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

REPORT ON THE COMPLIANCE AUDIT OF LOCAL GOVERNMENT FINANCE COMMISSION FOR FINANCIAL YEAR 2024/25

JUNE 2026

TABLE OF CONTENTS...i

List of Figures

Acronyms

ESHS	Environmental, Social, Health and Safety
FY	Financial Year
GCC	General Conditions of Contract
LTD	Limited
MoFPED	Ministry of Finance, Planning and Economic Development
NCONS	Non-Consultancy Services
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SCC	Special Conditions of Contract
SUPLS	Supplies
UGX	Uganda Shillings
WRKS	Works
SIG	Special Interest Groups

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance audit of Local Government Finance Commission for the Financial Year 2024/2025 and reviewed 10 sampled procurement and disposal transactions.

The overall objective of the compliance audit was to assess and establish the degree of compliance of the Local Government Finance Commission'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 compliance audit, the performance of Local Government Finance Commission for FY 2024/2025 was **Moderately Satisfactory** with an overall weighted average risk rating of **32.45%.** 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 2024/25 with 87% absorption rate and a variance of UGX 293,822,523 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 effectively offer credible and evidence-based advice to the government on financing of Local Governments.

2. Failure to fully implement previous audit recommendations for the FY 2022/2023 contrary to Section 10 (1) of the PPDA Act Cap. 205 where two recommendations were not fully implemented. 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 increases the risk of inefficiency, delays and failure to achieve value for money.

3. Issuance of inadequate bidding documents in sampled nine procurements worth UGX 691,831,270. The documents lacked the requirement to submit the Beneficial Ownership Declaration Form, no requirement to submit evidence of experience, failure to state the Special Conditions of the Contract and others. This may result into submission of non-responsive bids, reduced competition, increased procurement disputes, and delays in completion of procurement proceedings.

4. Inadequate specifications without details of the size of T-shirts and shirts and branding wordings in the procurement of printing and supply of Shirts, T-shirts, caps, lapel pins, designed bags-laptop size, banners, tear drop and back drop worth UGX 26,675,000. This increases the risk of unfair competition, procurement of goods that do not meet the Entity's requirements, contract disputes, cost over runs, implementation delays and failure to achieve value for money contrary to Regulation 34 (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non -Consultancy Services) Regulations, 2023.

5. Non-compliance with Reservation Schemes to promote the Participation of registered Associations of Women, Youth and Persons with Disabilities during the Financial Year

contrary to PPDA Guideline 11/2024. This hinders Government efforts to promote inclusive development and curtails achievement of national aspirations.

6. Signing of a contract with CFAO Mobility Uganda Ltd to supply one station wagon at UGX 360,000,000 against an expired bid the contract contrary to Regulation 6 (c) of the PPDA (Contracts) Regulations, 2023. This exposes the Entity to legal and contractual disputes, creates uncertainty regarding the enforceability of contractual obligations and may compromise the integrity and fairness of the procurement process.

7. Irregular evaluation of bids in the procurement of consultancy services for review and development of ICT Security Policy for LGFC worth UGX 58,884,100 where both technical and financial proposals were opened at the same date on 29th November 2024 and evaluation of both technical and financial proposals conducted at once contrary to Regulation of 57 (1) of the PPDA (Procurement of Consultancy Services) Regulations, 2023.

8. Failure to dispose of obsolete assets contrary to Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023. This may result in continued maintenance and storage costs, deterioration in asset value, inefficient asset management and loss of potential revenue from disposal

9. Delayed payments to Sunday Agencies Ltd by three months for printing and supply of A5 Note books spiral bound - branded, branded ball pens, calendars A2, diaries A5 - branded and diaries B6-branded amounting to UGX 38,987,200. This may discourage reputable suppliers from participating in future procurements, increase procurement costs through risk pricing, expose the Entity to contractual disputes and adversely affect its reputation in the supplier market.

10. Failure to maintain contract management records on file in 10 sampled procurements worth UGX 767,459,945 contrary to Section 33 (o) of the Public Procurement and Disposal of Public Assets (PPDA) Act Cap. 205.Contract Management Plans and progress reports were not kept on file. This may hinder effective contract monitoring, reduce accountability and transparency and limit the availability of audit evidence to demonstrate compliance with contractual obligations of parties

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

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

    i) Establish an audit recommendation register and quarterly monitoring to implement all the Authority's recommendations in accordance with Section 10 (1) (a) of the PPDA Act Cap. 205.

    ii) Conduct of annual Boards of Survey and expedite disposal of obsolete assets to avoid further deterioration and create space for storage of useful assets in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023.

    iii) Strengthen cash flow forecasting and commitment controls to ensure that procurements are initiated only where funding is reasonably assured and suppliers full payments are processed within contractual timelines in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023 and as spelt out in the Special Conditions of contract.

2. The Head, Procurement and Disposal Unit should:

   i) Conduct quarterly procurement plan reviews to align planned procurements with prevailing market conditions. Any variations should be formally approved and reflected in updated procurement plans in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023

   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) Review and seek approval of technical specifications before issuance of bidding documents such that they are complete, accurate and sufficient to promote competition, facilitate objective bid evaluation and achieve value for money as per Regulation 34 (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non -Consultancy Services) Regulations, 2023.

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

   v) Closely monitor bid validity periods throughout the procurement process and obtain requests for extension of bid validity from bidders before expiry of the bids where procurement proceedings cannot be concluded within the original validity period.

   vi) Adequately train Evaluation Committees and strengthen oversight to strictly adhere to the evaluation criteria outlined in the bidding documents as per Regulation 5 (2) of the PPDA (Evaluation) Regulations, 2023.

   vii) Establish and enforce a records management system to ensure that all contract management documentation is properly maintained, filed, and archived throughout the procurement lifecycle. Periodic file reviews should be conducted to confirm completeness and compliance with record-keeping requirements.

The Local Government Finance Commission should implement the recommended action plan on page 18-19.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance audit of Local Government Finance Commission for the Financial Year 2024/2025 and reviewed 10 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, the PPDA Regulations, 2023 and PPDA Guidelines.

1.2 Audit Objectives

The overall objective of the compliance audit was to assess and establish the degree of compliance of the Local Government Finance Commission'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.

The specific objectives of the audit were to:

1. Establish 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 PPDA Guidelines;
2. Assess the degree of compliance with the PPDA Act Cap. 205 and PPDA Regulations, 2023 and PPDA Guidelines in the conduct of disposal activities; and
3. Assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements where applicable.

1.3 Structure of the Entity

The Local Government Finance Commission (LGFC) is established under Article 194 (1) of the Constitution of the Republic of Uganda (1995) with the mandate and functions as defined under Article 194 (4) of the Constitution and the operational framework as provided for in the Local Government Finance Commission Act (2003).

The core functions of the Commission include advising the President on all matters concerning the distribution of revenue between the Government and Local Governments and the allocation to each Local Government of money out of the consolidated fund.

According to Section 28 of the PPDA Act Cap. 205, the Accounting Officer has the overall responsibility for the successful execution of procurement, disposal and contract management in a Procuring and Disposing Entity. The Accounting Officer of Local Government Finance Commission during the Financial Year under review was Mr. Adam Babale, the Commission Secretary.

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	Position on Committee
1.	Mr. Johnson Gumisiriza	Chairperson
2.	Ms. Jean Bageya	Secretary
3.	Ms. Evelyne Kwesiga	Member
4.	Ms. Maria Nakyagaba	Member
5.	Ms. Kate Apio	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. Mildred Kasiisa.

1.4 Compliance audit scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation of 10 transactions under Financial Year 2024/25 ***(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 10th April 2026, the Entity was notified about the audit exercise. A sample of 10 procurement transactions conducted in the Financial Year 2024/2025 was selected based on stratified random sampling. An audit launch meeting was held on 30th 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 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 16th June 2026 between the audit team and the Entity's officials. A management letter was issued to the Entity for management's response on 18th June 2026 and the Entity's responses to the raised issues were received on 25th 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 TWO: FINDINGS OF THE AUTHORITY

2.1 Compliance by the Procuring and Disposing Entity (PDE) with the general provisions of the PPDA Act Cap. 205, PPDA Regulations, 2023 and PPDA Guidelines

2.1.1 Failure to implement all planned procurements

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

A review of the records revealed that the Entity implemented procurements worth UGX 2,023,757,178 against a planned procurement budget of UGX 2,317,579,701 resulting in a procurement plan implementation rate of 87%. The failure to fully implement all procurement planned activities was mainly attributed to inadequate alignment between procurement planning and periodic procurement plan reviews.

The variance of UGX 293,822,523 suggests delayed implementation of planned activities and reduced realization of Commission objectives. The procurement plan implementation is indicated in Table 1 below:

Table 2: Procurement Plan Implementation

Analysis of procurement spend	
Total procurement budget/plan value inclusive VAT (UGX)	2,317,579,701
Total procurement spend value inclusive VAT (UGX)	2,023,757,178
Procurement plan implementation (%)	87%
Budget Variance (UGX)	293,822,523

Implication

Failure to implement all planned procurements may result in failure to acquire critical Commission operational requirements, thereby affecting the Entity's ability to effectively offer credible and evidence-based advice to the government on financing of Local Governments.

Management response

All goods and services were procured based on the requests made. The plan was implemented at 87%. The variance of UGX. 293,822,523 was due to estimated budgets being higher than the actual budgets or invoices.

Recommendation

The Authority noted the Entity's response where the variance was due to estimated budgets being higher the actual spends and recommends that the Head, Procurement and Disposal Unit should institute quarterly procurement plan reviews to align planned procurements with prevailing market conditions. Any variations should be formally approved and reflected in updated procurement plans in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023.

2.1.2 Failure to fully implement previous audit recommendations for the FY 2022/2023

Section 10(1)(a) of the PPDA Cap 205 states that: "*Where there is persistent breach of this Act or regulations made, or guidelines issued, under this Act, the Authority may- (a) direct the concerned Procuring and Disposing Entity to take such corrective action, as may be necessary in the circumstances, to rectify the breach.*"

Whereas the Authority made four recommendations in the previous audit report for the Financial Year 2022/2023, the audit noted that the Entity did not fully implement two recommendations (50%) as indicated in Table 3 below:

Table 3: Status of Implementation for FY 2022/23 Recommendations

No.	Recommended Action	Status	Management Response
1.	The Accounting Officer with the assistance of the Internal Auditor should closely monitor implementation of PPDA recommendations so as to strengthen internal controls in accordance with Regulation 32 of the PPDA Regulations, 2014	Partially implemented	*The Commission will continue to ensure that internal controls are followed*
2.	Contract Managers should ensure that contract supervision is effectively carried out to ensure that terms and conditions of the contract are met as required under Regulation 53 (1) a & b of the PPDA (Contracts) Regulations, 201 4. Not implemented	Partially implemented	*The Commission will ensure that Contract Managers report in accordance with the law*

Implication

Failure to fully 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.

Recommendation

The Entity's response is noted and the Authority recommends that the Accounting Officer should establish an audit recommendation register and quarterly monitoring to implement all the Authority's recommendations in accordance with Section 10 (1) (a) of the PPDA Act Cap. 205.

2.1.3 Issuance of inadequate bidding documents

The Authority noted missing and misleading information in the bidding documents issued to bidders. 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 4 below:

Table 4: Procurements where bidding documents issued missed key requirements and contained misleading information

No.	Subject of procurement	Exceptions
1.	One brand new Station Wagon motor vehicle for the Chairperson	• No requirement to submit a signed copy of the Beneficial Ownership Declaration form contrary to

No.	Subject of procurement	Exceptions
	LGFC/SUPLS/2024/2025 /00037MA CFAO Mobility Uganda Ltd UGX 360,000,000	Circular No.4 of 2022 issued by the Authority on 25th April 2022. • No date stated for bidders to request for clarification under Section 2: Bid Data Sheet ITB 7. This may lead to disagreements leading to unnecessary delays in the procurement process. • Required submission of both a Bid Security of UGX 7,200,000 and a Bid Securing Declaration under Section 2: Bid Data Sheet ITB 21.7. This procurement required submission of only the Bid Security since it was conducted under Open Domestic Bidding procedures. • Did not state the post-qualification criteria under Part E of Section 3: Evaluation Methodology and Criteria. This could result into subjectivity in the evaluation of bids.
2.	Hotel and Conference facilities services for training on audit and governance full board 15 participants residents and 12 non residents LGFC/NCONS/2024/202 5/0254Mi VICTORIA RESORT HOTEL ENTEBBE LTD T/A Protea Hotel by Marriott Entebbe UGX 49,691,250	No bidding document was prepared and issued to the bidder. The audit could not ascertain how the bidder was invited to offer the services. Failure to prepare and issue a bidding document results into award of contracts without prior set terms and conditions.
3.	Printing and supply of Shirts, T-shirts, caps, lepple pins, designed bags — lap top size, banners, tear drop and back drop LGFC/SUPLS/2024/2025 0127Mi Vania Holdings Ltd UGX 26,675,000	• No requirement to submit a signed copy of the Beneficial Ownership Declaration form contrary to Circular No.4 of 2022 issued by the Authority on 25th April 2022. • No requirement to submit evidence of experience in terms of prior contracts executed by bidders. This could expose the Entity to incapable providers. • The Special Conditions of the Contract were left blank such as the delivery period, the payment period, place of delivery and others. This could result into conflict at contract execution due to unstated Special Conditions of the Contract.
4.	Review and development of ICT security policy for LGFC LGFC/NCONS/2024/202 5/0099Ma MMILA Technologies Limited UGX 58,884,100	• No requirement to submit a signed copy of the Beneficial Ownership Declaration form contrary to Circular No.4 of 2022 issued by the Authority on 25th April 2022. • No key staff were required: Section 1: Instructions to Consultants required submission of CV's of key staff without mentioning the key staff. This could

No.	Subject of procurement	Exceptions
		render evaluation of bids subjective without clarity on the key staff. • Provided for inappropriate Evaluation Methodology: Whereas this was a consultancy service, the Entity opted to use Technical Compliance Methodology without considering the recommended evaluation methods such as quality and cost-based evaluation methodology, fixed budget and others.
5.	Supply of Toner/cartridges 26A, Toner/cartridges 59A, Toner/cartridges 80A, e-studio Toshiba 5015A PS — ZTFC415P Y KIIX (Yellow), Studio Toshiba 5015A ZTFC415P M KIIX (Magenta), e-studio Toshiba LGFC/SUPLS/2024/2025 /0207Mi Dianto Enterprises Ltd UGX 28,631,520	• No requirement to submit a signed copy of the Beneficial Ownership Declaration form contrary to Circular No.4 of 2022 issued by the Authority on 25th April 2022. • Did not provide for the Special Conditions of the Contract in the issued bidding document for example mechanism for resolution of disputes, currency of payment and payment period and others. • Did not require submission of delivery and completion schedules. This could make monitoring the response times impractical after issuing Call-off Orders.
6.	Toner cartridges 26A,59A, 81A and Toshiba cartridges LGFC/SUPLS/2024/2025 /00039Mi Sunday Agencies Limited UGX 29,028,000	• No requirement to submit a signed copy of the Beneficial Ownership Declaration form contrary to Circular No.4 of 2022 issued by the Authority on 25th April 2022. • Did not provide for the Special Conditions of the Contract in the issued bidding document for example mechanism for resolution of disputes, currency of payment and payment period and others. • Did not require submission of delivery and completion schedules: This could make monitoring the response times impractical after issuing call off orders
7.	Hotel facilities for negotiations on conditional grants LGFC/NCONS/2024/202 5/00041M i Piato Restaurant Ltd UGX 81,986,400	• No requirement to submit a signed copy of the Beneficial Ownership Declaration form contrary to Circular No.4 of 2022 issued by the Authority on 25th April 2022. • Did not provide for the Special Conditions of the Contract in the issued bidding document for example mechanism for resolution of disputes, currency of payment and payment period and others.
8	Printing and Supply as per approved samples, A5 Note books spiral bound - branded,	• No requirement to submit a signed copy of the Beneficial Ownership Declaration form contrary to

No.	Subject of procurement	Exceptions
	Branded ball pens, Calendars A2, Diaries A5 - branded and Diaries B6 – branded LGFC/SUPLS/2024/2025 0127Mi SUNDAY AGENCIES LIMITED UGX 38,987,200	Circular No.4 of 2022 issued by the Authority on 25th April 2022. • Did not provide for the Special Conditions of the Contract in the issued bidding document for example mechanism for resolution of disputes, currency of payment and payment period and others. • Did not require submission of delivery and completion schedules. This could make monitoring the response times impractical after issuing call off orders
9.	Repair for motor vehicle Reg: No: UG 1230R LGFC/NCONS/2024/202 5/00047Mi Glory General Engineering Limited UGX 17,947,800	• No requirement to submit a signed copy of the Beneficial Ownership Declaration form contrary to Circular No.4 of 2022 issued by the Authority on 25th April 2022. • Did not provide for the Special Conditions of the Contract in the issued bidding document for example mechanism for resolution of disputes, currency of payment and payment period and others. • Did not require submission of delivery and completion schedules. This could make monitoring the response times impractical after issuing Call-off Orders.

The issuance of inadequate bidding documents indicated failure by the Procurement and Disposal Unit to scrutinise the bidding documents before submission to the Contracts Committee for approval who also fell short in reviewing the submitted documents.

Implication
Issuance of inadequate bidding documents may result in bidder submission of non-responsive bids, reduced competition, increased procurement disputes, and delays in completion of procurement proceedings.

Management Response
In future more attention will be given to the quality of the bidding documents and ensure compliance with the regulations and the guidelines.

Recommendation
The Authority noted the Entity's response and recommends that the Contracts Committee and Head, 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.

2.3.2 Inadequate Specifications

Section 64 (2) of the PPDA Act Cap. 205 states that "*A statement of requirements shall give a correct and complete description of the object of procurement or disposal activity for purposes of creating fair and open competition*". Contrary to the above provision, the audit revealed that in the procurement of printing and supply of Shirts, T-shirts, caps, lapel pins, designed bags-laptop size, banners, tear drop and back drop worth UGX 26,675,000, the specifications attached did not explicitly describe the requirements.

The requirements only stated T-shirts, Shirts, caps, lapel pens, designed bags- laptop size, banners, tear drop and back drop without detailing for instance the size of T-shirts and shirts and the wordings to be used when branding.

This was as a result of failure of the User Departments to initiate procurements with proper description of the requirements attached. Review of the above procurement indicated that initiation was not backed by adequate description of the requirements.

Implication

Issuing inadequate specifications to bidders increases the risk of unfair competition, procurement of goods that do not meet the Entity's requirements, contract disputes, cost over runs, implementation delays and failure to achieve value for money.

Management Response

In future, the Commission will secure samples that will be used by bidders to submit bidding documents.

Recommendation

The Authority noted the Entity's response and recommends that the Head, Procurement and Disposal Unit should review and seek approval of technical specifications before issuance of bidding documents such that they are complete, accurate and sufficient to promote competition, facilitate objective bid evaluation and achieve value for money as per Regulation 34 (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non -Consultancy Services) Regulations, 2023.

2.1.5 Noncompliance with Reservation Schemes to promote the Participation of registered Associations of Women, Youth and Persons with Disabilities

Paragraph 2 of the PPDA Guideline 11/2024 on reservation schemes seeks to promote the participation of registered associations of Women, Persons with Disabilities and Youth, 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 the Entity had not prequalified providers in the category of registered Associations of Women, Youth and Persons with Disabilities and hence no such opportunities were extended to such groups.

Implication

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

Management Response

In the FY 2024/2025 Special Interest Groups were not considered, most of the small items were covered under framework contract. In the FY 2026/2027, there will be a provision for Special Interest Groups.

Recommendation

The Entity's response was noted and the Authority recommends that the Head, Procurement and Disposal Unit should identify eligible procurements during procurement planning, maintain a register of certified Special Interest Group providers and monitor quarterly achievement of the mandatory 15% reservation target.

2.1.6 Signing of a contract against an expired bid

Regulation 6 (c) of the PPDA (Contracts) Regulations, 2023 states that "*A Procuring and Disposing Entity shall not issue a contract, purchase order, or other communication in any form, conveying acceptance of a bid that binds a Procuring and Disposing Entity to a contract with a provider, except if the bid is valid or the bidder is willing to extend the bid validity on terms similar to the terms stated in their bid*".

Contrary to the above provision, the Entity signed a contract with CFAO Mobility Uganda Ltd to supply one Station Wagon at UGX 360,000,000. The contract was signed on 25th November 2024 against an expired bid of 22nd November 2024.

This was due to the failure by the Head, Procurement and Disposal Unit to closely monitor the bid validity period throughout the procurement process and request for extension of bid validity before expiry.

Implication

Signing a contract based on an expired bid exposes the Entity to legal and contractual disputes, creates uncertainty regarding the enforceability of contractual obligations and may compromise the integrity and fairness of the procurement process.

Management Response

- *I agree this was an oversight the bid validity expired on 22nd November 2024 and the contract was signed on 25th November 2024.*
- *Going forward the PDU will ensure such incidents do not occur.*

Recommendation

The Entity's response was noted and the Authority recommends that the Head, Procurement and Disposal Unit should closely monitor bid validity periods throughout the procurement processes and obtain requests for extension of bid validity from bidders before expiry of the bids where procurement proceedings cannot be concluded within the original validity period.

2.1.7 Irregular evaluation of bids

Regulation 5 (2) of the PPDA (Evaluation) Regulations, 2023 provides that; *'an Evaluation Committee shall not, during an evaluation, make an amendment or addition to the evaluation criteria stated in the bidding document, and shall not use any other criteria other than the criteria stated in the bidding document'.*

Audit revealed irregularities in the evaluation of bids for the procurement of consultancy services for review and development of ICT Security Policy for LGFC worth UGX 58,884,100 where both technical and financial proposals were opened at the same date on 29th November 2024 and evaluation of both technical and financial proposals conducted at once.

Whereas the evaluation criteria stated in the bidding documents indicated that the financial proposals were to be kept unopened and the Evaluation Committee would not have access to financial information until the detailed technical evaluation was concluded, both technical and financial were opened and evaluated at the same time which was irregular contrary to Regulation of 57 (1) of the PPDA (Procurement of Consultancy Services) Regulations, 2023.

Implication

Deviations from the stated evaluation criteria compromises the integrity and credibility of the procurement process, increases the risk of unfair contract awards, and exposes the Entity to procurement disputes and failure to achieve value for money.

Management Response

This was an anomaly on the part of the bid opening panel. In future proposals will be opened separately. PDU will guide the evaluation committee as recommended.

Recommendation

The Authority noted Entity's response. However, there was no documentary evidence provided to indicate that the stated evaluation criteria was adhered to and the Authority recommends that the Head, Procurement and Disposal Unit should adequately train Evaluation Committees and strengthen oversight to strictly adhere to the evaluation criteria outlined in the bidding documents as per Regulation 5 (2) of the PPDA (Evaluation) Regulations, 2023.

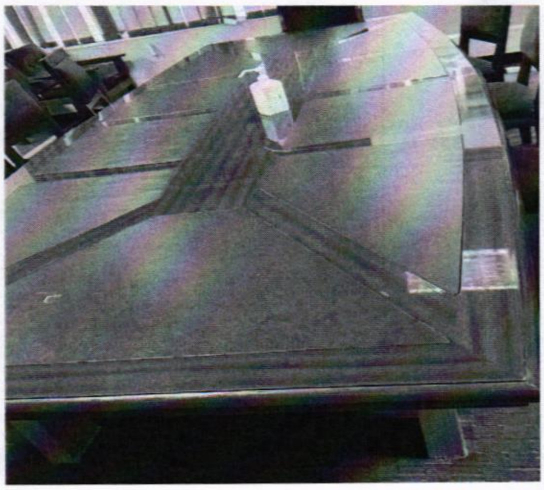
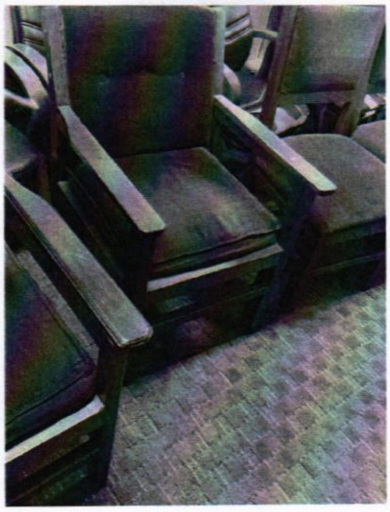
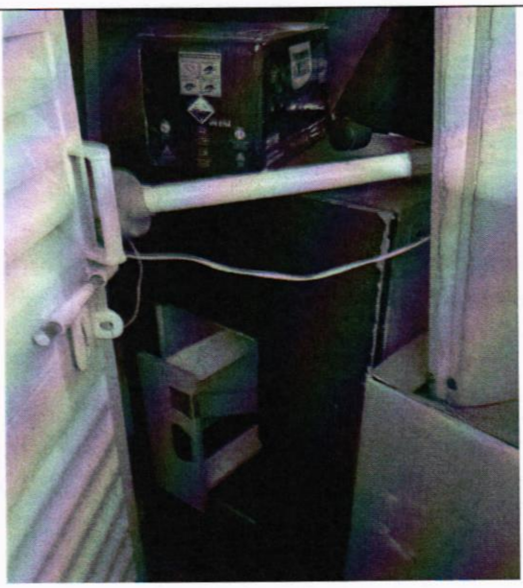
2.2. Compliance with the PPDA Act Cap. 205 and PPDA Regulations, 2023 in the conduct of disposal activities

2.2.1 Failure to dispose of obsolete 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 audit revealed that the Entity had not disposed of assets including chairs, sofa sets, office tables, conference tables, computer and printer tables, centre table, Book shelf, office blinds, assorted dilapidated furniture in basement storage space and motor Vehicles including Toyota Hilux UG0700014/UG 1225R, Mazda UG 0920B, Toyota Hillux UG 0700010/UG 1229R, Ford Everest UG 0901B and Toyota Hillux UG 07000017/UG 1230R that were due for disposal as shown in Table 6 below:

Table 6: Pictorial evidence of some of the Assets due for disposal

Implication

Failure to identify and plan for disposal of obsolete assets may result in continued maintenance and storage costs, deterioration in asset value, inefficient asset management, and loss of potential revenue from disposal.

Management Response

This has been noted. The Commission undertakes to expedite disposal of all assets identified through the board of survey and approved by the Commission in the FY 2026/2027.

Recommendation

The Authority noted Management's response and recommends that the Accounting Officer should conduct annual Boards of Survey and expedite disposal of obsolete assets to avoid further deterioration and create space for storage of useful assets in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023.

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

2.3.1. Delayed payment by three months

Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023 states that the period for payment shall be thirty days from certification of invoices, except where this is varied in the Special Conditions of the Contract. The audit revealed that the Entity delayed to pay Sunday Agencies Limited for printing and supply of A5 Note books spiral bound - branded, branded ball pens, calendars A2, diaries A5 - branded and diaries B6-branded amounting to UGX 38,987,200 for a period of three months.

The supplier's invoice was submitted on 20th January 2025 after delivery of supplies on 19th December 2024.The invoice was fully processed for payment on 22nd May 2025 creating a delay of three months after expiry of thirty days. The delayed payment was attributed to poor contract monitoring and inadequate cash flow planning to align commitments with the available funds.

Implication
Delayed payment may discourage reputable suppliers from participating in future procurements, increase procurement costs through risk pricing, expose the Entity to contractual disputes and adversely affect its reputation in the supplier market.

Management Response
Payment for Sunday Agencies limited for procurement Ref: No. LGFC/SUPLS/2024/2025/00127MA was paid in instalments, the first payment of UGX. 30,000,000 was made in February 2025.

The second and last payment of UGX. 8,320,000 was made in May 2025. The delay in payment was because the funds were not enough in the quarter to clear the total invoice at once.

Recommendation
The Entity's response was noted and the Authority recommends that the Accounting Officer should strengthen cash flow forecasting and commitment controls to ensure that procurements are initiated only where funding is reasonably assured and supplier's full payments are processed within contractual timelines in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023 and as spelt out in the Special Conditions of contract.

2.3.2 Failure to maintain contract management records on file
Section 33 (o) of the Public Procurement and Disposal of Public Assets (PPDA) Act Cap. 205 which states that *"A procurement and disposal unit shall maintain and archive records of the procurement and disposal process"*. A review of the sampled procurements revealed that the Entity did not maintain contract management plans and reports in all 10 sampled procurements worth UGX 767,459,945.

The anomaly was attributed to weak records management practices, inadequate supervision of Contract Managers and failure by the Head, Procurement and Disposal Unit to comply with record keeping requirements.

Implication
Failure to maintain complete contract management records may hinder effective contract monitoring, reduce accountability and transparency and limit the availability of audit evidence to demonstrate compliance with contractual obligations of parties.

Management Response
The Commission will ensure that all contract managers file contract performance reports and this will help in proper contract management.

Recommendation
The Authority takes note of the Entity's response and recommends that the Head, Procurement and Disposal Unit should establish and enforce a records management system to ensure that all contract management documentation is properly maintained, filed and archived throughout the procurement lifecycle. Periodic file reviews should be conducted to confirm completeness and compliance with record-keeping requirements.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall audit Conclusion

The Procurement and Disposal activities of Local Government Finance 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 87%, failure to fully implement 50% of previous audit recommendations, issuance of inadequate bidding documents and specifications, non-compliance with reservation schemes for Special Interest Groups, irregular evaluation of bids, failure to dispose of obsolete assets, delayed payments 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, preparation of bidding documents, specification development, bid evaluation, contract award, supplier payments and contract management.

Accordingly, the performance of Local Government Finance Commission for FY 2024/2025 is assessed as **Moderately Satisfactory**, with an overall weighted average risk rating of **32.45%**, 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 Local Government Finance Commission

Risk Rating	No.	%No	Value (UGX)	% Value	Weights	Total Weighted Score	
						By No.	By Value
High	0	0	0	0	0.6	0	0
Medium	4	40	495,250,350	64.5	0.3	12	19.4
Low	5	50	196,580,920	25.6	0.1	5	2.56
Satisfactory	1	10	75,628,675	9.8	0	0	0
Total	**10**	**100**	**767,459,945**	**100**	**1**	**17**	**21.96**

Weighted Average by number = $\frac{\sum \text{Weighted Score by number}}{60}$ X 100 = $\frac{17 \times 100}{60}$ = 28.3%

Weighted Average by value = $\frac{\sum \text{Weighted Score by value}}{60}$ X 100 = 21.96 $\frac{\times 100}{60}$ = 36.6.7%

The average weighted risk rating = $\frac{28.3\% + 36.6\ \%}{2}$ = 32.45%

Since **32.45%** falls within the **0-30** 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

GRAPHICAL REPRESENTATION OF THE ENTITY'S PERFORMANCE

Figure 1 showing performance by number of contracts

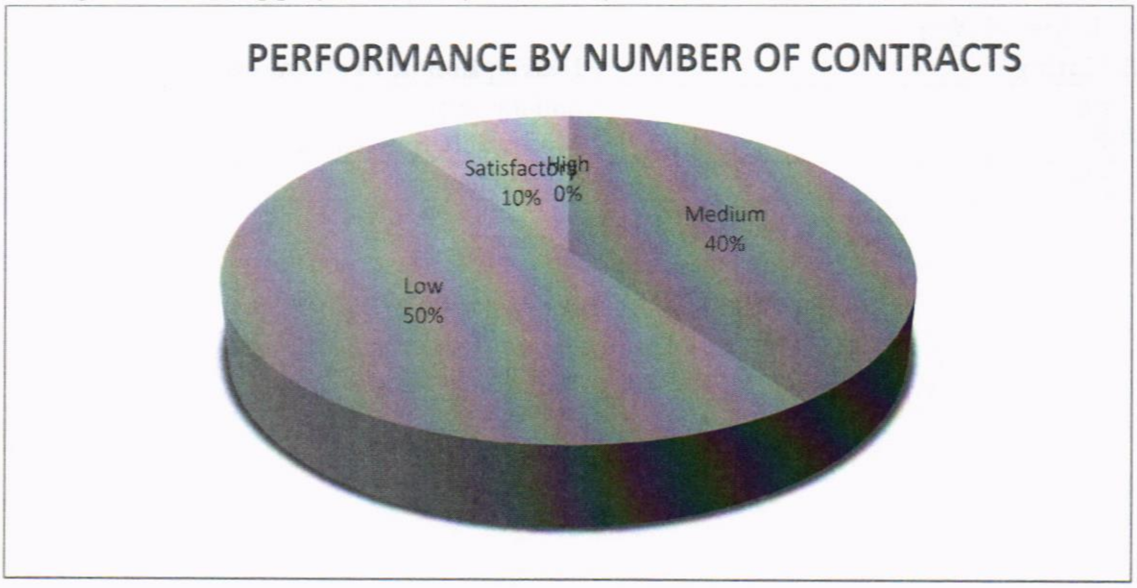
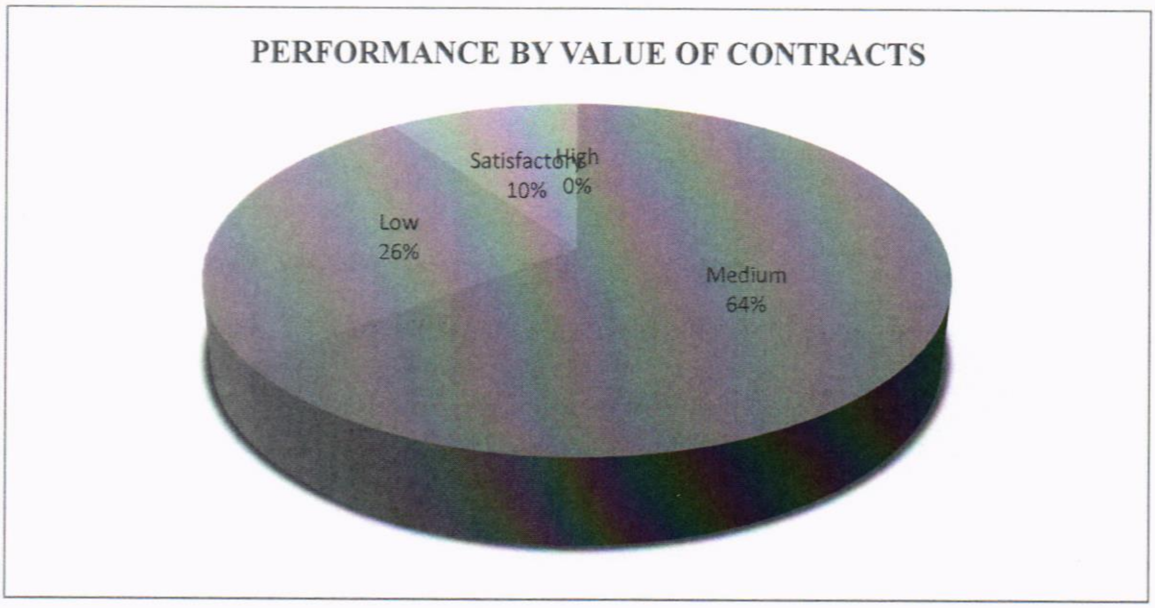


Figure 2 showing performance by value of contracts



3.3 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**
Failure to implement all planned procurements	Conduct quarterly procurement plan reviews and update plans	Accounting Officer / Head PDU	Quarterly
Failure to implement audit recommendations	Establish audit recommendation register and quarterly monitoring	Accounting Officer	Within 30 days
Issue of inadequate bidding documents	Strengthen quality assurance reviews of solicitation documents before issue to bidders	Head PDU/Contract Committee	Within 30 days
Inadequate specifications	Review and seek approval of technical specifications before issuance of bidding documents	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
Signing of a contract against an expired bid	Closely monitor bid validity periods throughout the procurement process	HPDU	Within 30 days
Irregular Evaluation of bids	Adequately train Evaluation Committees and strengthen oversight to strictly adhere to the evaluation criteria outlined in the bidding documents	HPDU	Within 30 days
Failure to dispose of obsolete assets	Expedite disposal of obsolete assets to avoid further deterioration	Accounting Officer/HPDU	Within 1st Quarter of FY 2026/2027
Delayed payment to Sunday Agencies Ltd by three months	Strengthen cash flow forecasting and procurement commitment controls	Finance/Accounting Officer	Within 60 days
Failure to maintain contract	Establish and enforce a robust records management system	HPDU	Within 30 days

Finding	Action/Recommendation	Responsible officer	Timeline
management records on file			

Appendix 1: Findings and Rating on the individual contracts reviewed

No.	Medium Risk Contracts	Reason for Risk Rating
1.	One brand new Station Wagon motor vehicle for the Chairperson LGFC/SUPLS/2024/2025 /00037MA CFAO Mobility Uganda Ltd UGX 360,000,000	• No requirement to submit a signed copy of the Beneficial Ownership Declaration form contrary to Circular No.4 of 2022 issued by the Authority on 25th April 2022. • No date stated for bidders to request for clarification under Section 2: Bid Data Sheet ITB 7. This may lead to disagreements leading to unnecessary delays in the procurement process. • Required submission of both a Bid Security of UGX 7,200,000 and a Bid Securing Declaration under Section 2: Bid Data Sheet ITB 21.7. This procurement required submission of only the Bid Security since it was done under Open Domestic Bidding procedures. • Did not state the post qualification criteria under Part E of Section 3: Evaluation Methodology and Criteria. This could result into subjectivity in evaluation of bids.2025. • Signing if a contract against an expired bid. The Entity signed a contract with CFAO Mobility Uganda Ltd to supply one station wagon at UGX 360,000,000. The contract was signed on 25th November 2024 against an expired bid of 22nd November 2024
2.	Hotel and Conference facilities services for training on audit and governance full board 15 participants residents and 12 non residents LGFC/NCONS/2024/202 5/0254Mi VICTORIA RESORT HOTEL ENTEBBE LTD T/A Protea Hotel by Marriott Entebbe UGX 49,691,250	No bidding document was prepared and issued to the bidder. The audit could not find out how the bidder was invited to offer the services. Failure to prepare and issue a bidding document results into award of contracts without prior set terms and conditions of the Contract.

3.	Printing and supply of Shirts, T-shirts, caps, lepple pins, designed bags — lap top size, banners, tear drop and back drop LGFC/SUPLS/2024/2025 0127Mi Vania Holdings Ltd UGX 26,675,000	• No requirement to submit a signed copy of the Beneficial Ownership Declaration form contrary to Circular No.4 of 2022 issued by the Authority on 25th April 2022. • No requirement to submit evidence of experience in terms of prior contracts executed by bidders. This could expose the Entity to incapable providers. • The Special Conditions of the Contract were left blank like the delivery period, the payment period, place of delivery and others. This could result into conflict at contract execution due to unstated Special Conditions of the Contract. • Inadequate specifications. The requirements only stated T-shirts, Shirts, caps, lapel pens, designed bags- laptop size, banners, tear drop and back drop without detailing for instance the size of T-shirts and shirts, the wordings to be used when branding
4.	Review and development of ICT security policy for LGFC LGFC/NCONS/2024/202 5/0099Ma MMILA Technologies Limited UGX 58,884,100	• No requirement to submit a signed copy of the Beneficial Ownership Declaration form contrary to Circular No.4 of 2022 issued by the Authority on 25th April 2022. • No key staff were required. Section 1: Instructions to Consultants required submission of CVS of key staff without mentioning the key staff. This could render evaluation of bids subjective without clarity on the key staff. • Provided for inappropriate Evaluation Methodology. Whereas this was a Consultancy service, the Entity opted to use Technical Compliance methodology without considering the recommended evaluation methods such as quality and cost-based evaluation methodology, fixed budget and others. • Both technical and financial proposals were opened at the same date on 29th November 2024 and evaluation of both technical and financial proposals conducted at once.
No.	**Low Risk Contracts**	**Reason for Risk Rating**

1.	Supply of Toner/cartridges 26A, Toner/cartridges 59A, Toner/cartridges 80A, e-studio Toshiba 5015A PS — ZTFC415P Y KIIX (Yellow), Studio Toshiba 5015A ZTFC415P M KIIX (Magenta), e-studio Toshiba LGFC/SUPLS/2024/2025 /0207Mi Dianto Enterprises Ltd UGX 28,631,520	• No requirement to submit a signed copy of the Beneficial Ownership Declaration form contrary to Circular No.4 of 2022 issued by the Authority on 25th April 2022. • Did not provide for the Special Conditions of the Contract in the issued bidding document for example Mechanism for resolution of disputes, currency of payment and payment period and others. • Did not require submission of delivery and completion schedules. This could make monitoring the response times impractical after issuing call off orders.
2.	Toner cartridges 26A,59A, 81A and Toshiba cartridges LGFC/SUPLS/2024/2025 /00039Mi Sunday Agencies Limited UGX 29,028,000	• No requirement to submit a signed copy of the Beneficial Ownership Declaration form contrary to Circular No.4 of 2022 issued by the Authority on 25th April 2022. • Did not provide for the Special Conditions of the Contract in the issued bidding document for example Mechanism for resolution of disputes, currency of payment and payment period and others. • Did not require submission of delivery and completion schedules. This could make monitoring the response times impractical after issuing call off orders.
3.	Hotel facilities for negotiations on conditional grants LGFC/NCONS/2024/202 5/00041M i Piato Restaurant Ltd UGX 81,986,400	• No requirement to submit a signed copy of the Beneficial Ownership Declaration form contrary to Circular No.4 of 2022 issued by the Authority on 25th April 2022. • Did not provide for the Special Conditions of the Contract in the issued bidding document for example Mechanism for resolution of disputes, currency of payment and payment period and others.
4.	Printing and Supply as per approved samples, A5 Note books spiral bound - branded, Branded ball pens, Calendars A2, Diaries A5 - branded and Diaries B6 – branded LGFC/SUPLS/2024/2025 0127Mi SUNDAY AGENCIES LIMITED UGX 38,987,200	• No requirement to submit a signed copy of the Beneficial Ownership Declaration form contrary to Circular No.4 of 2022 issued by the Authority on 25th April 2022. • Did not provide for the Special Conditions of the Contract in the issued

		bidding document for example Mechanism for resolution of disputes, currency of payment and payment period and others. • Did not require submission of delivery and completion schedules. This could make monitoring the response times impractical after issuing call off orders.
5.	Repair for motor vehicle Reg: No: UG 1230R LGFC/NCONS/2024/202 5/00047Mi Glory General Engineering Limited UGX 17,947,800	• No requirement to submit a signed copy of the Beneficial Ownership Declaration form contrary to Circular No.4 of 2022 issued by the Authority on 25th April 2022. • Did not provide for the Special Conditions of the Contract in the issued bidding document for example Mechanism for resolution of disputes, currency of payment and payment period and others. • Did not require submission of delivery and completion schedules. This could make monitoring the response times impractical after issuing call off orders.
Satisfactory		
1.	Air tickets to Cape town South Africa for Ob Commissioners and 04 Senior Officers LGFC/NCONS/2024/202 5/0197Mi Speedwing Travel Centre UGX 75,628,675	

APPENDIX 2: AUDIT SAMPLE LIST FOR LOCAL GOVERNMENT FINANCE COMMISSION FOR THE FINANCIAL YEAR 2024-2025

No	Procurement Reference Number	Subject of Procurement	Procurement Method	Service Provider	Contract Amount in UGX	Risk Rating
1.	LGFC/SUPLS/2024/2025 /0037MA	One brand new Station Wagon motor vehicle for the Chairperson	Open Domestic Bidding/National (ODB)	M/s CFAO Mobility Uganda Ltd	360,000,000	Medium
2.	LGFC/NCONS/2024/2025/00041M i	Hotel facilities for negotiations on conditional grants for FY 2025/2026 from 26th August 2024 to 05th September 2024 Morning Break Teas & Snacks, lunch buffet & soft drinks, evening break te	Open Domestic Bidding/National (ODB)	Piato Restaurant Ltd	81,986,400	Low
3.	LGFC/NCONS/2024/2025/0197Mi	lAir tickets to Cape town South Africa for Ob Commissioners and 04 Senior Officers (CS, DFA, DRR and SP	Direct Procurement (Direct)	SPEEDWING TRAVEL CENTRE	75,628,675	Satisfactory
4.	LGFC/NCONS/2024/2025/0099Ma	Review and development of ICT security policy for LGFC	Request for Quotation/Proposal (RFQ-RFP)	MMILA Technologies Limited	58,884,100	Medium
5.	LGFC/NCONS/2024/2025/0254Mi	Hotel and conference facilities services for training on audit and governance full board 15 participants residents and 12 non residents	Direct Procurement (Direct)	VICTORIA RESORT HOTEL ENTEBBE LTD T/A Protea Hotel By Marriott Entebbe	49,691,250	Medium
6.	LGFC/SUPLS/2024/2025 0127Mi	Printing and Supply as per approved samples, A5 Note books spiral bound - branded, Branded ball pens, Calendars	Open Domestic Bidding/National (ODB)	SUNDAY AGENCIES LIMITED	38,987,200	Low

No	Procurement Reference Number	Subject of Procurement	Procurement Method	Service Provider	Contract Amount in UGX	Risk Rating
		A2, Diaries A5 - branded and Diaries B6 - branded				
7.	LGFC/SUPLS/2024/2025 /00039Mi	Toner cartridges 26A,59A, 81A and toshiba cartridges	Open Domestic Bidding/National (ODB)	SUNDAY AGENCIES LIMITED	29,028,000	Low
8.	LGFC/SUPLS/2024/2025 /0207Mi	Supply of Toner/cartridges 26A,Toner/cartridges 59A,Toner/cartridges 80A, e-studio Toshiba 5015A PS — ZTFC415P Y KIIX (Yellow), Studio Toshiba 5015A ZTFC415P M KIIX (Magenta), e-studio Toshib	Open Domestic Bidding/National (ODB)	Dianto Enterprises Ltd	28,631,520	Low
9.	LGFC/SUPLS/2024/2025 0127Mi	Printing and supply of Shirts, T-shirts, caps, lepple pins, designed bags — lap top size, banners, tear drop and back drop	Request for Quotation/Proposal (RFQ-RFP)	Vania Holdings Ltd	26,675,000	Medium
10.	LGFC/NCONS/2024/202 5/00047Mi	Repair for motor vehicle Reg: No: UG 1230R - piston rings, piston, cylinder head gasket, engine overhaul gasket, main bearing, piece bearing, water pump, oil pump, thrust washers, inlet valve	Open Domestic Bidding/National (ODB)	Glory General Engineering Limited	17,947,800	Low
	TOTAL				**767,459,945**	

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.		