implemented through contract awards to eligible Special Interest Groups. A pre-qualification exercise has been included and budgeted for in the next Financial Year to help identify and build a database for suppliers in the special interest groups categories.

Recommendations

The Authority noted the response but found that no evidence was adduced to indicate that the Entity has previously attempted to implement Guideline No. 11 of 2024 as alluded to in the Management response and therefore recommends as follows:

- The Head, Procurement and Disposal Unit should revise the Entity's procurement planning process to integrate reservation schemes at the planning stage, ensuring that at least 15% of the annual procurement budget is allocated to Special Interest Groups in line with Section 53 of the PPDA Act Cap. 205 and Guideline No. 11 of 2024.
- The Accounting officer should request training on the application of reservation schemes to ensure consistent compliance.

2.1.4 Inadequate staffing in the Procurement and Disposal Unit

The Authority noted that, whereas the Entity's staffing structure for the Procurement and Disposal Unit provides for three staff members, namely, a Procurement Manager, a Senior Procurement Officer, and a Procurement Officer, the Unit currently has only one permanent staff member in the capacity of Procurement Officer.

Implication

Inadequate staffing of the Procurement and Disposal Unit may lead to delays in procurements and poorly managed procurement processes and record keeping.

Management Response

Management acknowledges the finding and accepts that the Procurement and Disposal Unit is currently operating with only one permanent staff member a Procurement Officer against an approved structure of three positions, namely a Procurement Manager, a Senior Procurement Officer, and a Procurement Officer. Management recognises that this staffing gap presents a significant risk to the efficiency, compliance, and record-keeping standards of the procurement

The current understaffing, however, is a result of budgetary constraints. The single officer in post has continued to manage the full procurement workload of the Entity, which has grown in tandem with an expanding budget, placing unsustainable pressure on the Unit and contributing to some of the compliance gaps identified in this audit. However, in the FY 2026/27 the Department will be resourced with an additional officer to bring the headcount to two. The Accounting Officer will also continue engaging the Ministry of Finance, Planning and Economic Development for additional funds for wages so that PDU is fully resourced.

Authority's Comment

The Authority acknowledges the Entity's recognition of the staffing gap and the ongoing efforts to recruit additional personnel. However, given the extent of compliance gaps and delays directly attributable to understaffing, the Authority emphasizes that the recruitment process should be expedited within July 2026 to immediately alleviate the workload burden.

Operating with only one officer against an approved structure of three is inconsistent with Section 32 of the PPDA Act, Cap. 205, which requires Procuring and Disposing Entities to maintain adequately staffed Procurement and Disposal Units. Prolonged understaffing *compromises procurement planning, evaluation timelines, recordkeeping, and the implementation of audit recommendations.*

Recommendation
The Accounting Officer should expedite the recruitment of staff to man the Procurement and Disposal Unit in accordance with Section 32 of the PPDA Act, Cap. 205.

2.2 Level of compliance with the PPDA Act Cap. 205, Regulations 2023 and Guidelines 2024 and 2025 in the conduct of procurement and disposal activities

2.2.1 Inadequate solicitation documents

Regulation 34 (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 provides that a Procuring and Disposing Entity shall prepare a evaluation criteria and description of the statement of requirements, in a manner that determines that the supplies, works or non-consultancy services are fit for the purpose for which they are being procured and are of the appropriate quality.

The Authority noted that the solicitation documents issued to bidders in two procurements worth UGX 142,509,217 contained flaws as indicated in Table 5 below:

Table 5: Procurements in which inadequate solicitation documents were issued

S/No	Subject of Procurement	Issues Noted
1.	Supply of laptops (CMA/SUPLS/24-25/00003) worth UGX 68,616,617	Regulation 38 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 provides that specifications shall not be issued with reference to a particular trademark, brand name, patent, design, type, specific origin, producer, manufacturer, catalogue or numbered item. The Authority noted that specifications of the laptops, while not explicitly stating the brand name, used proprietary marketing terminology and feature naming conventions as "*backlit English (UK) with TrackPoint keyboard* and *touch style integrated with power button finger print reader*", which are trademarks of the brand *"Lenovo"* in contravention of Regulation 38 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. ***Management Response*** *Management wishes to clarify that the "Track Point Keyboard and touch style integrated with power button finger print reader" is not a*

S/No	Subject of Procurement	Issues Noted
		trademark of the Lenovo brand. However, they are assigned to laptops that are considered to be enterprise-grade. Therefore, the User was basically looking for an enterprise-grade laptop and that is why the trackpoint keyboard and touch style integrated with a power button fingerprint reader was considered to be a distinguishing feature. We would also like to bring to your attention that we have HP laptops with the same feature. Hence, this does not necessarily refer to only Lenovo. ***<u>Authority's Comment</u>*** *The features indicated in the solicitation documents point directly to Lenovo's ThinkPad line of laptops. The iconic TrackPoint (the red pointing stick nestled between the G, H, and B keys), combined with a fingerprint reader physically integrated into the power button, is a signature design combination unique to modern "Lenovo ThinkPads". Furthermore, "TrackPoint" is a registered trademark of Lenovo. While other devices may have trackpads or fingerprint readers, the Entity's specifications explicitly referenced a trademarked feature, thereby narrowing competition and contravening Regulation 3(3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, which requires that evaluation criteria and requirements be framed to ensure fitness for purpose and appropriate quality without restricting competition.*
2.	Development of a 5-Year Strategic Plan for Capital Markeys Authority (CMA/CONS/24-25/00001) worth UGX 73,892,600	Regulation 38 (2) of the PPDA (Procurement of Consultancy Services) Regulations, 2023 provides that the request for proposals shall state the technical evaluation criteria, which shall consist of a number of main criteria and which may be divided into sub criteria. The Authority reviewed the solicitation document and noted that the evaluation criteria required Consultants to submit as part of the technical proposals, curriculum vitae of individuals tailored to the assignment. The criterion did not, however, expressly state the academic and experiential

S/No	Subject of Procurement	Issues Noted
		requirements in contravention of Regulation 38 (2) of the PPDA (Procurement of Consultancy Services) Regulations, 2023. This created room for subjectivity in the evaluation of the criterion. ***Management Response*** *Management acknowledges that the evaluation criteria for the consultancy procurement did not expressly define the academic qualifications and experience levels required of key personnel. While the intent was to allow for flexibility in team composition, Management accepts that the absence of clearly defined benchmarks could have introduced subjectivity and compromised the defensibility of the evaluation process. PDU will continue to guide on the layout of the consultancy solicitation documents that mandate an explicit definition of academic qualifications, years of experience, key personnel roles, and scoring benchmarks for each evaluation criterion. This will ensure objectivity, fairness, and full compliance with Regulation 38 of the PPDA (Procurement of Consultancy Services) Regulations, 2023.*

Implications
- Branding reduces competition and increases risks of delays and inflated costs.
- Ambiguities in evaluation criteria compromise the fairness, transparency and defensibility of contract awards.

Recommendations
- The Head, Procurement and Disposal Unit and Contracts Committee should:
  i. Eliminate brand-specific references unless justified by technical necessity in accordance with Regulation 38 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
  ii. Clarify evaluation criteria: Define qualifications, roles and scoring benchmarks to avoid subjectivity and ensure fairness in the procurement of consultancy services in accordance with Regulation 38 of the PPDA (Procurement of Consultancy Services) Regulations, 2023.

2.2.2 Unjustified use of the direct procurement method
Section 91 of the PPDA Act Cap. 205 provides that direct procurement is a sole source procurement method for procurement requirements where exceptional circumstances prevent the use of competition.

The Authority noted that the direct procurement method was used without justification or without adequate justification in three procurements worth UGX 49,677,000 as indicated in Table 6 below:

Table 6: Procurements in which the direct procurement method was used without adequate justification

S/No	Subject of Procurement	Issues Noted
1.	Procurement of a consultant to recruit a Director, Human Resource and Administration (CMA/CONS/24-25/00016) worth UGX 10,000,000	The Entity used the direct procurement method to contract Ms. Margaret Kaddu as individual consultant on the basis of the approval of the Entity's Board of Directors and the need to fast track the procurement in order to manage the time frame. The Authority, however, noted that there was a period of 37 working days between the Contracts Committee's approval of the use of the direct procurement method on 9th May 2025 and the signing of the contract on 25th June 2025, which period was sufficient for the use of the request for proposals method with reduced timelines. This implies that there was in effect no emergency. ***<u>Management Response</u>*** *The decision was based on the urgency to fill the position of DHRA being a critical role in the Authority. The outgoing DHRA was requested to find a replacement before the expiry of her notice period. Subsequently, the delays occurred because of a lack of follow-up by a dedicated person as the Department was thinly resourced.*
2.	Consultant to carry out regulation effectiveness assessment (CMA/CONS/24-25/00018) worth UGX 29,677,000	The direct procurement method was used with the justification of efficient and timely delivery of the assignment within 14 working days. The Authority, however, noted that the Consultant, Mr. Jim Drani Drileba, executed the assignment in a period of three months from signing of the contract, negating the justification of efficient and timely delivery of the assignment within 14 working days. ***<u>Management Response</u>*** *The consultant was chosen because of the unique and complex nature of capital markets. There is a lack of skills among legal persons who comprehend the legal and regulatory frameworks of capital markets, as well as having data analytical skills, which are necessary to facilitate the development of an effective methodology for use in the second stage of regulatory*

S/No	Subject of Procurement	Issues Noted
		impact assessments. Secondly, the assignment needed to be completed before the end of the FY, the available funding would be lost. The procurement was initiated in May 2025, and thus there was limited time to permit time to try and source through competitive sourcing, where the probability of getting another suitable and qualified consultant was very low. ***Authority's Comment*** *The Authority reviewed the justification advanced by Management that the consultant was selected due to the unique and complex nature of capital markets and the urgency to complete the assignment before the end of the financial year. However, this justification is inadequate. The cited urgency was contradicted by the actual execution period of three months, far exceeding the 14 working days originally claimed as the basis for direct procurement. This demonstrates that no genuine emergency existed to prevent the use of competitive methods.* *Furthermore, while the Entity argued that the consultant possessed rare skills, the PPDA Act requires that such exceptional circumstances be substantiated and documented. No evidence was provided to show that competitive sourcing would have failed to attract qualified consultants, nor was there proof that the Entity attempted to test the market. The reliance on assumptions of limited expertise, without market validation, undermined transparency and fairness. The justification, therefore, does not meet the threshold under Section 91 of the PPDA Act, Cap. 205, and the use of direct procurement in this case was irregular.*

Implication
This undermined the principle of competition, reduced transparency, and created a risk of bias in provider selection. It also weakened the credibility of the Contracts Committee and affected the achievement of value for money.

Recommendations
The Head, Procurement and Disposal Unit and the Contracts Committee should ensure that where the direct procurement method is used, the decision is justified in accordance with Section 91 of the PPDA Act Cap. 205, demonstrating exceptional circumstances that prevented competition.

2.2.3 Irregularities during the evaluation of bids

Regulation 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 while Regulation 34(6)(a)(xi) of the PPDA (Procurement of Consultancy Services) Regulations, 2023 provides that the request for proposals shall state the procedure for converting prices to a single currency for evaluation purposes, including the source and date of the exchange rates to be used.

The Authority reviewed the request for proposals document in the procurement for review of CMA's risk-based methodology (CMA/CONS/24-25/00010) worth UGX 160,200,000 and noted that

i. ITC 20 provided that financial proposals were to be submitted in Uganda Shillings.
ii. ITC 38. 1 provided that the currency to be used for evaluation purposes for all proposals shall be Uganda Shillings unless otherwise specified in the PDS.
iii. ITC 38. 2 provided that the exchange rate shall be the prevailing Bank of Uganda selling exchange rate at the date of the proposal submission deadline.
iv. GCC 21. 2 provided that the exchange rate for purposes of payment shall be the prevailing Bank of Uganda selling exchange rate at the date of the proposal submission deadline.

The Authority reviewed the proposal submitted by the awarded provider, Mr. Elias Omondi Otieno, and noted that the provider submitted a financial proposal with a cost of USD 45,000 in contravention of ITC 20 of the request for proposals document.

The Authority further noted that on 6th February 2025, Ms. Tracy Nanseera, in a letter to Mr. Elias Omondi Otieno, requested the bidder to provide the exchange rate used in determining his price, rather than using the prevailing Bank of Uganda selling exchange rate at the date of the proposal submission deadline, in contravention of ITC 38. 1 of the request for proposals document. Mr. Elias Omondi Otieno, in response, indicated that he had used an exchange rate of 1 USD = UGX 3,560, which was lower than the Bank of Uganda selling rate on the date of proposal submission of USD 3,685.5.5. This led to a contract price of UGX 160,200,000.

The Authority, however, noted that despite the use of the exchange rate of 1 USD = UGX 3,560 for purposes of evaluation and contracting, the Entity, at the time of payment to the provider, used the prevailing exchange rate at the time of initiation of the payments, which rates were higher than the rate of 1 USD = UGX 3,560. The application of the exchange rate provided by the bidder (UGX 3,560 per USD) instead of the prevailing Bank of Uganda selling exchange rate at the date of proposal submission (UGX 3,685.5), contravened ITC 38.2 of the request for proposals document and Regulation 34(6)(a)(xi) of the PPDA (Procurement of Consultancy Services) Regulations, 2023.

The evaluation and contracting processes should have been based strictly on the Bank of Uganda selling exchange rate at the proposal submission deadline, as clearly provided in the solicitation document and Regulations.

Further, by failing to apply the prescribed Bank of Uganda rate at payment and using a higher exchange rate, the Entity exposed itself to a financial loss of UGX 4,940,930.

Implications

- Poor evaluation compromises value-for-money, exposes the Company to disputes, delays, and poor contract performance.
- By accepting a financial proposal denominated in USD contrary to ITC 20, and subsequently allowing the provider to apply its own exchange rate instead of the prevailing Bank of Uganda selling rate at the date of proposal submission, the Entity undermined the integrity of the evaluation process, distorted the contract price, and was exposed to the risk of financial loss.

Management Response

Management acknowledges the finding and accepts that the evaluation of the procurement for the review of CMA's risk-based methodology (CMA/CONS/24-25/00010) worth UGX 160,200,000 contained material irregularities that deviated from the conditions established in the solicitation documents, contrary to Regulation 5(1) of the PPDA (Evaluation) Regulations, 2023. However, the cost was within the original budgeted costs and available funding, there was no financial loss occasioned to the Authority.

Management commits to ensuring that all Evaluation Committees conduct evaluations strictly in accordance with the set criteria and conditions specified in the bidding documents, without deviation.

All User Departments/staff to undergo mandatory training on the PPDA (Evaluation) Regulations, 2023, with specific emphasis on their obligation to evaluate strictly within the terms of the solicitation document.

Authority's Comment

While Management argues that the contract price was within the budgeted costs and available funding, this does not negate the fact that a financial loss was incurred. The evaluation and contracting were based on an exchange rate of 1 USD = UGX 3,560, which was lower than the prevailing Bank of Uganda selling rate of UGX 3,685.5 at the proposal submission deadline. Furthermore, at the time of payment, the Entity applied the prevailing exchange rate, which was higher than the rate used during evaluation and contracting. This inconsistency resulted in a financial loss of UGX 4,940,930, demonstrating that being within the budget does not mean the Entity avoided loss.

Recommendations

- The Accounting Officer should task the members of the Evaluation Committee to adhere to the evaluation criteria provided in the solicitation documents in contravention of Regulation 5 of the PPDA (Evaluation) Regulations, 2023.
- The Accounting Officer should recover the financial loss of UGX 4,940,930 from the evaluation committee members.
- Evaluation Committees should:

i. Seek clarifications for minor omissions and historical eligibility documents: Apply Regulation 7 to request clarifications from bidders before elimination, ensuring fairness and transparency.
ii. Reject materially non-responsive bids: Disqualify bids with alternative payment terms, expired statutory documents, or delivery timelines inconsistent with mandatory requirements.

2.2.4 Delayed completion of evaluation

Regulation 4 (1) (a) of the PPDA (Evaluation) Regulations, 2023 provides that an evaluation shall be concluded within ten working days from the date of the opening of the bids, for the procurement of supplies or non-consultancy services.

The Authority noted that the evaluation of bids in four procurements worth UGX 111,041,017 was undertaken outside the maximum prescribed periods as indicated in Table 7 below:

Table 7: Procurements in which delays during evaluation were noted

S/No	Subject of procurement	Date of Bid Opening	Date of Completion of Evaluation	Maximum Regulated Period (Working Days)	Evaluation Period (Working Days)	Variance (Working Days)
1	Supply of laptops (CMA/SUPLS/24-25/00003) worth UGX 68,616,617	19th August 2024	17th September 2024	10	21	11
2	Supply of a multi-function leased printer (CMA/SUPLS/23-24/0023) worth UGX 11,894,400	22nd April 2024	10th June 2024	10	31	21
3	Professional scanning services (CMA/CONS/24-25/00057) worth UGX 10,000,000	12th March 2025	24th April 2025	10	32	22
4	Supply of furniture for the CEO's office (CMA/SUPLS/24-25/00039) worth UGX 20,530,000	13th March 2025	9th April 2025	10	19	9

The Authority further noted that financial evaluation of proposals in the procurement for development of a 5-Year Strategic Plan for Capital Markeys Authority (CMA/CONS/24-25/00001) worth UGX 73,892,600 was undertaken in a period of eight working days from the opening of financial proposals on 18th October 2024 to the completion of financial evaluation on 29th October 2024 in contravention of the requirement of completion of financial evaluation within three days of opening financial proposals as provided by Regulation 4 (1) (d) of the PPDA (Evaluation) Regulations, 2023.

Implication
Such delays undermine the principles of efficiency and timeliness in procurement and increase the risk of bid validity lapses and delays in service delivery.

Management Response
Management wishes to provide context that the majority of the affected procurements were running concurrently during a period of heightened institutional activity towards the close of the Financial Year. Evaluation Committee members were simultaneously managing multiple competing obligations during this period, including financial year-end activities and a staff retreat, which significantly constrained the availability of the designated evaluators and their capacity to complete evaluations within the prescribed statutory timelines. It should be noted that the Authority is very human resource constrained and staff have to handle multiple tasks as they execute the Entity's mandate. Management is committed to ensuring that there is proper planning of activities and also the use of alternative methods of holding evaluation meetings, such as through virtual sessions for members who are working off-site.

Recommendations

- Chairpersons of Evaluation Committees should ensure that evaluation is completed within statutory evaluation timelines in contravention of Regulation 4 (1) of the PPDA (Evaluation) Regulations, 2023.
- Where an Evaluation Committee is not able to complete an evaluation exercise within the time specified in Regulation 4 (1) of the PPDA (Evaluation) Regulations, 2023, the Evaluation Committee shall, in writing, explain to the Accounting Officer the reasons for this and request an extension of the time period for the evaluation exercise in accordance with Regulation 4 (2) of the PPDA (Evaluation) Regulations, 2023.

2.2.5Accounting Officer usurping the powers ofthe Contracts Committee
Regulation 12 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 provides that:

1. Where the Accounting Officer does not agree with a decision of the Contracts Committee in respect of the application or interpretation of a procurement or disposal process or method, the Accounting Officer shall return the decision, with reasons for the rejection, to the Contracts Committee for review.
2. Where the Contract Committee does not agree with the decision of the Accounting Officer made under Sub-Regulation (1), the decision of the Accounting Officer on the matter shall be binding on the Procuring and Disposing Entity.

The Authority noted from a review of the combined technical and financial evaluation report that Coach Africa Ltd received the highest combined merit points (90.13) during the evaluation of proposals in the procurement of a consultant for a staff retreat and was consequently awarded the contract by the Contracts Committee on 11th March 2025. However, on 13th March 2025, the Accounting Officer through a memorandum directed the Procurement and Disposal Unit to select

Motivation Hub Africa despite its lower combined merit points of 75.53, citing a better fit with the Entity's needs.

The Authority found that the contract was eventually signed between the Entity and Motivation Hub Africa, but there is no evidence that the Contracts Committee's original decision was formally returned with reasons for the rejection to the Contracts Committee for review in contravention of Regulation 12(1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

The Authority further found that the request for proposals document provided detailed requirements for the staff retreat that Coach Africa Ltd met with a higher combined merit point score of 90.13% compared to Motivation Hub Africa, which scored 75.53%. The Authority, therefore, found that it was disingenuous to claim that Motivation Hub Africa was a better fit for the Entity's requirements, yet it scored 14.6 points less than Coach Africa Ltd.

Implication
The failure to follow the prescribed procedure undermined the authority of the Contracts Committee, contravened the principles of transparency and fairness, and weakened confidence in the integrity of the evaluation process.

Management Response
The Accounting Officer commits to strictly adhering to the procedure prescribed under Regulation 12 of the PPDA (Procuring and Disposing Entities) Regulations, 2023, in all future instances where there is a disagreement with a Contracts Committee decision. The decision to award Motivation Hub was based on the experience of Motivation Hub in doing culture change activities with the Authority and thus understood the challenges within the Authority. They were therefore better placed to handle the culture engagements as opposed to a new consultant who has no prior knowledge of the culture change issues within the organisation.

Authority's Comment
The Authority finds Management's response inadequate. While the Accounting Officer argued that Motivation Hub Africa was better placed due to prior experience with culture change activities, this justification does not override the statutory requirement under Regulation 12(1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023. The law prescribes a clear procedure: if the Accounting Officer disagrees with a Contracts Committee decision, the decision must be formally returned with reasons for review. In this case, no evidence was provided that the Contracts Committee's original decision was returned for reconsideration.

Furthermore, the claim that Motivation Hub Africa was a "better fit" is contradicted by the evaluation results. Coach Africa Ltd scored 90.13%, significantly higher than Motivation Hub Africa's 75.53%, and met all requirements outlined in the request for proposals. The reliance on subjective justification rather than merit scores undermined transparency, fairness, and equal treatment of bidders. Therefore, the management response fails to address the statutory breach and does not justify the irregular override of the Contracts Committee's decision.

Recommendations

- The Accounting Officer should strictly adhere to Regulation 12 of the PPDA (Procuring and Disposing Entities) Regulations, 2023, ensuring that any disagreement with the Contracts Committee is formally returned with reasons for review.
- The Entity should strengthen internal oversight mechanisms to prevent unilateral overrides of Contracts Committee decisions.

2.2.6 Signing a contract with an unauthorised individual

The Authority noted that although the Powers of Attorney in the bid submitted by Royal Way Media Limited granted Powers of Attorney to Mr. David Sempala, the framework contract for events management services (CMA/CONS/24-25/00011) worth UGX 94,000,000 was signed by Ms. Teddy Lunkuse on 10th June 2025behalf of the provider. This implies that the individual who signed the contract did not have the legal authority to bind the company.

Implications

- Execution of contractual documents by individuals without proper authority undermines the enforceability of the contract and exposes the Company to legal risks.
- It creates uncertainty in contract administration, weakens accountability, and could result in disputes over obligations and liabilities.
- This practice also compromises compliance with statutory requirements for valid contract formation.

Management Response

The irregularity arose because the contract signing process for this particular procurement was handled by the Contract Manager as the Procurement office was away on leave and the work needed to continue. As indicated, the PDU has only one staff. Under the Entity's normal contract finalisation process, all contracts are channelled through PDU to the bidders for signature, which allows PDU to verify that the signatory is the individual named in the Powers of Attorney before the contract is executed. In this instance, the non-involvement of PDU removed this verification step, resulting in the contract being signed by an individual who did not hold the legal authority to bind the company. Management commits to ensure that all supplier contract signatories will be verified with available authorisation before execution. Also, all contracts will be routed through PDU for finalisation and transmission to providers for signature. Contract managers and staff of the legal department will be sensitised on the need to verify persons authorised to sign the contracts before accepting them back from the suppliers.

Recommendation

The Accounting Officer should ensure that only individuals with valid Powers of Attorney or formal authorisation sign contractual documents in accordance with Sections 10, 123 and 160 of the Contracts Act, Cap. 284

2.2.7 Signing a contract based on an expired bid

Regulation 6 (1) (c) of the PPDA (Contracts) Regulations, 2023 provides that a Procuring and Disposing Entity shall not issue a contract purchase order, or other communication in any form, conveying acceptance of a bid that binds a Procuring and Disposing Entity to a contract with a provider, except where the period during which no action shall be undertaken specified in Regulation 4 of the PPDA (Contracts) Regulations, 2023 has expired and the bid is valid or the bidder is willing to extend the bid validity on terms similar to the terms stated in their bid.

The Authority noted that the contract for the supply of a multi-function leased printer (CMA/SUPLS/23-24/0023) worth UGX 11,894,400 was signed on 18th July 2024, 20 working days after expiry of the bid submitted by the Best Evaluated Bidder on 30th June 2024. This means the Entity accepted an offer that was legally non-existent at the time of contract signing.

Implication
The signed contract was voidable.

Management Response
The delay in executing the contract within the bid validity period was caused by a delay by the supplier. The bidder delayed returning the contract, so by the time the contract was fully signed, the bid validity period had already lapsed. In the bid to manage such lapses, in instances where a bid validity expiry is close, an extension shall always be sought from the Best Evaluated Bidder before the contract is executed.

Recommendations
- The Accounting Officer should desist from signing contracts based on expired bids.
- The Accounting Officer should ensure that contracts are signed within the bid validity period or after obtaining a formal extension of bid validity from the bidder, in line with Regulation 62 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023 and Regulation 6(1)(c) of the PPDA (Contracts) Regulations, 2023.

2.2.8 Signing of contracts above estimated amounts
Regulation 6 (1) (b) of the PPDA (Contracts) Regulations, 2023 provides that A Procuring and Disposing Entity shall not issue a contract, purchase order, or other communication in any form, conveying acceptance of a bid that binds a Procuring and Disposing Entity to a contract with a provider, except where the Accounting Officer confirms that the contract price is not higher than the market price established prior to the commencement of the procurement process.

The Authority noted that the contracts in three sampled procurements worth UGX 55,297,520were signed above the amounts estimated at initiation in contravention of Regulation 6 (1) (b) of the PPDA (Contracts) Regulations, 2023, as indicated in Table 8 below:

Table 8: Contracts signed above estimated amounts

No	Procurement details	Initiation amount (UGX)	Contract price (UGX)	Variance (UGX)
1.	Supply of furniture for the CEO's office (CMA/SUPLS/24-25/00039)	16,390,000	20,530,000	4,140,000 (25.26%)
2.	Supply of security services for the CEO's residence (CMA/CONS/24-25/00058)	19,000,000	26,904,000	7,904,000 (41.60%)

No	Procurement details	Initiation amount (UGX)	Contract price (UGX)	Variance (UGX)
3.	Supply of carpets for the Ford Everest, seat covers and carpets for Urvan-Nissan (CMA/SUPLS/24-25/000260)	7,580,000	7,863,520	283,520 (3.74%)

The Authority further found that for all the procurements listed in Table 8 above, there was no evidence to indicate that a market price reassessment was undertaken and the additional funds for the procurements were committed in contravention of Regulation 7 (1) of the PPDA (Contracts) Regulations, 2023.

Implication
This practice undermines the principle of value for money, weakens budgetary discipline and exposes the Entity to risks of financial loss. It also reflects poor procurement planning and weak internal controls over contract pricing and fund commitments.

Management Response
Management wishes to clarify that for the affected procurements, negotiation processes were conducted with the respective providers with the objective of bringing contract prices in line with the estimated costs. However, despite these negotiations, the prices offered by providers remained above the estimated amounts. Following the negotiation outcomes, the Negotiation Committee escalated the matter to the Accounting Officer, recommending that contracts be signed only if additional funding could be availed to cover the variances. The Accounting Officer subsequently approved the signing of the contracts upon confirmation that the additional funding was available.
Copies of the virement for the additional funding, Form 5s, are appended for your review. Management will engage User Departments to strengthen the quality of market assessments conducted at the initiation stage to ensure that estimates more accurately reflect prevailing market prices, thereby reducing the frequency of variances between estimated and contracted amounts.

Authority's Comment
The Authority noted Management's response but found it inadequate. While Management claimed that negotiations were conducted with providers and that virements were approved to cover the variances, no evidence was provided to substantiate either assertion. The audit review did not reveal any records of negotiation minutes or documentation demonstrating efforts to align contract prices with initiation estimates. Similarly, although Management referred to virements and appended Form 5s, there was no evidence that these virements were formally approved by the Entity's Management.

Recommendations
- The Accounting Officer should ensure that contracts are signed strictly within the initiation estimates in accordance with Regulation 6 (1) (b) of the PPDA (Contracts) Regulations, 2023.

- The Contracts Committee should enforce compliance by rejecting submissions where contract prices exceed initiation estimates without justification, thereby safeguarding transparency, accountability, and value for money.

2.2.9 Failure to dispose of obsolete assets

Regulation 3 (1) of the PPDA (Disposal) Regulations, 2023 provides that a User Department or the appropriate department of a procuring and disposing entity that is responsible for the management of public assets shall initiate a process for disposal of a public asset by making a request for disposal of the public asset to the Accounting Officer.

The Authority noted that the Entity conducted a board of survey in Financial Year 2023/24. The report highlighted 13 items recommended for disposal; however, the Entity had no disposal plan and consequently did not dispose of the items during the FY 2024/25. The items are indicated in Table 9 below:

Table 9: Assets due for disposal

No	Item	Asset number
1.	Battery backup (UPS)	CO/CMA/170
2.	Switch	CO/CMA/087
3.	Monitor screen	CO/CMA/112
4.	Battery backup (UPS)	CO/CMA/168
5.	Central Processing Unit	CO/CMA/087
6.	Central Processing Unit	CO/CMA/91
7.	Battery backup (UPS)	CO/CMA/103
8.	Printer	EQ/CMA/187
9.	Screen	CO/CMA/121
10.	Monitor	CO/CMA/122
11.	Printer	EQ/CMA/182
12.	Laptop	CO/CMA/162
13.	Projector	EQ/CMA/207

Implication

Failure to surrender obsolete equipment for disposal or to implement repair plans undermines asset management and accountability. It creates safety risks, reduces operational efficiency and contributes to congestion in workspaces. It also contravenes statutory requirements for the proper disposal of public assets and weakens transparency in asset management.

Management Response

Management acknowledges the finding and accepts that the 13 assets recommended for disposal following the Board of Survey conducted in FY 2023/24 were not disposed of during FY 2024/25, contrary to Regulations 2 and 3 of the PPDA (Disposal) Regulations, 2023. The delay in disposing of the identified assets was primarily attributable to the delay of the Board of Survey team in conducting asset verification. The Board of Survey was constituted on the 1st of July 2025 and the assignment was concluded and a report shared on 15th October 2025, which was already in the Financial Year 2025/26. Disposal of identified assets will be done in the Financial Year 2026/27.

Recommendations

- The Accounting Officer should dispose of all obsolete and unserviceable equipment identified by Boards of Survey in line with Regulations 2 and 3 of the PPDA (Disposal) Regulations, 2023.
- The Head, Procurement and Disposal Unit should prepare and update disposal plans annually, with valuations and reserve prices determined in accordance with Regulation 24 of the PPDA (Disposal) Regulations, 2023.

2.3 Level of Efficiency and Effectiveness in Contract Implementation

2.3.1 Irregularities during contract implementation

The Authority noted irregularities during contract implementation in four procurements worth UGX 216,569,600 as indicated in Table 10 below:

Table 10: Procurements with irregularities at contract management

No	Subject of Procurement	Observation
1.	Framework contract for events management services (CMA/CONS/24-25/00011) worth UGX 94,000,000	• The Authority noted that Mr. Nobert Barigye Kiiza, Public Education Officer, generated and issued a call-off order for the provision of events management services worth UGX 60,545,800 on 11th June 2025. The Authority noted that Mr. Nobert Barigye Kiiza, by issuing the call-off order, usurped the powers of the appointed Contract Manager, Ms. Lyn Tukei. Further, there was no evidence to indicate that Mr. Nobert Barigye Kiiza involved the Procurement and Disposal Unit (PDU) and Accounting Officer in the process of generating the call-off order, a remit of the Procurement and Disposal Unit (PDU), thereby usurping the power of the PDU. • The Authority reviewed the call-off order worth UGX 60,545,800 issued on 11th June 2025 and noted that it included dinner and beverages worth UGX 25,500,000 and event management fees worth UGX 3,710,000, both of which were not part of the call-off order. The inclusion of items not provided for in the call-off order created risks of irregular expenditure, lack of value for money,
2.	Supply of security services for the CEO's residence (CMA/CONS/24-25/00058) worth UGX 19,000,000	The contract was signed with an expiry date of 30th March 2026. At the time of the audit in April 2026, the contract had expired and yet there was no proof of any action taken to address the lapse of the contract for a recurring need.
3.	Development of a 5-Year Strategic Plan for Capital Markeys Authority (CMA/CONS/24-25/00001)	Whereas the contract completion period was 13th June 2025, the contract management report dated 8th September 2025 indicated that the Consultant had not completed the assignment, implying that the contract had expired before

No	Subject of Procurement	Observation
	worth UGX 73,892,600	completion.
4.	Consultant to carry out regulation effectiveness assessment (CMA/CONS/24-25/00018) worth UGX 29,677,000	GCC 28.1 of the contract stipulated that the completion period was to be within two weeks from contract signing. For the contract signed on 19th June 2025, the delivery deadline was therefore 9th July 2025. However, the Consultant completed the assignment on 20th October 2025, well beyond the contractual period, meaning the works were executed against an expired contract.

Implications

Failure to adhere to contractual timelines, proper authorisation procedures, and the scope of call-off orders contravenes the requirements of effective contract management under the PPDA framework. These irregularities:

- Undermine segregation of duties and weaken internal controls, as unauthorized staff usurped the roles of appointed Contract Managers and the PDU.
- Expose the Entity to risks of irregular expenditure, misallocation of funds, and audit queries due to inclusion of items not provided for in approved call-off orders.
- Result in contracts being implemented against expired agreements, creating legal and operational risks, including disputes, poor service delivery, and diminished value for money.
- Reflect weak planning and monitoring, which compromises accountability, erodes stakeholder confidence, and increases the likelihood of financial loss and reputational damage.

Management Response

Management acknowledges the finding and accepts that irregularities occurred during the implementation of the six contracts cited, reflecting gaps in contract supervision, call-off order management, and timeline enforcement that are inconsistent with Regulation 53 of the PPDA (Contracts) Regulations, 2023.

In the case of the development of the 5-year strategic plan, the consultant failed to execute the assignment satisfactorily and management had to come in to finalise the development of the plan. The consultants were not paid the full contract price and were only paid for what was delivered. Management wishes to clarify that there was no financial loss suffered since the payment was only made on deliverables, not on the full contract price.

Management commits to the following:

- *With immediate effect, all call-off orders under framework contracts to be generated and issued exclusively by PDU, in consultation with the appointed Contract Manager. PDU to verify all call-off orders against the signed contract and approved scope before issuance to prevent unauthorised inclusions and variations.*
- *PDU has put in place a contract expiry register with automated reminders issued to Contract Managers at least 30 days before the expiry of any active contract. This will ensure timely initiation of renewals, extensions, or fresh procurements.*

- *Contract Managers will be required to monitor implementation progress against contractual timelines and initiate extension requests with documented justification before contract expiry, in accordance with Regulation 52(3)(b) and Regulation 53(3) and (4) of the PPDA (Contracts) Regulations, 2023.*

Recommendations

- The Accounting Officer should:
  i. Task the responsible Contract Managers to show cause why disciplinary action should not be taken against them for failure to adequately supervise contracts in accordance with the contractual terms and conditions and Regulation 53 of the PPDA (Contracts) Regulations, 2023.
  ii. Ensure that only duly appointed Contract Managers and the PDU handle the generation and issuance of call-off orders under framework contracts. Clear internal controls and accountability mechanisms should be enforced to prevent unauthorized staff from usurping procurement functions.
- The Contract Managers should:
  i. Strictly enforce contract timelines: Extensions should only be granted before contract expiry, with documented justification and approval in accordance with Regulation 52 (3) (b) of the PPDA (Contracts) Regulations, 2023.
  ii. Enforce liquidated damages: Apply penalties for delays without approved extensions to safeguard value-for-money in accordance with the terms of signed contracts.
- The Head, Procurement and Disposal Unit should ensure that all call-off orders must strictly adhere to the approved scope of services, with any variations subjected to proper approval and documentation.

2.4 Level of compliance in the management of the Entity's fleet and fuel management

The Entity's fleet and fuel management generally complied with prescribed Guidelines. While the Authority noted minor administrative areas for improvement, which have been communicated separately to Management in the Management Letter, there were no material or high-risk issues that impact the overall integrity of the fleet and fuel management systems.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall Performance Audit Conclusion

The performance of the Capital Markets Authorityfor the FY2024/2025 was **Moderately Satisfactory,** with an overall weighted average risk rating of **36.81%.**

The procurement and disposal activities of Capital Markets Authority for the FY 2024/25 were generally complied with the requirements of the PPDA Act, Cap. 205, the attendant Regulations of 2023, and applicable PPDA Guidelines, 2024. The Entity maintained functional procurement structures and for the most part followed prescribed procedures in the transactions reviewed.

The Entity was adversely affected by several systemic weaknesses. Chief among these were understaffing in the Procurement and Disposal Unit, failure by Evaluation Committees to consistently apply evaluation criteria, delayed evaluation of bids, low implementation of the procurement plan and irregularities in contract management. These shortcomings resulted in delays, budget variances, and increased risk exposure.

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 11below:

Table 11: Risk Computation

Risk category	No.	No. %	Value (UGX)	Value %	Weights	Total weighted Average	
						By No.	By Value
High	3	18.75	199,677,000	14.84	0.6	11.25	8.91
Medium	5	31.25	271,276,737	20.17	0.3	9.375	6.05
Low	6	37.5	650,424,400	48.35	0.1	3.75	4.84
Satisfactory	2	12.5	223,726,000	16.63	0	0	0.00
Total	**16**	**100**	**1,345,104,137**	**100**	**1**	**24.38**	**19.79**

Weighted Average (By no.) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{24.38}{60} \times 100 = 40.63\%$

Weighted Average (By Value) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{19.79}{60} \times 100 = 32.98\%$

The average weighted risk rating = $\frac{40.63+32.98}{2} = 36.81\%$

The risk rating is as follows:

Table 12: Risk Rating

Risk Rating (%)	Description of Performance
0 –30	Satisfactory
31 – 70	Moderately Satisfactory
71 – 100	Unsatisfactory

Figure 1: Risk Rating by Number of Contracts

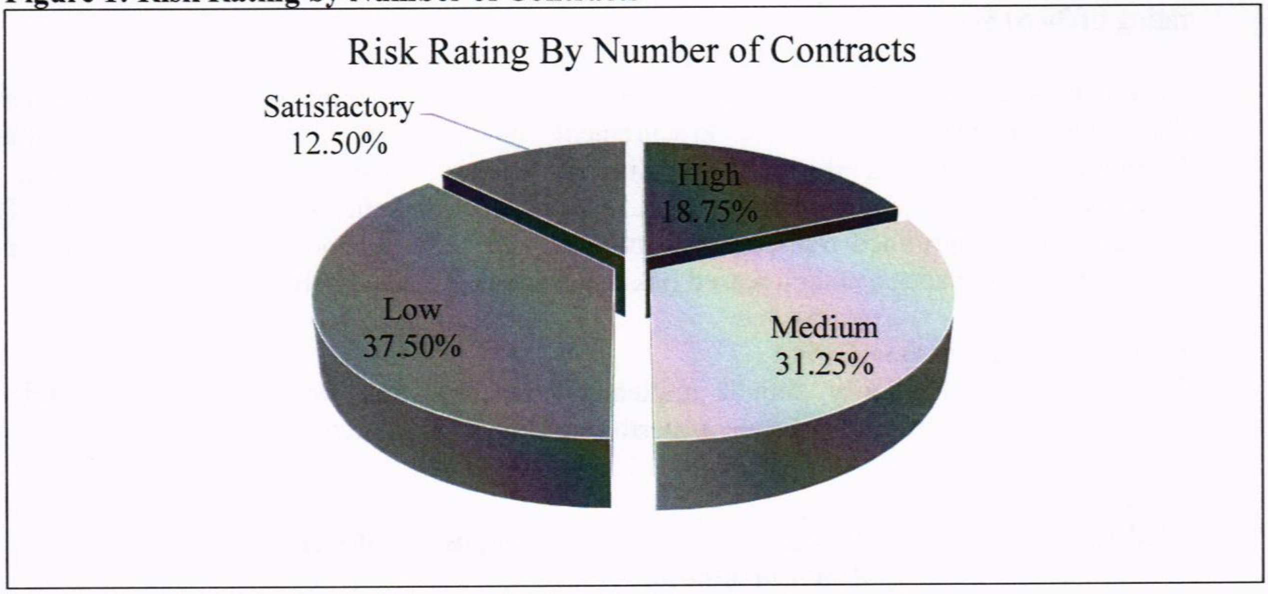
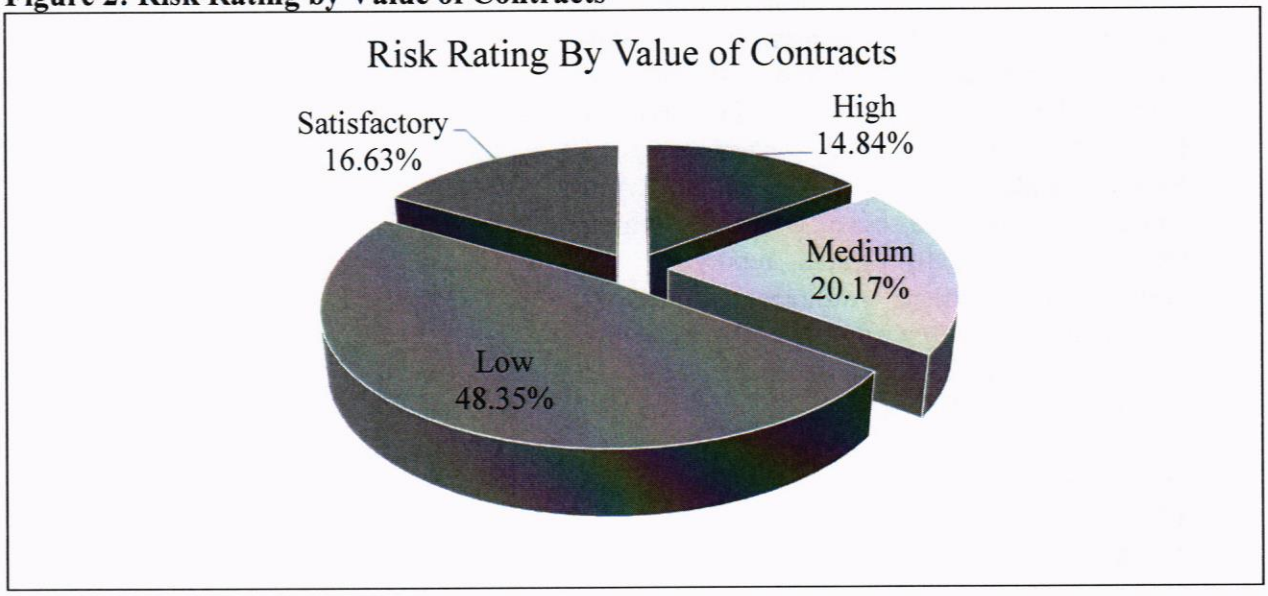


Figure 2: Risk Rating by Value of Contracts



3.3 Overall Audit Conclusion and Opinion

Based on the audit of procurement and disposal activities for FY 2024/25, the Capital Markets Authority (CMA) generally complied with the requirements of the PPDA Act, Cap. 205, the attendant Regulations of 2023, and applicable PPDA Guidelines, 2024. The Entity maintained functional procurement structures and for the most part followed prescribed procedures in transactions reviewed.

Accordingly, the overall procurement and disposal performance of Capital Markets Authority during the year under review was assessed as **Moderately Satisfactory**, with a weighted risk rating of **36.81%**.

However, performance was adversely affected by several systemic weaknesses. Chief among these were understaffing in the Procurement and Disposal Unit, failure by Evaluation Committees to consistently apply evaluation criteria, delayed evaluation of bids, low implementation of the procurement plan, and irregularities in contract management. These shortcomings undermined transparency, fairness, and value-for-money principles, resulting in delays, budget variances, and increased risk exposure as indicated below:

3.4 Recommended Action Plan

Capital Markets Authority should implement the following recommendations within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 13: Action plan

Finding	Action / Recommendation	Responsible officer	Timeline
Failure to fully implement previous audit recommendations: Of 14 recommendations made in FY 2023/24, five (35.71%) were fully implemented, while nine (64.29%) were partially implemented contrary to Section 10 of the PPDA Act, Cap. 205. Failure to fully implement audit recommendations affects the performance of the procurement and disposal function and perpetuates recurring	Implement all previous audit recommendations in accordance with Section 10 of the Public Procurement and Disposal of Public Assets Act, Cap. 205 and submit a status report to the Authority within four months of issue of the audit report.	Accounting Officer	With in 60days

Finding	Action / Recommendation	Responsible officer	Timeline
irregularities.			
Low procurement plan implementation: The Entity achieved only 59.1% implementation of its procurement plan, with a budget variance of UGX 1,007,296,443.33, contrary to Section 60(2)(d) of the PPDA Act, Cap. 205. Low implementation undermines service delivery, weakens fiscal discipline and delays achievement of planned outputs.	Review and update the procurement plan quarterly in accordance with Section 60(7) and (8) of the PPDA Act, Cap. 205, and introduce a procurement implementation dashboard reviewed monthly by Senior Management and the Contracts Committee to track progress and corrective actions.	Accounting Officer / Head PDU	Quarterly
Non-implementation of reservation schemes: The Entity failed to allocate 15% of its procurement budget to Special Interest Groups (Women, Youth, and Persons with Disabilities), contrary to Section 53 of the PPDA Act, Cap. 205 and PPDA Guideline No. 11 of 2024. This undermined inclusivity, equitable access to procurement opportunities, and compliance with national policy objectives.	Revise the Entity's procurement plan to integrate reservation schemes at the planning stage, ensuring that at least 15% of the annual procurement budget is allocated to Special Interest Groups in line with Section 53 of the PPDA Act, Cap. 205 and PPDA Guideline No. 11 of 2024. Request training on the application of reservation schemes to ensure consistent compliance with Section 53 of the PPDA Act, Cap. 205 and PPDA Guideline No. 11 of 2024.	Head PDU Accounting Officer	15th July 2026 With in 30 days
Inadequate staffing in	Ensure that the	Accounting Officer	With in FY

Finding	Action / Recommendation	Responsible officer	Timeline
the Procurement and Disposal Unit: The Procurement and Disposal Unit operated with only one officer against an approved structure of three, contrary to Section 32 of the PPDA Act, Cap. 205. Inadequate staffing led to delays, poor record-keeping, and compliance gaps.	Procurement and Disposal Unit is adequately staffed in accordance with Section 32 of the PPDA Act, Cap. 205, to improve efficiency, compliance, and record-keeping standards.		2026/2027
Inadequate solicitation documents: The procurements of supply of laptops and consultancy services for development of a 5-year development plan worth UGX 142,509,217 contained brand-specific references and ambiguous evaluation criteria, contrary to Regulation 34(3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 and Regulation 38 of the PPDA (Procurement of Consultancy Services) Regulations, 2023. Branding reduces competition and increases risks of	Eliminate brand-specific specifications unless justified by technical necessity in accordance with Regulation 34(3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, and clarify evaluation criteria by defining qualifications, roles, and scoring benchmarks in line with Regulation 38 of the PPDA (Procurement of Consultancy Services) Regulations, 2023. Diligently review solicitation documents and contracts for completeness, consistency, and errors before	Head PDU Contracts Committee	Immediately Immediately

Finding	Action / Recommendation	Responsible officer	Timeline
inflated costs, while ambiguous criteria compromise the fairness and defensibility of contract award decisions.	approval, in accordance with Section 30(e) of the PPDA Act, Cap. 205.		
Unjustified use of the direct procurement method: Three procurements worth UGX 49,677,000 were awarded through the direct procurement method without adequate justification, contrary to Section 91 of the PPDA Act, Cap. 205. This undermined competition, reduced transparency and created risks of bias and failure to achieve value for money.	Ensure that where the direct procurement method is used, the decision is justified in accordance with Section 91 of the PPDA Act, Cap. 205, demonstrating exceptional circumstances that prevent competition. Justify approvals of direct procurement strictly under exceptional circumstances in accordance with Section 91 of the PPDA Act, Cap. 205.	Head PDU Contracts Committee	Immediately Immediately
Irregularities during evaluation of bids: Acceptance of a United States Dollar -denominated proposal and use of an unauthorized exchange rate leading to contracting at an inflated price of UGX 165,140,930 contrary to Regulation 5(1) of the PPDA (Evaluation) Regulations, 2023 and Regulation	• Conduct evaluations strictly in accordance with the criteria specified in solicitation documents, in line with Regulation 5(1) of the PPDA (Evaluation) Regulations, 2023. • Apply Regulation 7 of the PPDA (Evaluation) Regulations, 2023 to seek clarifications for minor omissions	Evaluation Committees	Within FY 2026/2027

Finding	Action / Recommendation	Responsible officer	Timeline
34(6)(a)(xi) of the PPDA (Procurement of Consultancy Services) Regulations, 2023. Poor evaluation compromises value for money, distorts contract prices, and exposes the Entity to disputes and financial loss.	before eliminating bidders, ensuring fairness and transparency. • Reject materially non-responsive bids and avoid introducing new criteria during evaluation, in accordance with Regulation 5(2) of the PPDA (Evaluation) Regulations, 2023.		
Signing of contracts above estimated amounts: Three contracts worth UGX 55,297,520 were signed above initiation estimates without market price reassessment, contrary to Regulation 6(1)(b) and Regulation 7(1) of the PPDA (Contracts) Regulations, 2023. This practice undermines value for money, weakens budgetary discipline, and exposes the Entity to risks of financial loss.	Ensure that contracts are signed within initiation estimates and supported by market price reassessments in accordance with Regulation 6(1)(b) and Regulation 7(1) of the PPDA (Contracts) Regulations, 2023.	Accounting Officer	Within FY 2026/2027
Irregularities during contract implementation: Six procurements worth UGX 216,569,600 were implemented with expired contracts,	• Enforce contract timelines, obtain approvals for extensions, and ensure that call-off orders are issued only by authorized officers in	Contract Managers	Immediately

Finding	Action / Recommendation	Responsible officer	Timeline
unauthorized call-off orders, and inclusion of unapproved items, contrary to Regulations 51–52 of the PPDA (Contracts) Regulations, 2023. Weak contract management undermines accountability, creates risks of irregular expenditure, and diminishes stakeholder confidence.	accordance with Regulations 51-53 of the PPDA (Contracts) Regulations, 2023. • Prepare and submit Contract Management Plans and performance reports to the Procurement and Disposal Unit in accordance with Regulation 52(3)(f) and (g) of the PPDA (Contracts) Regulations, 2023. • Monitor contract duration and issue change orders upon approval of the Accounting Officer in line with Regulation 53(3) and (4) of the PPDA (Contracts) Regulations, 2023.		

APPENDICES

Appendix 1: Sample list for the audit of Capital Markets Authority for FY2024/25

No.	Procurement Reference	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk Rating
1.	CMA/SUPLS/24-25/00003	Supply of laptops	Request For Quotations	Orison Solutions Uganda Ltd	68,616,617	Medium Risk
2.	CMA/CONS/24-25/00001	Development of CMA 5-Year Strategic Plan	Request For Quotations	Professor Vincent Bagire	73,892,600	Medium Risk
3.	CMA/CONS/24-25/00011	Framework contract for events management services	Request For Quotations	Royal Way Media Limited	94,000,000	Medium Risk
4.	CMA/CONS/24-25/00012	Framework contract for public awareness agencies	Request For Quotations	Decisive Concepts Limited	279,000,000	Low Risk
5.	CMA/CONS/24-25/00012	Framework contract for public awareness agencies	Request For Quotations	East Africa Radio Advertising Services	279,000,000	Low Risk
6.	CMA/NCONS/24-25/00061	Provision of staff lunch	Request For Quotations	Reed Fields Catering Services	144,000,000	Satisfactory
7.	CMA/CONS/24-25/00016	Consultant to recruit a Director of Human Resources and	Direct	Maggi Kaddu Baliddawa	10,000,000	High Risk

No.	Procurement Reference	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk Rating
		Administration				
8.	CMA/CONS/24-25/00018	Consultant to carry out regulation effectiveness assessment	Direct	Jim Drani Drileba	29,677,000	High Risk
9.	CMA/CONS/24-25/00014	Consultant to carry out organization design phase 2	Direct	Pila Consultants Limited	50,000,000	Low Risk
10.	CMA/CONS/24-25/00057	Professional scanning services	Direct	Otto Amici	10,000,000	Low Risk
11.	CMA/CONS/24-25/00010	Review of CMA's risk-based methodology	Direct	Elias Omondi	160,000,000	High Risk
12.	CMA/NCONS/24-25/00068	Venue for board retreat	Direct	Lake Victoria Serena Golf and SPA Kigo	79,726,000	Satisfactory
13.	CMA/SUPLS/23-24/0023	Supply of a multi-function leased printer	Request For Quotations	Copycat Uganda Limited	11,894,400	Low Risk
14.	CMA/SUPLS/24-25/00039	Supply of furniture for CEO's office	Request For Quotations	Nina Interiors Limited	20,530,000	Low Risk
15.	CMA/CONS/24-25/00058	Supply of security services for CEO's residence	Request For Quotations	Ultimate Security Limited	26,904,000	Medium Risk
16.	CMA/SUPLS/24-	Supply of carpets for the	Request For	Wamuco	7,863,520	Medium Risk

No.	Procurement Reference	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk Rating
	25/000260	Ford Everest, seat covers and carpets for Urvan-Nissan	Quotations	Motors (U) Limited		
TOTAL					**1,345,104,137**	

Appendix2: 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 report, 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 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

RISK	DESCRIPTION	AREA	IMPLICATION
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 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.	**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.
		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.	

RISK	DESCRIPTION	AREA	IMPLICATION
		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 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 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.