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

PROCUREMENT AND DISPOSAL AUDIT REPORT OF ELECTRICITY REGULATORY AUTHORITY FOR THE FINANCIAL YEAR 2024/2025

JUNE 2026

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ACRONYMS

AO	Accounting Officer
CC	Contracts Committee
ERA	Electricity Regulatory Authority
FY	Financial Year
GCC	General Conditions of the Contract
HPDU	Head, Procurement and Disposal Unit
NOBEB	Notice of Best Evaluated Bidder
ODB	Open Domestic Bidding
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SBD	Standard Bidding Document
SCC	Special Conditions of the Contract
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out a procurement and disposal audit of Electricity Regulatory Authority (ERA). The audit covered a representative sample of 18 procurement transactions under the Financial Year 2024/2025.

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

The procurement and Disposal activities of the Electricity Regulatory Authority (ERA) for the financial year 2024/205 were generally conducted in compliance with the provisions of the PPDA Act Cap. 205, PPDA Regulations 2023, and applicable PPDA Guidelines. The entity maintained the required procurement and disposal structures, disposal activities reviewed were conducted satisfactorily.

However, the audit identified instances of delayed procurement processes, incomplete implementation of the procurement plan, and delays in contract execution, these weaknesses were not pervasive. They did not materially affect the overall effectiveness of the Entity's procurement and disposal system

Accordingly, the Authority assesses Electricity Regulatory Authority (ERA)'s overall procurement and disposal performance as **Satisfactory**, with a weighted average risk rating of **9.5%** detailed in Chapter 3 of the audit report**,** requiring targeted management interventions to strengthen procurement efficiency, contract performance, and compliance with statutory requirements**.**

Positive Findings

Based on the sampled procurements, the following key positive issues were observed during the audit:

1. The Entity maintains a highly organised records management system. All the sampled procurement files contained the necessary documents as required in Section 44 of the PPDA Act Cap. 205. These documents were backed up digitally hence ensuring protection against physical loss and damage.
2. The Entity demonstrated excellent financial discipline with regard to payment of providers. All the sampled procurements were paid within the contractual period of 30 working days. The average payment time was 14 working days from the date of the invoices.

Key Exceptions

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

1. Unimplemented procurements: Although the procurement plan implementation rate was 84%, some planned procurement activities were not undertaken during the year. Specifically, procurements valued at UGX 1,070,000,000 were not executed. Failure to implement the entire procurement plan affects service delivery to the intended beneficiaries.

2. There were delays at different stages of procurement processes with an average delay period of 48 working days in 6 procurements worth UGX 954,785,951, contrary to Section 51 of the PPDA Act Cap. 205. These administrative delays affect the overall procurement timelines, resulting in delayed service delivery to the intended beneficiaries.

3. Execution of contracts outside the contractual periods: The Authority found that in 5 contracts worth UGX 483,926,537, the contracts were executed outside the contractual periods and there were no extensions made to the periods contrary to Regulation 52 (3) (b). Failure to formalize contract extensions exposes the Entity to legal and contractual disputes and reduces enforceability of performance obligations.

The Authority recommends the following:

1. The Accounting Officer should establish a robust mechanism for the quarterly review of the Entity's procurement plan whenever significant changes occur to ensure compliance with Section 60 (7) and (8) of the PPDA Act Cap. 205.

2. The Head, Procurement and Disposal Unit should establish an internal procurement process and evaluation monitoring mechanism to track timelines for evaluation and submission to the Contracts Committee.

3. Contract Managers should establish an early warning mechanism to identify contracts at risk of delay and initiate corrective action before contract expiry. They should also conduct regular contract performance reviews in accordance with Regulation 52 (3) (f) of the PPDA (Contracts) Regulations 2023.

Although the audit identified instances of delayed procurement processes, incomplete implementation of the procurement plan, and delays in contract execution, these weaknesses were not pervasive. They did not materially affect the overall effectiveness of the Entity's procurement and disposal system.

The Authority shall undertake a follow-up exercise to ascertain the status of implementation of the recommendations. You are required to submit to the Authority a status of implementation of the recommendations within **four months** from the date of this letter.
The Electricity Regulatory Authority should implement the recommended action plan on **pages 16-17**.

CHAPTER 1: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out a procurement and disposal audit of Electricity Regulatory Authority (ERA) that covered a representative sample of 18 procurement transactions conducted in the Financial Year 2024/2025. The audit involved a review of the procurement structures, procurement and asset disposal processes, as well as contract performance, following the provisions of the PPDA Act Cap. 205, PPDA Regulations, 2023 and PPDA Guidelines.

1.2 Objective of the Audit

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

The specific objectives were to establish the levels of:

1. Compliance by the Entity with the general provisions of the PPDA Act Cap. 205, Regulations 2023 and PPDA Guidelines with regard to the performance of the procurement structures and conduct of procurement processes;

2. Compliance of the Entity's disposal process with the provisions of the PPDA Act Cap. 205, Regulations 2023 and PPDA Guidelines; and

3. Efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements in procurement processes.

1.3 Structure of the Entity

The Electricity Regulatory Authority is a statutory body established in 2000, in accordance with the Electricity Act Cap. 157, to regulate the generation, transmission, distribution, sale, export and import of electrical energy in Uganda. Beyond its mandate of licensing, regulating and ensuring compliance across the energy sector, the institution serves as an important gateway for Uganda's Ten-Fold growth strategy by managing tariff structures hence creating an investment-friendly environment.

For the FY 2024/2025, procurement accounted for 25.5% (UGX 12.472 billion) of the Entity's overall budget of UGX 48.785 billion (both recurrent and capital expenditure).

In according with Section 28 of the PPDA Act Cap. 205, the Accounting Officer bears overall responsibility for the successful execution of procurement and disposal functions. The Accounting Officer of ERA during the financial year under review was Eng. Ziria Tibalwa Waako.

In accordance with Section 33 (a) of the PPDA Act Cap 205, the Head, Procurement and Disposal Unit manages all procurements or disposal activities of the Procuring and Disposing Entity, except adjudication and award of contracts. The Procurement and Disposal Unit (PDU) during the financial year under review was headed by Mr. John Saturday.

1.4 Audit Scope

The audit involved a review of the procurement and disposal processes, general compliance issues and contract implementation of 18 transactions undertaken in Financial Year 2024/2025 contained in **Appendix 2**.

1.5 Audit Methodology

The audit process followed a systematic approach that comprised audit planning, risk-based sampling, field execution and reporting. Prior to the commencement of the audit, a desk review was conducted to understand the Entity's environment. This included a review of the National Development Plan, to align the audit scope with national priorities, previous audit reports and a documentary review of Contracts Committee minutes and monthly reports.

1.5.1. Population and Sampling Strategy

The audit population comprised all procurement and disposal transactions conducted by the Entity during the financial year under review, as extracted from the Contracts Committee minutes and monthly reports. To ensure accuracy and representation, the stratified sampling technique was adopted. The population was stratified based on the method of procurement and contract value.

A representative sample was selected from each stratum based on risk profile and materiality. Higher-risk procurement methods and contracts with higher financial values were prioritised to ensure coverage of the total expenditure. The distribution of the sample against the entire population is shown in Table 1 below:

Table 1: Distribution of Population and Sample

No.	Procurement Method	Population Value (UGX)	Sample Value (UGX)	Population by No.	Sample by Number	% By No.	% By Value
1.	Open Domestic Bidding	521,764,995	499,090,914	2	1	50	96
2.	Call off orders	3,059,554,534	294,839,400	219	3	1.3	9.6
3.	Direct	34,056,741	0	4	0	0	0
4.	Restricted Domestic Bidding	422,127,848	422,127,848	2	2	100	100
5.	Request for Quotation	2,100,383,501	1,234,711,527	47	12	29.3	59
6.	Micro Procurements	670,549,954	0	257	0	0	0
	TOTAL	**6,808,437,573**	**2,450,769,689**	**531**	**18**	**3.4**	**36**

1.5.2. Audit execution

On 8th April 2026, the Entity was formally notified about the upcoming audit. An audit entry meeting between the audit team and the Entity's officials was held on 21st April 2026. The audit was executed by a team comprising a Senior Officer and an officer, under the direct supervision of the Manager.

The auditors examined records and documents for each sampled procurement transaction and obtained the relevant evidence to derive audit conclusions. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and management processes. At the end of the document review, a physical verification was undertaken to ascertain existence, the level of contractual delivery and progress of works, beyond the paperwork.

1.5.3. Communication and Reporting

On completion of data collection, the Audit Manager reviewed the working papers for completeness. The working papers contain a detailed chronology of findings on each of the sampled transactions. The audit report presents the key findings and conclusions arising from the audit. A debrief meeting to discuss the preliminary findings was held between the audit team and the Entity's Officials on 8th May 2026, before the auditors could embark on preparation of the management letter. The auditors prepared the management letter, which was issued to the Entity on 15th May 2026 and a management response was received on 26th May 2026. The exit meeting was held on 29th May 2026.

CHAPTER 2: FINDINGS OF THE AUTHORITY

2.1 Compliance with the general provisions of the PPDA Act Cap. 205, Regulations 2023 and PPDA Guidelines with regard to the performance of the procurement structures

2.1.1 Procurement planning and procurement plan management

Section 60 (1) of the PPDA Act Cap. 205 mandates a Procuring and Disposing Entity to prepare and submit its annual procurement plan for the following financial year. The Authority reviewed the Entity's procurement plan for the FY 2024/2025 and Table 2 below details information about the plan and utilization of funds:

Table 2: Procurement plan implementation

Analysis of procurement spend	
Total procurement budget/plan value inclusive VAT (UGX)	12,472,040,986
Total procurement spend value inclusive VAT (UGX)	10,514,329,660
Procurement plan implementation (%)	84%
Budget Variance (UGX)	1,957,711,326

The Entity explained that four procurements worth UGX 5,401,038,000 were multi-annual and crossed into the financial year 2025/2026:

1. Consultancy for distribution parameters UGX 4,331,038,000;
2. Consultancy for green building certification UGX 40,000,000;
3. Take down existing local solution UGX 750,000,000; and
4. Completion of BMIS and ICT UGX 280,000,000.

The above leaves an unexplained variance of UGX 887,711,326.

Implication

Failure to implement the entire procurement plan affects service delivery to the intended beneficiaries.

Management Response

The variance of UGX 887,711,326 arises from lumped-up procurements where savings were realized during their implementation or budgets were not exhausted when call-off orders were made as detailed in Table 3.

Table 3: Savings realized from lumped-up procurements

No	*Procurements*	*Planned (UGX)*	*Actual (UGX)*	*Balance (UGX)*
1	*Tickets and travel*	*724,655,096*	*365,398,728*	*359,256,368*
2	*Operationalisation of Mbarara Regional Offices (Rental space, security services, Cleaning Services, Furniture, Partitioning, time and attendance, window roller blind, and fire extinguishers)*	*804,724,350*	*276,574,040*	*528,150,310*

No	Procurements	Planned (UGX)	Actual (UGX)	Balance (UGX)
	Total			***887,406,678***

Some of the procurements that crossed into the FY 2025- 2026 were awarded and are being implemented which is Consultancy for distribution parameters worth UGX 4,331,038,000; hence the procurement plan performance for FY 2024-2025 is assessed at 84% implementation.

Authority's Comment

The Authority takes note of Management's response; however, the significant variance between planned and actual procurement expenditure indicates weaknesses in procurement planning, budgeting and forecasting of procurement requirements.

Recommendations

The Accounting Officer should:

- Strengthen needs assessment and procurement planning processes to ensure that procurement budgets are realistic and closely aligned with actual operational requirements, thereby enhancing the accuracy and effectiveness of procurement plan implementation.
- Establish a robust mechanism for the quarterly review of the Entity's procurement plan whenever significant changes occur to ensure compliance with Section 60 (7) and (8) of the PPDA Act Cap. 205.

2.1.2 Efficiency in the procurement process

Section 51 of the PPDA Act Cap. 205 states that "*all procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money*". Section 77 states that "*a procurement process and each stage of the process shall be completed within the period prescribed in the Regulations*".

Contrary to the above provisions of the PPDA Act Cap. 205, the Authority observed that there were delays across the different stages of procurement processes as explained below:

a. Delayed evaluation

Finding

Regulation 4 of the PPDA (Evaluation) Regulations, 2023 states that an evaluation of bids for the procurement of non-consultancy services shall be concluded within 10 working days from the date of the opening of the bids

In the procurement for supply and delivery of server hardware-HPE ProLiant DL380 GEN 11 worth UGX 172,003,257, it was observed that bid opening was conducted on 27th August 2024, while the evaluation process was concluded on 3rd October 2024. According to the prescribed timelines, the evaluation should have been completed by 10th September 2024. This represents a delay of 18 working days beyond the expected timeframe.

Implication

Delayed evaluations increase procurement cycle times, postpone contract award and commencement of service delivery, and expose the Entity to the risk of procurement obsolescence, price fluctuations, and reduced operational efficiency.

Management Response

The technical persons constituting the Evaluation Committee were over-engaged in pre-transition activities of Umeme to UEDCL, which caused a lapse of the evaluation time frame. Going forward, the evaluation time frames shall be observed.

Authority's Comment

The Authority takes note of Management's response. While the pre-transition activities from Umeme to UEDCL may have contributed to delays in the evaluation process, the procurement Regulations require evaluation activities to be completed within the stipulated timelines and where needed, extensions should be approved by the Accounting Officer.

Recommendation

Evaluation Committees should restrict themselves to the evaluation timelines stipulated in Regulation 4 of the PPDA (Evaluation) Regulations 2023. Where exceptional circumstances make it impracticable to meet the prescribed timelines, prior approval for an extension should be obtained from the Accounting Officer and the approved extended timelines should thereafter be strictly adhered to, to avoid unnecessary delays in the procurement process.

b. Delayed submission of procurements by the Procurement and Disposal Unit

Findings

Section 51 of the PPDA Act Cap. 205 requires procurements to be handled in a manner which promotes efficiency.

The audit identified delays ranging from 20 to 88 working days between completion of key procurement stages and submission of procurement requests to the Contracts Committee. The delays were largely attributed to specification alignment, budget adjustments, and extended consultations as highlighted in Table 4 below:

Table 4: Delayed approval of procurements

No.	Subject of Procurement	Contract Value (UGX)	Findings	*Management Response*
1.	Lot 1: Provision of Group Personal Accident Lot 2: Fire and Special Perils Lot 3: All Risk Insurance Lot 5: Motor Fleet	499,090,914	The requisition was raised on 6th May 2024 and confirmation of funding made on 8th May 2024. However, the submission to the Contracts Committee was made on 22nd August 2024, a delay of 74 days.	*This was occasioned by alignment of the TORs between the User and PDU which required consultation with external subject matter expert to ensure proper risk management*
2.	ERA/SUPLS/24-25/00097 Supply, delivery and installation of zebra roller blinds at New ERA House	124,626,600	Whereas the Accounting Officer confirmed funds on 28th January 2025, the PDU made the	*The PDU and User Department were aligning specifications &*

No.	Subject of Procurement	Contract Value (UGX)	Findings	*Management Response*
	Provider: Nina Interiors Ltd		submission to the Contracts Committee on 24th February 2025, causing a delay of 20 working days.	*scope of works for this procurement*
3.	ERA/SUPLS/24-25/00031 Supply and delivery of server hardware-HPE ProLiant DL380 GEN 11 Provider: Sybyl Limited	172,003,257	The evaluation was concluded on 3rd October 2024. However, the Contracts Committee approved the contract award on 31st October 2024, causing a delay of 21 working days.	*This resulted from the best evaluated bidder being above the estimated budget of UGX. 160, 000,000. Additional funding of UGX. 12, 003,257 was requested before presenting the evaluation report to the Contracts Committee for approval.*
4.	ERA/SUPLS/24-25/00037 Supply and delivery of earth resistance testers and clamp meters Provider: Tumo Technical Services Limited	48,267,900	Whereas the evaluation report was signed on 17th September 2024, the Contracts Committee approved and awarded the contract on 16th January 2025, causing a delay of 88 working days.	*The best evaluated bidder was above the estimated budget of UGX. 29,825,000, additional funding of UGX. 18,442,900 was requested for before making the submission to Contracts Committee for approval*
	TOTAL	**843,988,671**		

Recommendation

The Head, Procurement and Disposal Unit should establish an internal procurement process and evaluation monitoring mechanism to track timelines for evaluation and submission to the Contracts Committee.

c. Delay in approving the availability of funds

Finding

The Accounting Officer approved funding for two procurements after delays of 26 and 42 working days respectively due to prolonged specification verification processes as shown in Table 5 below:

Table 5: Delays in approving the availability of funds

No.	Subject of Procurement	Contract Value (UGX)	Findings	*Management Response*
1.	ERA/SUPLS/24-25/00095 Supply and delivery of Rugged Tablets Provider: Survnet Uganda Limited	47,200,000	Whereas the procurement was initiated on 21st November 2024 and the Head of the User Department approved the request on the same day, the Accounting Officer approved availability of funds on 17th January 2025, causing a delay of 42 working days.	*The delay was occasioned by the reconciliation on the specifications between the user and the technical person (IT) on the subject matter*
2.	ERA/SUPLS /24-25/00048 Supply, delivery, installation, testing and commissioning of X-Ray Baggage Scanner and provision of service and maintenance of the X-Ray Baggage Scanner. Provider: Blue Crane Communications (U) Ltd	63,597,280	Whereas the procurement was initiated on 5th August 2024 and the Head of the User Department approved the request on 6th August 2024, the Accounting Officer approved funds on 9th September 2024, causing a delay of 26 working days. Furthermore, whereas the Best Evaluated Bidder Notice expired on 13th November 2024, the contract was signed on 16th	*The delay was occasioned by the need to confirm the design and specifications.* *The 24 working days was spent on drafting, reviewing and signing the contract as per ERA SOPs:*

No.	Subject of Procurement	Contract Value (UGX)	Findings	*Management Response*
			December 2024 causing a delay of 24 working days.	• *3 days drafting the contract by PDU* • *5-day review of the draft by the legal department* • *10 days for review by the provider and signature by both parties, leaving an overlap of 6 working days*
	TOTAL	**110,797,280**		

Implication
Prolonged internal processing timelines undermine procurement efficiency, increase administrative costs, delay realization of procurement objectives, and may create pressure to undertake procurement activities outside legal timelines hence affecting quality.

Recommendation
The Accounting Officer should enforce strict adherence to timely execution of procurements in accordance with Section 51 of the PPDA Act Cap. 205.

2.2 Assess the degree of compliance of the Entity's disposal process with the provisions of the PPDA Act Cap 205, Regulations 2023

2.2.1 Disposal of Assets
Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023 requires an Accounting Officer to review the public assets of a Procuring and Disposing Entity in each financial year to identify assets to be disposed of in the following year. The Entity may use the Board of Survey or a User Department to identify the public assets to be disposed of.

The Entity submitted its FY 2024/2025 Disposal Plan to the Authority with a total reserve price of UGX 18,470,000. Review of the disposal process revealed that 27 out of the 38 planned items were successfully disposed of through public auction, generating UGX 11,765,000. The remaining 11 items worth UGX 5,980,000 were not disposed of because the bids received were below the approved reserve prices and these will be disposed in Financial Year 2025/2026.

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

2.3.1 Execution of contracts outside contractual periods

Regulation 52 (3) (a) (vi) of the PPDA (Contracts) Regulations 2023 requires a Contract Manager to ensure that all the contract obligations are completed before the expiry of the contract.

The Authority found five contracts valued at UGX 483,926,537 were completed outside the agreed contractual periods, with delays ranging from 18 to 158 working days. Although the delays were attributed mainly to supplier challenges involving imported goods and customs clearance, the Entity did not consistently process contract extensions before expiry of the original contract periods as required by Regulation 52(3)(b) of the PPDA (Contracts) Regulations.

Table 6: Deliverables outside contractual periods

No.	Subject of Procurement	Contract Value (UGX)	Response	Management Response
1.	Supply and delivery of server hardware-HPE ProLiant DL380 GEN 11 Provider: Sybyl Limited	172,003,257	Items were to be delivered within 21 days after issuance of the LPO. Sybyl Limited delivered items in piecemeal on 17th June 2025 instead of 14th December 2024, causing a delay of 18 working days. The second delivery was made on 13th March 2025, causing a delay of 131 days.	*The supplier delivered the server hardware with only two hard disks instead of the required three per server hardware, which caused a delay in completing the delivery of the remaining three hard disks. This was because the supplier had to place an additional order with the manufacturer for the outstanding three hard disks, thereby resulting in the delay in delivery. (Evidence was availed to the auditors; see attached Annex A)*
2.	Designing and printing of ERA promotional materials. Call Off Orders Provider: Digi Print Systems Uganda Ltd	68,204,000	Whereas the Call-off Order was supposed to be delivered within 30 days (8th January 2025), Digi Print Systems Uganda Limited (Best Evaluated Bidder)	*The Call-Off Order had 5 items including; polo T-shirts, round neck t-Shirts, executive notebooks, branded caps and branded big Umbrellas. The rest*

No.	Subject of Procurement	Contract Value (UGX)	Response	Management Response
			delivered items on 12th May 2025 causing a delay of 85 working days.	*were delivered on time except for the executive notebooks which are imported and the provider faced supply delays from the manufacturer abroad*
3.	Supply and delivery of cartridges Provider: Gulf Africa Ltd	55,495,400	Whereas the LPO was issued on 26th August 2024 and the Call-Off Order was to be delivered within 30 days (7th October 2024), items were delivered on 12th November 2024 and 6th January 2025 causing a delay of 27 & 64 working days respectively.	*The delay was occasioned by the manufacturer of tonners abroad where Gulf Africa had placed the order for ERA (Evidence was availed to the auditors, see Annex B attached)*
4.	Supply, delivery, installation, testing and commissioning of X-Ray Baggage Scanner and provision of service and maintenance of the X-Ray Baggage Scanner. Provider: Blue Crane Communications (U) Ltd	63,597,280	Despite the contract extension from 13th January 2025 to 31st March 2025, the provider delivered on 23rd April 2025, causing a delay of 18 working days.	*The supplier had challenges with the OEM dispatching the item to Uganda and later with Customs clearance as per attached correspondences (evidence was availed to the auditors see Annex C)*
5.	Supply, delivery and installation of zebra roller blinds at New ERA House Provider: Nina Interiors Ltd	124,626,600	**Delay in delivery:** Whereas the LPO was issued on 10th April 2025 and delivery was by 13th May 2025 (21 working), Nina Interiors delivered on 18th December 2025, causing a delay of 158 days.	*The delayed delivery was a result of delayed receipt of materials from the supplier of Nina Interiors abroad (evidence was availed to the auditors see Annex D attached)*
	TOTAL	**483,926,537**		

Implication
Failure to formalize contract extensions before expiry weakens contract administration controls, exposes the Entity to legal and contractual disputes, reduces enforceability of performance obligations, and may compromise accountability for delayed contract performance.

Management Response
The delayed deliveries are on the imported supplies, the ERA suppliers faced challenges from their Original Equipment Manufacturers abroad and customs clearances here in the country. Going forward:

- *i. Contract Managers will ensure delivery is within the stipulated time frames or extend the contract periods.*
- *ii. ERA will give suppliers extended delivery time frames given the experience with imported products.*

Recommendations

- Contract Managers should:
  - i) Establish an early warning mechanism to identify contracts at risk of delay and initiate corrective action before contract expiry.
  - ii) Conduct periodic contract performance reviews and document supplier performance for future procurement decisions in accordance with Regulation 52 (3) (f) of the PPDA (Contracts) Regulations 2023.
- The Head, Procurement and Disposal Unit should establish realistic delivery timelines during the preparation of bidding documents in accordance with Regulation 42 (e) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This Section presents the risk rating and the Entity's overall performance.

3.1 Overall audit Conclusion

The procurement and Disposal activities of the Electricity Regulatory Authority (ERA) for the Financial Year 2024/205 were generally conducted in compliance with the provisions of the PPDA Act Cap. 205, PPDA Regulations 2023, and applicable PPDA Guidelines. The entity maintained the required procurement and disposal structures, disposal activities reviewed were conducted satisfactorily.

However, the audit identified instances of delayed procurement processes, incomplete implementation of the procurement plan, and delays in contract execution, these weaknesses were not persistent. They did not materially affect the overall effectiveness of the Entity's procurement and disposal system.

Accordingly, the Authority assesses Electricity Regulatory Authority (ERA)'s overall procurement and disposal performance as **Satisfactory**, with a weighted average risk rating of **9.5%** detailed in Chapter 3 of the audit report, requiring targeted management interventions to strengthen procurement efficiency, contract performance, and compliance with statutory requirements.

The performance of Electricity Regulatory Authority for the financial year 2024/2025 was **Satisfactory**, with a weighted average risk rating of **9.5%**. The risk rating is indicated in Table 7 below:

Table 7: Risk Rating

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

3.1 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 below:

3.2 Risk Computation

The Table below shows the computation of risk for ERA:

Table 8: Risk Computation

Risk category	No.	No. %	Value (UGX)	Value %	Weights	Total weighted Average	
						By No.	By Value
High	0	0	0	0	0.6	0	0
Medium	1	5.5	172,003,257	7	0.3	1.7	2.1
Low	7	39	909,314,094	37	0.1	3.9	3.7

Risk category	No.	No. %	Value (UGX)	Value %	Weights	Total weighted Average	
						By No.	By Value
Satisfactory	10	55.5	1,369,452,338	56	0	0	**0**
TOTAL	**18**	**100**	**2,450,769,689**	**100**	**1**	**5.6**	**5.8**

Weighted Average (By no.) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{5.6}{60} \times 100 = 9.3\%$

Weighted Average (By Value) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{5.8}{60} \times 100 = 9.7\%$

The average weighted risk rating = $\frac{9.3+9.7}{2} =$ **9.5%**

Chart Representation of Risk Rating

Figure 1: Chart Representation of Risk Rating by Number

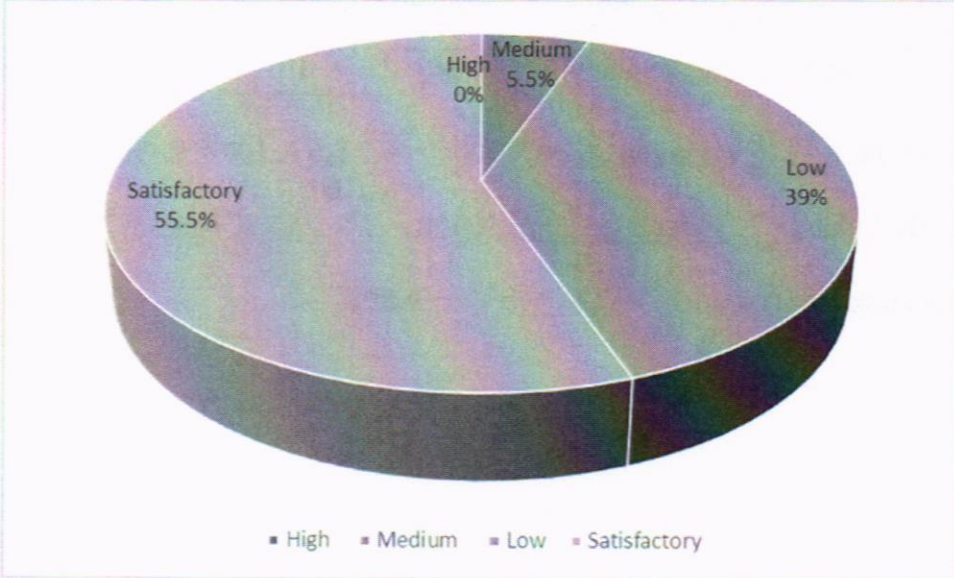
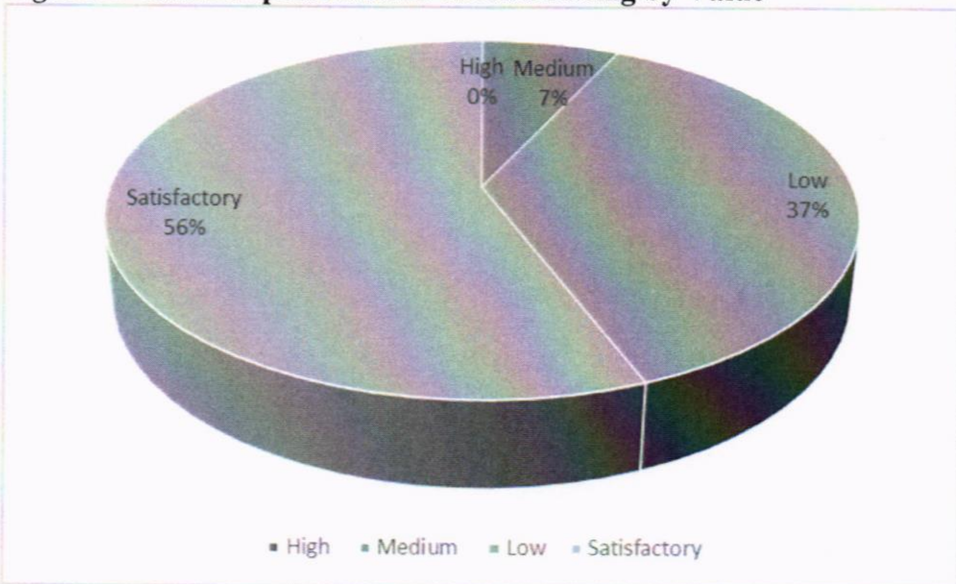


Figure 2: Chart Representation of Risk Rating by Value



Recommendation Action Plan

The Entity should implement the recommendations in Table 9 below:

Table 9: Action Plan

No.	Audit Finding	Agreed Corrective Action/ Recommendation	Responsible Party	Time Frame
1.	Incomplete implementation of the procurement plan	Conduct quarterly procurement plan reviews and update the procurement plan whenever significant operational or budget changes occur, in compliance with Section 60 (7) and (8) of the PPDA Act Cap. 205.	AO/HPDU/User Dept	Quarterly and Continuous
2.	Delays in procurement processes, including delayed evaluations and submission to the Contracts Committee beyond prescribed timelines	Establish an internal procurement process and evaluation monitoring mechanism to track timelines for evaluation and submission to the Contracts Committee	AO/HPDU/Evaluation Committees	Immediate
3.	Contracts executed outside contractual periods without formal contract extensions.	• Strengthen contract monitoring through a contract management register. • Ensure contract extensions are processed and approved before the expiry of contract periods. • Conduct regular contract performance reviews in accordance with Regulation 52 (3) (f) of the PPDA (Contracts) Regulations 2023.	Contract Managers, Head PDU	Immediate and Continuous

No.	Audit Finding	Agreed Corrective Action/ Recommendation	Responsible Party	Time Frame
4.	Delayed delivery of goods and services by suppliers.	• Always conduct market assessments during procurement planning to establish realistic delivery timelines. • Monitor supplier performance and enforce contractual remedies where delays are attributable to suppliers.	HPDU/USER DEPT	Continuous

APPENDICES

Appendix 1: Findings and Rating on the Individual Contracts Reviewed

MEDIUM RISK CASES

No.	Procurement Details	Reasons for Rating
1.	Supply and delivery of server hardware-HPE ProLiant DL380 GEN 11 Contract Value: UGX 172,003,257	• Delayed evaluation for 18 days • The Procurement and Disposal Unit delayed making submissions to the Contracts Committee, causing a delay of 21 working days • Delay in delivery by 18 and 131 working days.

LOW RISK CASES

No.	Procurement Details	Reasons for Rating
1.	Designing and printing of ERA promotional materials. Call Off Orders Provider: Digi Print Systems Uganda Ltd Contract Value: UGX 68,204,000	Delay in delivery by 85 working days
2.	Supply and delivery of cartridges Provider: Gulf Africa Ltd Contract Value: UGX 55,495,400	Delay in delivery by 27 and 64 working days
3.	Supply, delivery, installation, testing and commissioning of X-Ray Baggage Scanner and provision of service and maintenance of the X-Ray Baggage Scanner. Provider: Blue Crane Communications (U) Ltd Contract Value: UGX 66,429,280	• Delayed approval of funds by the Accounting Officer by 26 working days • Delay in delivery by 18 working days
4.	Supply, delivery and installation of zebra roller blinds at New ERA House Provider: Nina Interiors Ltd Contract Value: UGX 124,626,600	• The Procurement and Disposal Unit delayed making submissions to the Contracts Committee, causing a delay of 20 working days. • Delay in delivery by 158 working days
5.	Supply and delivery of Rugged Tablets Provider: Survnet Uganda Limited Contract Value: UGX 47,200,000	• Delayed approval of funds by the Accounting Officer by 42 working days
6.	Supply and delivery of earth resistance testers and clamp meters Provider: Tumo Technical Services Limited Contract Value: UGX 48,267,900	• The Procurement and Disposal Unit delayed making submissions to the Contracts Committee, causing a delay of 88 working days
7.	Lot 1: Provision of Group Personal Accident Lot 2: Fire and Special Perils Lot 3: All Risk Insurance Lot 5: Motor Fleet	• The Procurement and Disposal Unit delayed making submissions to the Contracts Committee, causing a delay of 74 working

No.	Procurement Details	Reasons for Rating
	Contract Value: UGX 499,090,914	days

SATISFACTORY RISK CASES

No.	Procurement Details	Reasons for Rating
1.	Supply and delivery of 15 Lenovo Laptop Computers Provider: Lakhi High-tech Limited Contract Value: UGX 131,929,605	No significant deviation is identified during the conduct of the procurement process.
2.	Supply and delivery of assorted furniture Provider: Nina Interiors Ltd UGX 143,500,000	No significant deviation is identified during the conduct of the procurement process.
3.	Supply and delivery of one unit of a double-cabin pick-up. Provider: CFAO Mobility (U) Limited Contract Value: UGX 230,585,598	No significant deviation is identified during the conduct of the procurement process.
4.	Supply and delivery of earth resistance testers and clamp meters. Request for Quotation/Proposals Provider: Tumo Technical Services Limited Contract Value: UGX 48,267,900	No significant deviation is identified during the conduct of the procurement process.
5.	Supply, installation, configuration and commissioning of wired and wireless Lan at ERA Gulu and Mbale Regional Office. Provider: Mantra Technologies Limited Contract Value: UGX 191,542,250	No significant deviation is identified during the conduct of the procurement process.
6.	Provision of Consultancy Services to conduct a comprehensive Human Resource Study at ERA Provider: Future Options Consulting Ltd Contract Value: UGX 143,370,000	No significant deviation is identified during the conduct of the procurement process.
7.	Supply, delivery and installation of a Sophos XGS 2300 Firewall Appliance at ERA House Provider: Express Automation (U) Limited Contract Value: UGX 86,413,665	No significant deviation is identified during the conduct of the procurement process.
8.	Provision of accommodation, full day meeting package and dinner for the Africa Electricity symposium scheduled to take place from 25th to 28th June 2025 Provider: Mestil Hotel and Residences Contract Value: UGX 171,140,000	No significant deviation is identified during the conduct of the procurement process.
9.	Supply and delivery of 2 Multi-Functional Printers Provider: MFI Office Solution (U) Ltd Contract Value: UGX 55,460,000	No significant deviation is identified during the conduct of the procurement process.
10.	Provision of Consultancy Services to develop the Five-year Strategic Plan 2025/26 to 2029/30 Provider: Empower Consult Limited UGX 128,648,854	No significant deviation is identified during the conduct of the procurement process.

Appendix 2: Transaction List for FY 2024/2025

No.	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk Rating
1.	ERA/SUPLS/24-25/00032	Supply and delivery of 15 Lenovo Laptop Computers	Request for Quotation/Proposals	Lakhi High-Tech Limited	131,929,605	Satisfactory
2.	ERA/SUPLS/24-25/00031	Supply and delivery of server hardware-HPE ProLiant DL380 GEN 11	Request for Quotation/Proposals	Sybyl Limited	172,003,257	Medium
3.	ERA/SUPLS/24-25/00045	Supply and delivery of assorted furniture	Request for Quotation/Proposals	Nina Interiors Ltd	143,500,000	Satisfactory
4.	ERA/NCONS/24-25/00012	Provision of Group personal accident- Lot 1, fire and special perils- Lot 2, all-risk insurance- Lot 3 and motor fleet- Lot 5	Open Domestic Bidding/National	Statewide Insurance Company Limited	499,090,914	Low
5.	ERA/SUPLS /24-25/00044	Supply and delivery of one unit of a double-cabin pick-up	Restrictive/Selective National	CFAO Mobility (U) Limited	230,585,598	Satisfactory
6.	ERA/SUPLS /24-25/00048	Supply, delivery, installation, testing and commissioning of X- Ray Baggage Scanner and provision of service and maintenance of the X-Ray Baggage Scanner	Request for Quotation/Proposals	Blue Crane Communications (U) Ltd	66,429,280	Low
7.	ERA/SUPLS/24-25/00097	Supply, delivery and installation of zebra roller blinds at New ERA House	Request for Quotation/Proposals	Nina Interiors Ltd	124,626,600	Low
8.	ERA/SUPLS/24-25/00037	Supply and delivery of earth resistance testers and clamp meters	Request for Quotation/Proposals	Tumo Technical Services Limited	48,267,900	Satisfactory
9.	ERA/SUPLS/24-25/00069	Supply, installation, configuration and commissioning of wired and wireless Lan at ERA Gulu and Mbale Regional Office	Restrictive/Selective National	Mantra Technologies Limited	191,542,250	Satisfactory
10.	ERA/SUPLS/24-25/00095	Supply and delivery of Rugged Tablets	Request for Quotation/Proposals	Survnet Uganda Limited	47,200,000	Low

No.	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk Rating
11.	ERA/CONS/24-25/00103	Provision of Consultancy Services to conduct a comprehensive Human Resource Study at ERA	Request for Quotation/Proposals	M/S Future Options Consulting Ltd	143,370,000	Satisfactory
12.	ERA/SUPLS/24-25/00110	Supply, delivery and installation of a Sophos XGS 2300 Firewall Appliance at ERA House	Request for Quotation/Proposals	Express Automation (U) Limited	86,413,665	Satisfactory
13.	ERA/SUPLS/24-25/00503	Supply and delivery of cartridges	Call Off Orders	M/S. Gulf Africa LTD	55,495,400	Low
14.	ERA/NCONS/24-25/00214	Designing and printing of ERA promotional materials	Call Off Orders	Digi print Systems Uganda Ltd	68,204,000	Low
15.	ERA/NCONS/24-25/00334	Provision of accommodation, full day meeting package and dinner for the Africa Electricity symposium scheduled to take place from 25th to 28th June 2025	Call Off Order	Mestil Hotel and Residences	171,140,000	Satisfactory
16.	ERA/SUPLS/23-24/00139	Supply and delivery of 2 Multi-Functional Printers	Request for Quotation/Proposals	MFI Office Solution (U) Ltd	55,460,000	Satisfactory
17.	ERA/CONS/23-24/00102	Provision of Consultancy Services to develop the Five-year Strategic Plan 2025/26 to 2029/30	Request for Quotations/Proposals	Empower Consult Limited	128,648,854	Satisfactory
18.	ERA/CONS/23-24/00101	Provision of Consultancy Services to undertake ESG Compliance and Training	Request for Quotations/Proposals	Atacama Consulting in association with Pinsent Masons LLP	86,862,366	Low
	TOTAL				**2,450,769,689**	

Appendix 3: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry a risk for the regulatory system or the Entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	**Planning:** Lack of or failure to procure within the approved plan	This implies emergencies and 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 award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies a lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the Entity's reputation,	**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	This implies a lack of efficiency, standardization, and avoiding competition.

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	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.	
		Procurement Structures: Lack of procurement structures	This implies a lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health, and safety are not covered by the contractor during contract implementation.	

RISK	DESCRIPTION	AREA	IMPLICATION
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practices. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.	**Planning:** Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record-keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare a conflict of interest and a lack of transparency.
SATISFACTORY	Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time.		