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

REPORT ON THE COMPLIANCE AUDIT OF HEALTH SERVICE COMMISSION FOR FINANCIAL YEAR 2024/2025

JUNE 2026

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Acronyms

AO	Accounting Officer
CC	Contracts Committee
EC	Evaluation Committee
FY	Financial Year
GCC	General Conditions of the Contract
HPDU	Head, Procurement and Disposal Unit
HSC	Health Service Commission
LPO	Local Purchase Order
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
SIG	Special Interest Groups
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 compliance audit of Health Service Commission for the Financial Year 2024/2025 and reviewed 11 sampled procurement and disposal transactions.

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

From the findings of the audit exercise, the performance of the Health Service Commission in the Financial Year 2024/2025 was **Moderately Satisfactory** with an overall weighted average risk rating of **44.8%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the audit report.

Despite the Moderately Satisfactory performance, the following key exceptions were noted during the audit:

1. Failure to implement all planned procurements for FY 2024/2025 with an absorption rate of 79.03 and a variance of UGX 290,501,745 contrary to Section 60 (2) (d) of the PPDA Act Cap. 205. This may result in failure to acquire critical Commission operational requirements, thereby affecting the Entity's ability to recruit, develop and manage the country's public health workforce.

2. Procuring above budget: The Authority noted from the Entity's procurement plan for the Financial Year 2024-25 that the budgeted amount for air tickets was UGX 19,000,000 but UGX 39,986,250 was spent on a return ticket for Ms Ketty Lamaro (Permanent Secretary) from Singapore thus creating a variance of UGX 20,986,250 and there was no evidence of approval of additional funds by Accounting Officer. The over-expenditure could lead to cash flow shortages, impacting other planned activities and delayed payment obligations which could lead to litigation and interest payment.

3. Failure to complete the funds availability section of the requisition form in the procurement of consultancy services for review of the standing orders for the health workforce worth UGX 63,000,000 contrary to Regulation 4 (1) and (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. This exposes the Entity to a risk of conducting a procurement transaction for which funds are not available and may inhibit the Entity's ability to prioritize in the event the budget balance is found to be low.

4. Issuance of inadequate bidding documents: in five procurements worth UGX 234,925,820, the Entity issued bidding documents including brand names such as HP Standard Notebook Keyboard, Canon EOS R100 digital cameras and Canon EOS 5D Mark IV cameras in the statement of requirements and failure to provide for a requirement to submit a bid and performance securing declaration. This may result into submission of non-responsive bids,

reduced competition, increased procurement disputes and delays in completion of procurement proceedings.

5. Delayed issuance of a Call-off Order: The Authority noted delays in the procurement of toner cartridges for Human Resource Advisory Services (HRAS) department for 4th Quarter (April – June 2025) of Financial Year 2024-2025 worth UGX 15,487,736 as the Call-off Order was issued on 21st May 2025 yet the toner cartridges were required for the months of April, May and June 2025. Delays in the procurement process create lengthy lead times which consequently impede timely service delivery.

6. Issuance of a Purchase Order before expiry of the Notice of Best Evaluated Bidder: The Authority noted that in the procurement of desktops, laptop printers, UPS machines, Wi-fi long range, camera and accessories for the commission and the Regional Electronic Recruitment system hubs worth UGX 139,975,200, the Notice of Best Evaluated Bidder was displayed on 10th June 2025 and the Purchase Order was issued on 17th June 2025 before the lapse of ten working days after the date of display of the Notice of Best Evaluated Bidder contrary to Regulation 4 (1) of the PPDA (Contracts) Regulations, 2023. This may lead to litigation as it deprives bidders of adequate time to submit their complaints to the Accounting Officer.

7. Non-compliance with the reservation schemes to promote the Participation of registered Associations of Women, Youth and Persons with Disabilities: Non adherence to reserving procurements for the Special Interest Groups hinders government efforts to promote inclusive development and achievement of National aspirations.

8. Failure to implement 33% of the previous audit recommendations: The Entity was issued with previous audit report for the Financial Year 2022/2023 in December 2023. The audit noted that one of the previous three audit recommendations was not implemented contrary to Section 10 (1) of the PPDA Act Cap. 205. This results in the recurrence of procurement weaknesses, limits improvements in the procurement and disposal function, exposes the Entity to repeated non-compliance with the PPDA legal framework and increases the risk of inefficiency, delays and failure to achieve value for money.

9. Missing contract management records; The Authority noted that in five procurements worth UGX 267,277,400, the action file lacked contract management records such as contract progress reports, delivery records, technical and performance report and payment records contrary to Regulation 52 (3) (a) and 52 (3) (g) of the PPDA (Contracts) Regulations, 2023. This affects the audit trail and is an indicator of poor accountability of public funds.

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

1. The Accounting Officer, who has the overall responsibility for the execution of the procurement function should:

   i) Prepare procurement plans that reflect actual market conditions and realistic cost projections. Where necessary involve subject matter experts and cost engineers to assess procurements before they are budgeted.

ii) Task the User Departments to always indicate the amount of funds available on the requisition form based on their budget allocation, prior to confirmation of funding in accordance with Regulation 4 (1) and (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non -Consultancy Services) Regulations, 2023.

iii) Establish internal timelines for Call-off Order processing and strengthen supervision of contract management to conduct procurements in a manner which promotes economy, efficiency and value for money in accordance with Section 51 of the PPDA Act Cap. 205.

iv) Sign contracts after the lapse of ten working days after the date of display of the notice of best evaluated bidder in accordance with Regulation 4 (1) of the PPDA (Contracts) Regulations, 2023.

v) Develop and maintain an audit recommendation implementation tracker indicating the responsible officer, actions required, timelines, and implementation status for each recommendation.

vi) Task Heads of User Departments to always liaise with the Procurement and Disposal Unit and submit copies of contract management records to be archived on procurement action files in accordance with Regulation 52 (3) (a) and 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.

2. The Head, Procurement and Disposal Unit should:

i) On a quarterly basis and in any other case, wherever necessary, reviews and updates its procurement plan to harmonize it with the existing circumstances at the Entity in accordance with Section 60 (7) of the PPDA Act, Cap 205.

ii) Strengthen quality assurance reviews of solicitation documents before issue to bidders to ensure that all provisions are accurate, relevant, compliant with applicable PPDA requirements, and appropriate for the procurement being undertaken.

iii) Identify eligible procurements for Special Interest Groups during procurement planning, maintain a register of certified Special Interest Group providers and monitor quarterly achievement of the mandatory 15% reservation target

iv) Always send a copy of the Notice of Best Evaluated Bidder to all the bidders and obtain proof of delivery in accordance with Regulation 3 (4) and (5) of the PPDA (Contracts) Regulations, 202.

v) Always maintain procurement and disposal records and reports on their respective action files in accordance with Section 33 (o) of the PPDA Act, Cap 205

3. User Departments should:
   i) Always propose technical specifications to the Procurement and Disposal Unit that are generic and make no reference to a particular trademark or brand name in accordance with Regulation 38 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

   ii) Always indicate the amount of funds available based on their budget allocation prior to confirmation of funding by the Accounting Officer in accordance with Regulation 4 (1) and (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non - Consultancy Services) Regulations, 2023.

4. The Contracts Committee should critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies that could lead to misunderstandings between the Entity and the bidders.

   The Health Service Commission should implement the recommended action plan on **pages 17-18**.

CHAPTER 1: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out a compliance audit of Health Service Commission for the Financial Year 2024/2025 and reviewed 11 sampled procurement and disposal transactions. The audit involved a review of procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the PPDA Act Cap. 205, PPDA Regulations, 2023, and PPDA Guideline.

1.2 Objective of the Audit

The overall objective of the audit was to assess the effectiveness and efficiency of procurement and disposal processes and the adherence of the Entity's systems and processes to the PPDA Act Cap. 205, PPDA Regulations, 2023 and PPDA Guidelines, 2024.

The specific objectives were to establish:

1. The level of compliance by the Procuring and Disposing Entity (PDE) with the general provisions of the PPDA Act Cap. 205, PPDA Regulations, 2023 and Guidelines;

2. The level of compliance with the PPDA Act Cap. 205 and PPDA Regulations, 2023 and PPDA Guidelines in the conduct of disposal activities for the audit period; and

3. The level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health, and Social safeguards (ESHS) where applicable.

1.3 Structure of the Entity

The Health Service Commission (HSC) of Uganda is the statutory body responsible for recruiting, developing, and managing the country's public health workforce. Mandated by the 1995 Constitution and the Health Service Commission Act of 2001, it handles appointments, disciplinary control and the welfare of health professionals.

The Commission ensures that health sector personnel are deployed, promoted, supported and integrated. By addressing staffing needs, promoting professional development and guiding policy implementation, HSC strengthens health systems and improves service delivery.

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. The Accounting Officer of Health Service Commission during the Financial Year under review was Ms. Ketty Lamaro.

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

Table 1: Membership of the Contracts Committee

No.	Name	Committee Position
1.	Ms. Miria Nayiga	Chairperson
2.	Ms. Annet Kobusinge	Secretary

No.	Name	Committee Position
3.	Ms. Monica Nawaguma	Member
4.	Ms. Esther Nyangoma	Member

According to Section 33 of the PPDA Act Cap .205, all procurement or disposal activities of the Procuring and Disposing Entity except adjudication and the award of contract were to be managed by the Procurement and Disposal Unit. The Procurement and Disposal Unit during the financial year under review was headed by Ms. Grace Namalota.

1.4 Procurement and disposal audit scope

The audit involved a review of the procurement processes, disposal processes, general compliance issues and contract implementation of 11 transactions under Financial Year 2024/2025 contained in **Appendix 2**. The sample was selected based on purposive sampling using Contracts Committee minutes and monthly procurement and disposal reports.

1.5 Audit Methodology

On 8th April 2026, the Entity was notified about the audit exercise. A sample of 11 procurement transactions conducted in the Financial Year 2024/2025 was selected. An audit launch meeting was held on 29th 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. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and management processes.

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 24th June 2026 between the audit team and the Entity's officials. A management letter was issued to the Entity for management's response on 25th June 2026 and the Entity's responses to the raised issues were received on 29th June 2026.

On completion of data collection and before writing the report, the Audit Manager reviewed the working papers for completeness. The working papers contained a detailed chronology of findings on each of the sampled transactions. The audit report presents the key findings and conclusions arising from the audit.

CHAPTER 2: FINDINGS OF THE AUTHORITY

2.1 Compliance with the general provisions of the PPDA Act Cap.205, Regulations, 2023 and PPDA Guidelines in the conduct of procurement activities in FY 2024/2025

2.1.1 Failure to implement all planned procurements

The Authority assessed the Entity's procurement plan and monthly reports and noted that procurements worth UGX 1,094,570,255 were reported to the Authority against the planned procurements worth UGX 1,385,072,000. Table 2 below details information about the plan and utilization of funds. The procurement plan implementation rate was 79.03% with a variance of UGX 290,501,745 as indicated in Table 2 below:

Table 2: Procurement Plan Implementation

Analysis of procurement spend	
Total procurement budget/plan value inclusive VAT (UGX)	1,385,072,000
Total procurement spend value inclusive VAT (UGX)	1,094,570,255
Procurement plan implementation (%)	79.03%
Budget Variance (UGX)	290,501,745

The low procurement plan implementation rate was attributed to failure to review and update the procurement plan as per the circumstances that prevailed and to non-disclosure of all procurement activities conducted in the FY 2024/2025 for example the monthly reports for July 2024, November 2024 and March 2025 were not availed for review by the Authority contrary to Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

Implication

The non-implementation of planned procurement activities directly impedes service delivery, depriving intended beneficiaries of essential services and delaying the realization of key objectives of the Commission.

Management response

Management acknowledged the anomaly and pledged to implement the Authority's recommendations.

Recommendations

The Authority takes note of Management's response and recommends that the Head, Procurement and Disposal Unit should on a quarterly basis and in any other case, wherever necessary, reviews and updates its procurement plan to harmonize it with the existing circumstances at the Entity in accordance with Section 60 (7) of the PPDA Act, Cap 205.

2.1.2 Procuring above budget

The Authority noted that in the Entity's procurement plan for the FY 2024-25, the budgeted amount for air tickets was UGX UGX 19,000,000 but UGX 39,986,250 was spent on a return ticket for Ms Ketty Lamaro (Permanent Secretary) from Singapore thus creating a variance of UGX 20,986,250.

Implication

The over-expenditure could lead to cash flow shortages, impacting other planned activities and delayed payment obligations which could lead to litigation and interest payment.

Management Response

Management acknowledged the anomaly and stated that the variance arose because the cost of business return air ticket to Singapore increased signifcantly due to prevailing market conditions, including fluctuations in airfare and travel related costs at the time of booking. These unforeseen price changes resulted in the actual expenditure of UGX 39,986,250 exceeding the budget amount of UGX 19,000,000 by UGX 20,986,250. The Commission noted the anomaly and pledged that it will strengthen procurement planning by conducting regular market assessments, reviewing and updating procurement planning where necessary and obtaining the required approvals before committing expenditure that exceeds the approved budget. Measures will also be taken to book travel in advance, where practible to minimize the impact of fare increases and ensure compliance with the relevant provisions of the PPDA Act Cap. 205.

Recommendations

The Authority noted the Entity's response and recommends that;

- The Accounting Officer should ensure that the procurement plan reflects actual market conditions and realistic cost projections for each procurement. Where necessary, involve subject matter experts and cost engineers to assess procurement costs before budgeting.
- The Accounting Officer should ensure that the Entity on a quarterly basis and in any other case, wherever necessary, reviews and updates its procurement plan to harmonize it with the existing circumstances at the Entity in accordance with Section 60 (7) of the PPDA Act Cap. 205.

2.1.3 Failure to complete the funds availability section of the requisition form

The Authority noted that in the procurement of consultancy services for review of the standing orders for the health workforce worth UGX 63,000,000 the section of the requisition form on funds availability was left blank contrary to Regulation 4 (1) and (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

Implication

Failure to complete the funds availability section exposes the Entity to a risk of conducting a procurement transaction for which funds are not available and may inhibit the Entity's ability to prioritize in the event the budget balance is found to be low.

Management response

Management acknowledged the anomaly and stated that the omission to complete the funds availability section of the requisition form was an administrative oversight and did not indicate the absence of budgetary provisions as the Accounting Officer signed the Form, confirmed the funding and approved the procurement on the 27th January 2025.

The funds availability sections were also filled at every stage of payment (PP Form5's attached for reference. A checklist has been introduced to ensure requisition forms are complete and the Accounting Officer will only approve requisitions after confirmation of funds availability in accordance with PPDA Regulations.

Recommendation

The Authority noted Management's response where review of PP Form 5's attached revealed blank funds available section and recommends that the User Departments should always indicate the amount of funds available from their budget allocation prior to confirmation of funding by the Accounting Officer in accordance with Regulation 4 (1) and (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non -Consultancy Services) Regulations, 2023.

2.1.4 Issuance of inadequate bidding documents

The Authority noted missing and misleading information in the bidding documents issued to bidders in five procurements worth UGX 234,925,820. The issues would have been mitigated by the Contracts Committee and the Procurement and Disposal Unit during the execution of their roles as enshrined in Sections 30 & 33 of the PPDA Act Cap. 205. The details are indicated in Table 3 below:

Table 3: Procurements with inadequate bidding documents

No	Subject of Procurement	Contract Amount (UGX)	Observations
1.	Procurement of 2 cameras, a printer and 8 SD cards	18,000,000	**Use of a brand name in the statement of requirements** • The Entity used the brand name "Canon EOS R100" in the technical specifications for the digital cameras. • The Entity also required SD Cards to be compatible with "Canon EOS R100" camera and SanDisk brand name was used for SD cards
2.	Procurement of desktops, laptop printers, UPS machines, Wi-fi long range, camera and accessories for the commission and the Regional Electronic Recruitment system hubs	139,975,200	• **Use of a brand name in the statement of requirements:** The Entity used the brand name "HP Standard Notebook Keyboard" with numeric keypad when describing technical specifications required for the laptop. The Entity also used model name "EOS 5D Mark IV" which is an exclusive model name belonging entirely to the "Canon" lineup of professional digital cameras when describing the technical specifications required.

No	Subject of Procurement	Contract Amount (UGX)	Observations
			• **Failure to provide for the requirement of a Bid Securing Declaration:** This was contrary to Guideline 3 of 2024 on Bid and Performance Securities which states that a bid or Proposal Securing Declaration shall be required for procurement of supplies, works and non-consultancy services under the restricted domestic, restricted international, quotation and direct methods. • **Failure to provide for the requirement of a Performance Securing Declaration:** This was contrary to Guideline 3 of 2024 on Bid and Performance Securities which states that a Performance Securing Declaration shall be required for procurements under the restricted domestic, restricted international, quotation and direct bidding methods.
3.	Repair of Motor Vehicle UG 0500013	24,354,020	• **Failure to provide for the requirement of a Bid Securing Declaration:** This was contrary to Guideline 3 of 2024 on Bid and Performance Securities which states that a bid or Proposal Securing Declaration shall be required for procurement of supplies, works and non-consultancy services under the restricted domestic, restricted international, quotation and direct bidding methods. • **Failure to provide for the requirement of a performance Securing Declaration:** This was contrary to Guideline 3 of 2024 on Bid and Performance Securities which states that a Performance Securing Declaration shall be required for procurements under the restricted domestic, restricted international, quotation and direct bidding methods.
4.	Procurement of 2 cameras, a printer and 8 SD cards	18,000,000	• **Failure to provide for the requirement of a bid Securing Declaration:** This was contrary to Guideline 3 of 2024 on Bid and Performance Securities which states

No	Subject of Procurement	Contract Amount (UGX)	Observations
			that a bid or Proposal Securing Declaration shall be required for procurement of supplies, works and non-consultancy services under the restricted domestic, restricted international, quotation and direct methods. • **Failure to provide for the requirement of a performance Securing Declaration:** This was Contrary to Guideline 3 of 2024 on Bid and Performance Securities which states that a Performance Securing Declaration shall be required for procurements under the restricted domestic, restricted international, quotation and direct bidding methods.
5.	Procurement of EDMS equipment	34,596,600	• **Failure to provide for the requirement of a bid Securing Declaration:** This was contrary to Guideline 3 of 2024 on Bid and Performance Securities which states that a bid or Proposal Securing Declaration shall be required for procurement of supplies, works and non-consultancy services under the restricted domestic, restricted international, quotation and direct methods. • **Failure to provide for the requirement of a performance Securing Declaration:** This was contrary to Guideline 3 of 2024 on Bid and Performance Securities which states that a performance Securing Declaration shall be required for procurements under the restricted domestic, restricted international, quotation and direct bidding methods.
	TOTAL	**234,925,820**	

Implications

- Poor quality solicitation documents make it difficult for bidders to prepare and submit responsive bids.
- This may compromise the quality of service or product obtained by the Entity.
- Inconsistencies in the bidding document may lead to disagreements which create unnecessary delays in the procurement process.

- Specifying particular brands limits competition by excluding other qualified suppliers, resulting in, higher costs, and limited options for the Entity and is an indicator of unfairness in the procurement process.
- Specifying particular brands may hinder the Entity's ability to take advantage of new technologies and innovations that could enhance operational efficiency and effectiveness.

Management Response

Management acknowledged the anomaly and stated that it was confirmed that the breach did not materially affect the outcome of the procurement. To prevent reoccurrence, corrective administrative measures have been implemented. These measures include training users, strengthening the review of bidding documents, and ensuring that future specifications are based on functional and performance requirements rather than brand names.

Management also stated that the omission resulted from the transition to the revised PPDA Guidelines, 2024 and was not intended to circumvent the procurement requirements. These were end of year procurements and all the deliveries were made. Measures have since been taken to include the bid securing declaration where applicable.

Recommendations

The Authority noted Management's response and recommends that;

- The Contracts Committee should critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies that could lead to misunderstandings between the Entity and the bidders.
- User Departments should always propose technical specifications to the Procurement and Disposal Unit that are generic and make no reference to a particular trademark or brand name in accordance with Regulation 38 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
- The Procurement and Disposal Unit should strengthen quality assurance reviews of solicitation documents before issue to bidders to ensure that all provisions are accurate, relevant, compliant with applicable PPDA requirements, and appropriate for the procurement being undertaken.

2.1.5 Failure to deliver a copy of the Notice of Best Evaluated Bidder to all bidders who participated in the bidding process

The Authority noted that in the following two procurements worth UGX 164,329,220, the Entity displayed the Notice of Best Evaluated Bidder but there was no evidence of delivery of a copy of the same to all bidders who participated in the bidding processes contrary to Regulation 3 (4) and (5) of the PPDA (Contracts) Regulations, 2023. The procurements were:

Table 4: Procurements without evidence of delivery of the Notice of Best Evaluated Bidder

No	Subject of Procurement	Amount (UGX)
1.	Repair of Motor Vehicle UG 0500013	24,354,020
2.	Procurement of desktops, laptop printers, UPS machines, Wi-fi long range, camera and accessories for the commission and the Regional Electronic Recruitment system hubs	139,975,200
	Total	**164,329,220**

Implication
Failure to send a copy of the Notice of Best Evaluated Bidder to all bidders undermines the principle of transparency and may lead to unnecessary complaints.

Management Response
Management acknowledged the anomaly and stated that the bidders received copies of the Notice of Best Evaluated Bidder for both procurements just that they did not sign on the file copy. A copy was displayed on the procurement notice board.

Recommendation
The Authority noted the Entity's response but there was no proof of receipt of the Notice of Best Evaluated Bidder by all bidders and recommends that the Head, Procurement and Disposal Unit should always send a copy of the Notice of Best Evaluated Bidder to all bidders and obtain proof of delivery in accordance with Regulation 3 (4) and (5) of the PPDA (Contracts) Regulations, 2023.

2.1.6 Delayed issuance of a Call-off Order
Section 51 of the PPDA Act, Cap 205 provides that; "All procurement and disposal shall be conducted in a manner which promotes economy, efficiency, and value for money." The Authority noted delays in the procurement of toner cartridges for Human Resource Advisory Services (HRAS) department for 4th Quarter (April – June 2025) of Financial Year 2024-2025 worth UGX 15,487,736 as the Call-off Order was issued on 21st May 2025 yet the toner cartridges were required for the months of April, May and June 2025.

Implication
Delays in the procurement process create lengthy lead times which consequently impede timely service delivery.

Management response
Management noted the anomaly and stated that the Toner cartridge was meant for the 4th Quarter. The Form 5 was raised by the User on 6th May 2025, the Accounting Officer confirmed funds on 16th May 2025 and a Call off order was raised by PDU on 21st May 2025, so there was no delay. The procurement was initiated and undertaken on as needed basis through the use of call off orders

Recommendation
The Authority Noted Management's response. However, the User Department ought to have initiated the Form 5 before April 2025 and the Call-off Order was meant to be issued before that period and recommends that the Accounting Officer should establish internal timelines for Call-off Order processing and strengthen supervision of contract management to conduct procurements in a manner which promotes economy, efficiency and value for money in accordance with Section 51 of the PPDA Act Cap. 205.

2.1.7 Issuance of a Purchase Order before expiry of the Notice of Best Evaluated Bidder
The Authority noted that in the procurement of desktops, laptop printers, UPS machines, Wi-fi long range, camera and accessories for the commission and the Regional Electronic Recruitment system hubs worth UGX 139,975,200 the Notice of Best Evaluated Bidder was displayed on 10th

June 2025 but the purchase order was issued on 17th June 2025 before the lapse of ten working days after the date of display of the notice of best evaluated bidder Contrary to Regulation 4 (1) of the PPDA (Contracts) Regulations, 2023.

Implications

- It is an indicator of lack of adequate transparency and fairness.
- This may lead to litigation as it deprives bidders of adequate time to submit their complaints to the Accounting Officer.

Management Response

Management acknowledged the anomaly and stated that the Notice of Best Evaluated Bidder was expiring on the 23rd June 2025, as this is the time for closure of Financial Year, the Entity risked returning the funds, so given that an adequate period had elapsed with no complaints, a purchase order was raised 3 days before expiry to allow the provider to supply the goods in time.

Recommendations

The Authority noted Management's response and recommends that the Accounting Officer should sign contracts after the lapse of ten working days after the date of display of the notice of best evaluated bidder in accordance with Regulation 4 (1) of the PPDA (Contracts) Regulations, 2023.

2.1.8 Failure to adhere to reservation schemes to promote the Participation of registered Associations of Women, Youth and Persons with disabilities

Guideline 11/2024 that commenced on 22nd March 2024 requires an Entity to reserve at least 15% of its annual procurement plan budget for award to registered Associations of Women, Youth and Persons with Disabilities.

The Guideline also requires Entities under Central Government to reserve procurement requirements for supplies, works, consultancy and non-consultancy services whose value does not exceed UGX 30 million to registered associations of Women, Youth and Persons with Disabilities.

A review of the procurement processes at the Entity indicated that there were no deliberate efforts to promote the participation of registered Associations of Women, Youth and Persons with Disabilities from planning to contract award.

Implication

Non-adherence to reserving procurements for the Special Interest Groups hinders Government efforts to promote inclusive development and achievement of national aspirations.

Management response

Management acknowledged the anomaly and stated that the guidelines were issued during the course of the Financial Year under review thus this was not planned for. However, the commission has made necessary reservations for these groups in the current Financial Year.

Authority's comment:
The Authority noted the management's response but the Guidelines commenced on 22nd March 2024 which was during Financial Year 2023/2024 and not during the Financial Year under review which is 2024/2025.

Recommendation
The Head, Procurement and Disposal Unit should identify eligible procurements for Special Interest Groups during procurement planning, maintain a register of certified Special Interest Group providers and monitor quarterly achievement of the mandatory 15% reservation target.

2.1.9 Failure to implement 33% of the previous audit recommendations
The Entity was issued its previous audit report for the Financial Year 2022/2023 in December 2023. The audit noted that two out of the three previous audit recommendations representing 66.6% were fully implemented while one representing 33.3% was not implemented as indicated in Table 5 below:

Table 5: Implementation of previous audit recommendations that were not fully implemented

No.	Recommendation	Status
1.	The Head, Procurement and Disposal Unit should ensure that bidding documents are well prepared in accordance with Section 3l (i) of the PPDA Act, 2003 and Regulation 17 (3) (a) of the PPDA (Evaluation) Regulations,2014.	Not implemented
2.	Evaluation Committees should strictly adhere to the evaluation criteria outlined in the solicitation documents and firms that do not comply should be eliminated in accordance with Regulation 7 (1) of the PPDA (Evaluation) Regulations,20l4.	Fully implemented
3.	The Head, Procurement and Disposal Unit should desist from placing Local Purchase Orders retrospectively.	Fully implemented

Implication
Failure to implement audit recommendations results in the recurrence of procurement weaknesses, limits improvements in the procurement and disposal function, exposes the Entity to repeated non-compliance with the PPDA legal framework, and increases the risk of inefficiency, delays and failure to achieve value for money.

Management response
Management acknowledged the anomaly and stated that the Commission will establish a monitoring framework to track progress of implementation of the audit recommendations.

Recommendation
The Accounting Officer should develop and maintain an audit recommendation implementation tracker indicating the responsible officer, actions required, timelines, and implementation status for each recommendation.

2.2 Compliance of the Entity's disposal process with the provisions of the PPDA Act Cap.205, Regulations 2023 and Guidelines 2024

2.2.1 Review of disposal activities

The Entity disposed of assets at UGX 12,050,000 including one Mitsubishi Pajero Reg No. UG 0409B, 4 laptops, 3 UPS system units, 5 photocopier printers, 6 monitors, 8 chairs, 9 cabinets, 7 evarnal stand fans and others using public auction.

A review of the disposal file for Financial Year 2024-2025 did not reveal any exceptions and was considered satisfactory as all disposal records such as the contract, records relating to the management of the contract, payment receipts and handing over certificate were on file in accordance with Regulation 46 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023.

The Entity substantially complied with applicable disposal requirements. Disposal planning was undertaken, valuations were conducted, approvals were obtained and asset records were updated accordingly. This was a positive achievement by the management of the Entity.

2.3 Efficiency and effectiveness in contract implementation including the application of ESHS requirements in the procurement process

2.3.1 Missing contract management records

The Authority noted that in five procurements worth UGX 267,277,400, the action files lacked contract management records such as contract progress reports, delivery records, technical and performance reports, payment records contrary to Regulation 52 (3) (a) and 52 (3) (g) of the PPDA (Contracts) Regulations, 2023. The procurements were:

Table 6: Missing contract management records

No	Subject of Procurement	Contract value (UGX)	Missing records
1.	Procurement of catering services during Aptitude tests in June 2025	11,705,600	• Evidence of appointment of a Contract Manager • Contract Management Plan • Delivery note • Goods Received Note • Payment voucher • Payment receipt
2.	Procurement of 2 cameras, a printer and 8 SD cards	18,000,000	• Invoice • Delivery note • Goods Received Note • Payment voucher • Payment receipt
3.	Procurement of EDMS equipment	34,596,600	• Appointment of a Contract Manager • Contract Management Plan • Payment voucher • Payment receipt
4.	Procurement of consultancy services for review of the standing orders for the Health workforce	63,000,000	• Contract Management Plan • Payment voucher • Payment receipts
5.	Procurement of desktops, laptop printers, UPS machines, Wi-fi long range, camera and accessories for the commission and the Regional Electronic Recruitment system hubs	139,975,200	• Payment voucher • Payment receipt
	TOTAL	**267,277,400**	

Implication

Such missing records compromise the accountability for public funds and could give room for unethical and fraudulent practices in the Entity.

Management response

Management noted the anomaly and stated that the documents are available for verification.

Recommendations

The Authority noted the management response but there was no documentary evidence availed for verification and recommends that;

- The Accounting Officer should task Heads of User Departments to always liaise with the Procurement and Disposal Unit and relay copies of contract management records to be archived on procurement action files in accordance with Regulation 52 (3) (a) and 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.
- The Head Procurement and Disposal Unit should always maintain procurement and disposal records and reports on their respective action files in accordance with Section 33 (o) of the PPDA Act Cap. 205.

CHAPTER THREE: 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 Health Service Commission for the Financial Year 2024/2025 were generally conducted in compliance with the provisions of the PPDA Act Cap. 205, the PPDA Regulations, 2023, and PPDA Guidelines. The Entity maintained the required procurement and disposal structures.

However, the audit identified notable control and performance weaknesses that require corrective action by management. These included: failure to implement all planned procurements with an implementation rate of 79.03%, failure to fully implement 33% of the previous audit recommendations, issuance of inadequate bidding documents, non-compliance with reservation schemes for Special Interest Groups, delayed issuance of Call-Off Orders and failure to maintain contract management records.

The weaknesses if not addressed could materially undermine the overall integrity of the procurement system, affect service delivery, value for money, supplier confidence and achievement of the Commission's objectives. They indicated deficiencies in procurement planning and processing, preparation of bidding documents, market assessment and contract management.

Accordingly, the performance of Health Service Commission for FY 2024/2025 is assessed as **Moderately Satisfactory**, with an overall weighted average risk rating of **44.8%**, but requiring management to strengthen internal controls, ensuring compliance with procurement requirements and enhancing oversight throughout the procurement and disposal cycle.

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 7 below:

Table 7: Summary of performance of Health Service Commission

Risk Category	No.	No. %	Value (UGX)	% Value	Weights	Total weighted Average	
						By No.	By Value
High	1	9.1	39,986,250	10	0.6	5.5	6
Medium	7	63.6	307,119,156	77.1	0.3	19.1	23.1
Low	0	0	0	0	0.1	0	0
Satisfactory	3	27.3	51,330,064	12.9	0	0	0
Total	**11**	**100**	**398,435,470**	**100**	**1**	**24.6**	**29.1**

Weighted Average by number = $\frac{\sum \text{Weighted Score by number}}{60}$ X 100 = $\frac{24.6 \times 100}{60}$ = 41%

Weighted Average by value = $\frac{\sum \text{Weighted Score by value}}{60}$ X 100 = 29.1 $\frac{\times 100}{60}$ = 48.5

The average weighted risk rating = $\frac{41\% + 48.5\%}{2}$ = 44.8%

Since **44.8%** falls within the **0-70** risk range, the performance of the Entity is rated **Moderately Satisfactory** as detailed in Table 8 below:

Table 8: Risk Rating

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

3.3 Chart Representation of Risk Rating

Figure 1: Chart Representation of Risk Rating by Number

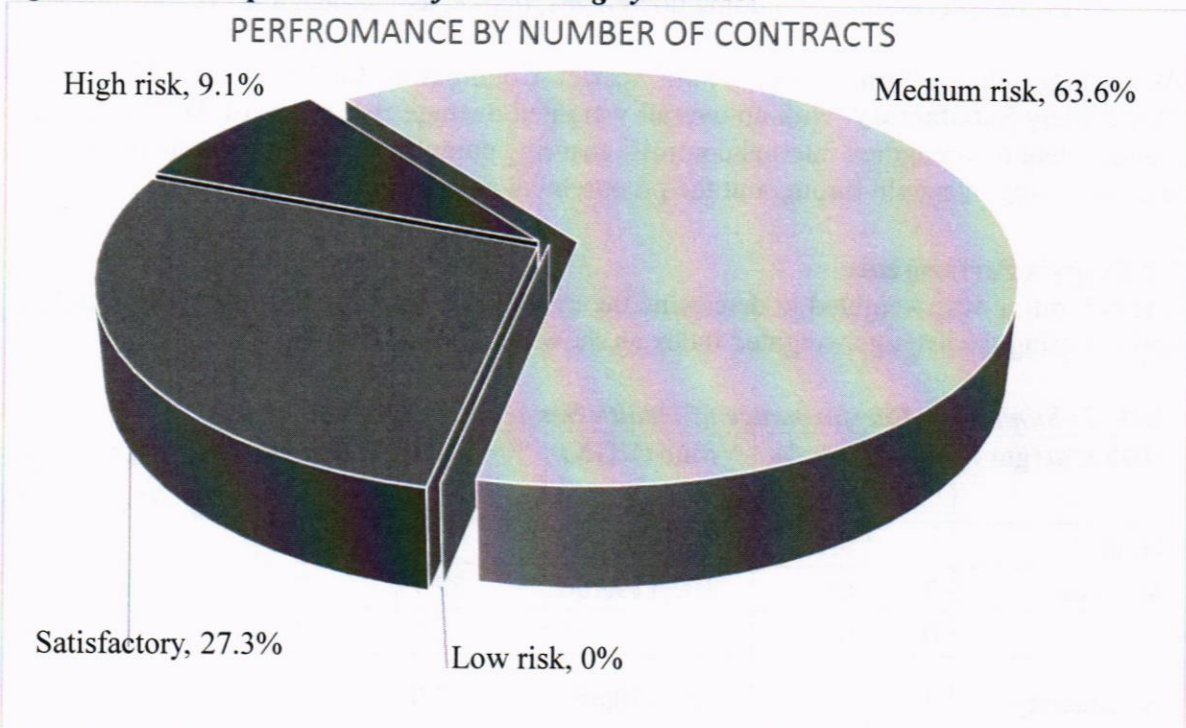
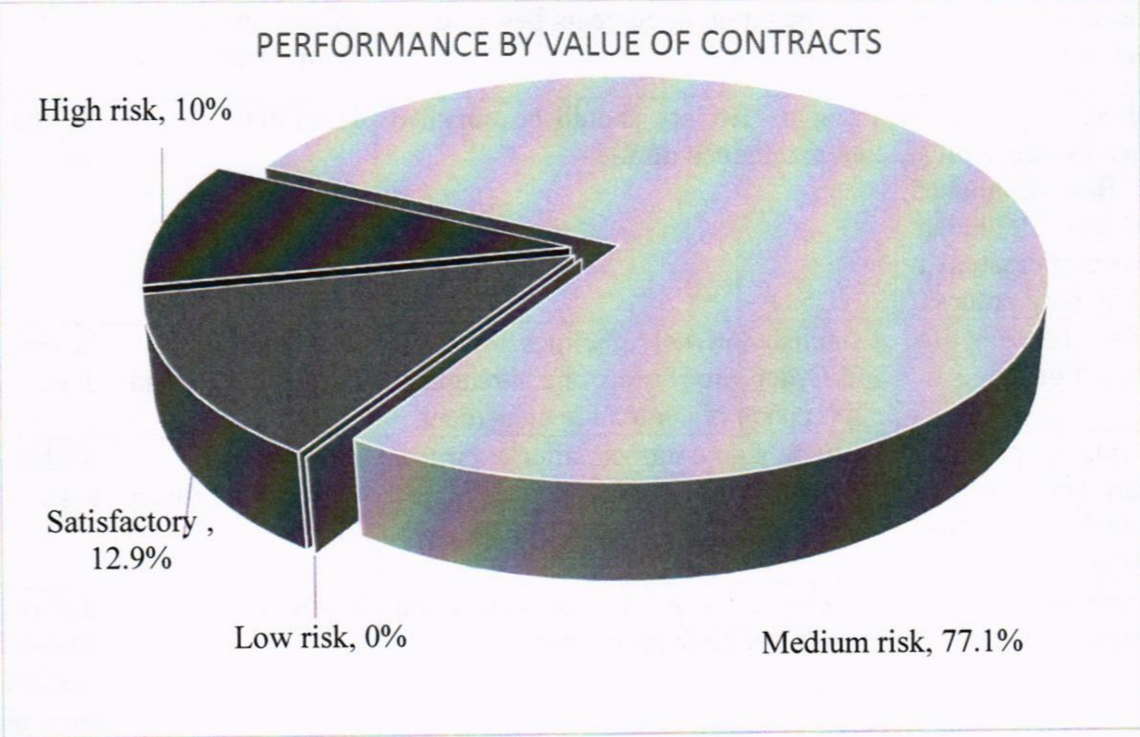


Figure 2: Chart Representation of Risk Rating by Value



3.4 Recommendation Action Plan

The Entity should implement the recommendations as indicated in Table 9 below:

Table 9: Action Plan

Finding	Action/Recommendation	Responsible officer	Timeline
Low procurement plan implementation rate	Conduct quarterly procurement plan reviews and update plans	Accounting Officer / Head PDU	Quarterly
Procurement above budget	Prepare procurement plans that reflects actual market conditions and realistic cost projections	Accounting Officer / Head PDU	Within 30 days
Failure to complete the funds availability Section of the requisition form	User Departments should always indicate the amount of funds available based on their budget allocation	User Departments	Within 30 days

Finding	Action/Recommendation	Responsible officer	Timeline
Issuance of inadequate bidding documents	Strengthen quality assurance reviews of solicitation documents before issue to bidders	Head PDU/Contract Committee	Within 30 days
Failure to deliver a copy of the Notice of Best Evaluated Bidder to all bidders who participated in the bidding process	Proof of delivery should be obtained and maintained on file	Head PDU	Within 30 days
Delayed issuing of a Call off order	Establish internal timelines for Call-off Order processing and strengthen supervision of contract management	Accounting Officer / Head PDU	Within 60 days
Issuing a purchase order before expiry of the Notice of Best Evaluated Bidder	Only be sign contracts after expiry of the mandatory display period of the Notice of Best Evaluated Bidder	Accounting Officer / Head PDU	Within 30 days
Reservation schemes	Develop a list of SIG providers and preserve eligible procurements	HPDU/CC	Before FY 2026/27 implementation plan
Failure to implement audit recommendations	Establish audit recommendation register and quarterly monitoring	Accounting Officer	Within 30 days
Failure to maintain contract management records on file	Establish internal records management system	HPDU	Within 30 days

APPENDICES

Appendix 1: Findings and Rating on the individual contracts reviewed

HIGH RISK CONTRACTS

NO	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	Return ticket for Ms Ketty Lamaro (Permanent Secretary) to Singapore HSC/SUPLS/2024- 2025/00206 – LPO 581, 582, 600 Request for quotation Iconic Travel Services Limited UGX 39,986,250	**Procuring above budget** The Authority noted that in the Entity's procurement plan for the FY 2024-25, the budgeted amount for air tickets was UGX 19,000,000 but UGX 39,986,250 was spent on a return ticket for Ms Ketty Lamaro (Permanent Secretary) to Singapore thus creating a variance of UGX 20,986,250.

MEDIUM RISK CONTRACTS

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	Repair of Motor Vehicle UG 0500013 HSC/NON-CONS/2024-2025/00184 Request for Quotation Maka Motor Works Ltd UGX 24,354,020	• **Failure to provide for the requirement of a bid Securing Declaration:** This was contrary to Guideline 3 of 2024 on Bid and Performance Securities which states that a bid or Proposal Securing Declaration shall be required for procurement of supplies, works and non-consultancy services under the restricted domestic, restricted international, quotation and direct methods. • **Failure to provide for the requirement of a performance Securing Declaration:** This was contrary to Guideline 3 of 2024 on Bid and Performance Securities which states that a performance Securing Declaration shall be required for procurements under the restricted domestic, restricted international, quotation and direct bidding methods. • No evidence of delivery on the NOBEB to all bidders who participated in the bidding process Contrary to Regulation 4 and 5 of the PPDA (Contracts) Regulations, 2023.

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
2.	Procurement of toner cartridges for Human Resource Advisory Services (HRAS) department for 4th Quarter (April – June) of Financial Year 2024-2025 HSC/SUPLS/2024- 2025/00182 – LPO – 544 Open Domestic Bidding Scanny General Services UGX 15,487,736	• **Delayed issuing of a Call off order** The call off order was order was issued on 21st May 2025 yet the toner cartridges were required for the months of April, May and June 2025.
3.	Procurement of catering services during Aptitude tests in June 2025 HSC/SUPLS/2024- 2025/00196 – LPO 594 Open Domestic Bidding Tendo Catering Family UGX 11,705,600	• No evidence of appointment of a Contract Manager • No Contract Management • No delivery note • No Goods Received Note • No payment voucher • No payment receipt
4.	Procurement of 2 cameras, a printer and 8 SD cards HSC/SUPLS/2024- 2025/00097 Request for quotation Mapan Agencies Limited UGX 18,000,000	• **Use of a brand name in the statement of requirements** The Entity used the brand name Canon EOS R100 in the technical specifications for the digital cameras, the entity also required SD Cards to be compatible with Canon EOS R100 camera and SanDisk brand name was used for SD cards. • **Failure to provide for the requirement of a bid Securing Declaration:** This was contrary to Guideline 3 of 2024 on Bid and Performance Securities which states that a bid or Proposal Securing Declaration shall be required for procurement of supplies, works and non-consultancy services under the restricted domestic, restricted international, quotation and direct methods.

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
		• **Failure to provide for the requirement of a performance Securing Declaration:** This was contrary to Guideline 3 of 2024 on Bid and Performance Securities which states that a performance Securing Declaration shall be required for procurements under the restricted domestic, restricted international, quotation and direct bidding methods. • No invoice • No delivery note • No Goods Received Note • No payment voucher • No payment receipt
5.	Procurement of EDMS equipment HSC/SUPLS/2024- 2025/00185 – LPO 619, LPO 620 Request for quotation CHT Investments Limited UGX 34,596,600	• **Failure to provide for the requirement of a bid Securing Declaration:** This was contrary to Guideline 3 of 2024 on Bid and Performance Securities which states that a bid or Proposal Securing Declaration shall be required for procurement of supplies, works and non-consultancy services under the restricted domestic, restricted international, quotation and direct methods. • **Failure to provide for the requirement of a performance Securing Declaration:** This was contrary to Guideline 3 of 2024 on Bid and Performance Securities which states that a performance Securing Declaration shall be required for procurements under the restricted domestic, restricted international, quotation and direct bidding methods. • No appointment of Contract Manager • No Contract Management Plan • No payment voucher • No payment receipt
6.	Procurement of desktops, laptop printers, UPS machines, Wi-fi long range, camera and accessories for the commission and the Regional Electronic Recruitment system hubs HSC/SUPLS/2024- 2025/00195 – LPO 593	• **Use of a brand name in the statement of requirements** The Entity used the brand name HP Standard Notebook Keyboard with numeric keypad when describing technical specifications required for the Laptop and the Entity also used model name EOS 5D Mark IV which is an exclusive model name belonging entirely to the Canon lineup of

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	Request for quotation Coloqwik Investment Limited UGX 139,975,200	professional digital cameras when describing the technical specifications required. • **Failure to provide for the requirement of a bid Securing Declaration:** Contrary to Guideline 3 of 2024 on Bid and Performance Securities which states that a bid or Proposal Securing Declaration shall be required for procurement of supplies, works and non-consultancy services under the restricted domestic, restricted international, quotation and direct methods. • **Failure to provide for the requirement of a performance Securing Declaration** Contrary to Guideline 3 of 2024 on Bid and Performance Securities which states that a performance Securing Declaration shall be required for procurements under the restricted domestic, restricted international, quotation and direct bidding methods. • No evidence of delivery on the NOBEB to all bidders who participated in the bidding process Contrary to Regulation 3 (4) and (5) of the PPDA (Contracts) Regulations, 2023. • **Issuing a purchase order before expiry of the Notice of Best Evaluated Bidder** The Authority noted that the notice of best evaluated bidder was displayed on 10th June 2025 but the purchase order was issued on 17th June 2025 before the lapse of ten working days after the date of display of the notice of best evaluated bidder Contrary to Regulation 4 (1) of the PPDA (Contracts) Regulations, 2023. • No payment voucher • No payment receipt
7.	Procurement of consultancy services for review of the standing orders for the Health workforce HSC/CONS/2024- 2025/00115 Direct Procurement Dr. Nathan Kenya Mugisha UGX 63,000,000	• **The funds availability section was left blank** The Authority noted that the section of the requisition form on funds availability which is supposed to be confirmed prior to approval by the Accounting Officer was left blank contrary to Regulation 4 (1) and (2) of the PPDA (Rules and Methods for Procurement of Supplies,

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
		Works and Non -Consultancy Services) Regulations, 2023. • No Contract Management Plan • No payment voucher • No payment receipts

SATISFACTORY CONTRACTS

NO	SATISFACTORY CONTRACTS	REASONS FOR SATISFACTORY RATING
1.	Procurement of toner cartridges for Health Service Commission for Financial Year 2024-2025 HSC/SUPLS/2024- 2025/00072 – LPO 469 Open Domestic Bidding Scanny General Services UGX 23,700,064	No anomalies
2.	Procurement of branded materials for Recruitment and Selection Systems (RSS) department in June 2024-2025 HSC/SUPLS/2024- 2025/00205 – LPO 622 Open Domestic Bidding Scanny General Services UGX 26,880,000	No anomalies
3.	Auctioneer for auctioning Health Service Commission's obsolete assets and equipment HSC/NCONS/2024- 2025/00038 Request for quotation Rudi Agencies Limited UGX 750,000 and 5% commission on all the total sales	No anomalies

Appendix 2: Sample list for the compliance audit of the Health Service Commission for Financial Year 2024-2025

No	Procurement Reference Number	Subject of Procurement	Procurement Method	Service Provider	Contract Amount in UGX	Risk rating
1.	HSC/SUPLS/2024-2025/00195 – LPO 593	Procurement of desktops, laptop printers, UPS machines, Wi-fi long range, camera and accessories for the commission and the Regional Electronic Recruitment system hubs	Request for quotation	Coloqwik Investment Limited	139,975,200	Medium
2.	HSC/CONS/2024-2025/00115	Procurement of consultancy services for review of the standing orders for the Health workforce	Direct Procurement	Dr. Nathan Kenya Mugisha	63,000,000	Medium
3.	HSC/SUPLS/2024-2025/00206 – LPO 581, 582, 600	Return ticket for Ms Ketty Lamaro (Permanent Secretary) to Singapore	Request for quotation	Iconic Travel Services Limited	39,986,250	High
4.	HSC/SUPLS/2024-2025/00185 – LPO 619, LPO 620	Procurement of EDMS equipment	Request for quotation	CHT Investments Limited	34,596,600	Medium
5.	HSC/SUPLS/2024-2025/00205 – LPO 622	Procurement of branded materials for Recruitment and Selection Systems (RSS) department in June 2024-2025	Open Domestic Bidding	Scanny General Services	26,880,000	Satisfactory
6.	HSC/NON-CONS/2024-2025/00184	Repair of Motor Vehicle UG 0500013	Maka Motor Works Ltd	Request for Quotation	24,354,020	Medium

No	Procurement Reference Number	Subject of Procurement	Procurement Method	Service Provider	Contract Amount in UGX	Risk rating
7.	HSC/SUPLS/2024-2025/00072 – LPO 469	Procurement of toner cartridges for Health Service Commission for Financial Year 2024-2025	Open Domestic Bidding	Scanny General Services	23,700,064	Satisfactory
8.	HSC/SUPLS/2024-2025/00097	Procurement of 2 cameras, a printer and 8 SD cards	Request for quotation	Mapan Agencies Limited	18,000,000	Medium
9.	HSC/SUPLS/2024-2025/00182 – LPO - 544	Procurement of toner cartridges for Human Resource Advisory Services (HRAS) department for 4th Quarter (April – June) of Financial Year 2024-2025	Open Domestic Bidding	Scanny General Services	15,487,736	Medium
10.	HSC/SUPLS/2024-2025/00196 – LPO 594	Procurement of catering services during Aptitude tests in June 2025	Open Domestic Bidding	Tendo Catering Family	11,705,600	Medium
11.	HSC/NCONS/2024-2025/00038	Auctioneer for auctioning Health Service Commission's obsolete assets and equipment	Request for quotation	Rudi Agencies Limited	UGX 750,000 and 5% commission on all the total sales	Satisfactory
	TOTAL				**398,435,470**	

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

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 a lack of efficiency, standardization, and avoiding competition.
		Procurement Structures: Lack of procurement structures	This implies a lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and 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 are not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practices. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.	**Planning:** Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record-keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare a conflict of interest and a lack of transparency.
SATISFACTORY	Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time.		