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

REPORT ON PROCUREMENT AND DISPOSAL AUDIT FOR MINISTRY OF LOCAL GOVERNMENT FOR FINANCIAL YEAR 2024/2025

JUNE 2026

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Acronyms

ESHS	Environmental, Social, Health and Safety
FY	Financial Year
GCC	General Conditions of Contract
LEGSP	Local Economic Growth Support Project
LTD	Limited
MoFPED	Ministry of Finance, Planning and Economic Development
NCONS	Non-Consultancy Services
MoLG	Ministry of Local Government
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
NoBEB	Notice of Best Evaluated Bidder

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a procurement and disposal audit of the Ministry of Local Government for the Financial Year 2024/2025 and reviewed 20 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, the PPDA Regulations, 2023, PPDA Guidelines, 2024 and the level of procurement performance over the audit period.

From the findings of the procurement and disposal audit, the performance of the Ministry of Local Government for FY 2024/2025 was **Moderately Satisfactory** with an overall weighted average risk rating of **36.9%.** 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. Issuance of inadequate bidding documents in four procurements worth UGX 3,444,652,803 with inconsistences such as failure to provide for requirements for Proposal and Performance Securing declarations contrary to Guideline 3 of 2024 on Bid and Performance Securities. This may result in bidder confusion, submission of non-responsive bids, reduced competition, increased procurement disputes and delays in completion of procurement proceedings.

2. Unjustified use of the direct procurement method in the procurement of Double-Cabin Pickups for District Chairpersons, City and Municipality Mayors worth UGX 35,098,000,000. The Entity used the direct procurement method without any justification contrary to Regulation 25 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. This denies the Entity the benefits of competition which may lead to costly procurements thus affecting achievement of value for money.

3. Failure to deliver a copy of the Notice of Best Evaluated Bidder to all bidders who participated in the bidding process in two procurements worth UGX 221,982,000 contrary to Regulation 3 (4) and (5) of the PPDA (Contracts) Regulations, 2023 this undermines the principle of transparency and may lead to unnecessary complaints.

4. Signing of a contract after expiry of the bid validity period in the supply of assorted visibility and branding materials for the PDM programme worth UGX 153,749,988. The contract was signed on 4th June 2025 yet the bid validity period had expired on 28th May 2025. This renders the contract null and void which exposes the Entity to the risk of potential litigation.

5. Delays in the procurement process by an average of four weeks in five procurements worth UGX 2,148,255,629. The delays included delayed confirmation of funding and delays during bid evaluation. Delays in bid evaluation prolong procurement lead times, delay contract award and implementation, increase the risk of bid expiry and may affect timely delivery of planned services and projects contrary to Section 51 of the PPDA Act Cap. 205.

6. Missing records such as Contract Management Plans, contract management records and payment records in 12 procurement transactions worth UGX 36,490,293,791 contrary to

Section 33 (0) of the PPDA Act Cap. 205 which requires the Procurement and Disposal Unit to maintain and archive records of the procurement and disposal process.

7. Non-compliance with Reservation Schemes to promote the Participation of registered Associations of Women, Youth and Persons with Disabilities contrary to PPDA Guideline 11/2024. 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 fully implement previous audit recommendations for the FY 2022/2023 contrary to Section 10 (1) (a) of the PPDA Act Cap. 205 where all the three audit recommendations were partially implemented. This leads to recurrence of audit findings, increases operational and compliance risks and undermines continuous improvement efforts.

9. Delay of one year in conducting the disposal process: The disposal was initiated on 30th September 2024 but by the time of the audit in June 2026, the disposal process had not been concluded. Assets held beyond their useful life or optimal disposal window are susceptible to further deterioration in condition and market value, resulting in potential revenue loss to the Entity.

10. Delayed delivery in the procurement for the supply and delivery of 16 motorcycles under the Local Economic Growth Support (LEGs) project worth UGX 92,000,000: The contract was signed on 22nd January 2025, with a contractual delivery time of three weeks after contract signing but by 3rd April 2025, the supplier indicated that they had not yet received any necessary instructions or confirmation on how to proceed with the delivery despite their readiness to deliver the motorcycles. This leads to delayed service delivery to the intended beneficiaries.

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

   ii) Expedite the disposal of the items in the Board of Survey report in accordance with the PPDA (Disposal) Regulations, 2023.

   iii) Prevail over Contract Managers to perform their functions in accordance with Regulation 52(1) (b) of the PPDA (Contracts) Regulations, 2023.

2. The Head, Procurement and Disposal Unit should:
   i) Ascertain that the statement of requirements in the prepared bidding documents define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

   ii) Use the direct procurement method only where conditions are met as per the legal framework, adequately justified and documented. Competitive methods should be employed whenever feasible to achieve value for money, transparency and fairness in accordance with Section 49 of the PPDA Act Cap 205.

iii) Open bids in a timely manner and have evaluation reports approved by the Contracts Committee in accordance with Section 76 (4) of the PPDA Act Cap. 205.

iv) 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.

v) Always deliver 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.

vi) 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 in accordance with Regulation 62 (5) of the PPDA (Rules and Methods Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023.

vii) Develop a tracking mechanism to address delays in procurement at the various stages in accordance with Section 51 of the PPDA Act Cap. 205.

viii) 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.

ix) Every three months prepare and submit to the Accounting Officer a report on all contracts signed by the Procuring and Disposing Entity, highlighting the problems encountered in managing the contracts in accordance with Regulation 52 (4) of the PPDA (Contracts) Regulations, 2023.

x) 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.

The Ministry of Local Government should implement the recommended action plan on page 19.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a procurement and disposal audit of Ministry of Local Government for the Financial Year 2024/2025 covering 20 sampled 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, 2024.

1.2 Audit Objectives

The overall objective of the audit was to assess and establish the degree of compliance of Entity's procurement system, process and disposal with the provisions of the PPDA Act Cap. 205, PPDA Regulations, 2023 and PPDA Guidelines, 2024 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 Guidelines 2024;
2. Assess the degree of compliance with the PPDA Act Cap. 205 and PPDA Regulations, 2023 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 Ministry of Local Government (MoLG) is responsible for guiding, inspecting, monitoring and advocating for all Local Governments, in support of Government's Vision 2040 objective to bring about socio-economic transformation in Uganda by turning it into a middle-income country.

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 Ministry of Local Government during the Financial Year under review was Mr. Benjamin Kumumanya, the Permanent Secretary to the Ministry.

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	Designation	Position on Committee
1.	Mr. Chris Nuwandida	Principal Inspector	Secretary
2.	Mr. Emmanuel Tigabirwe	Assistant Commissioner, District Administration	Member
3.	Dr. Kamaradi Masembe	Principal Inspector, District Inspection	Member
4.	Ms. Oundo Enid	Principal Assistant Secretary	Member

No	Name	Designation	Position on Committee
5.	Mr. Emmanuel Muhanguzi	Assistant Commissioner, Local Economic Development	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 Mr. Edson Balinda.

1.4 Procurement and disposal audit scope

The audit involved a review of the procurement process, the disposal process, general compliance issues and contract implementation of 20 transactions under the Financial Year 2024/25. ***(Appendix 2)***

1.5 Population and sample analysis

Table 2: Ministry of Local Government population and sample analysis

Method of procurement	Population Value (UGX)	Sample Value (UGX)	% By Value	Population by No.	Sample by Number	% By Number
Direct Procurement	44,273,600	-	-	1	-	-
Open Domestic Bidding	46,893,313,680	43,407,200,000	92.3	10	6	60
Request for quotation/Proposal (RFQ-RFP)	3,838,119,273	1,288,321,576	33.6	79	9	11.4
Shortlisting without publication of a notice of expression of interest	317,896,000	217,896,000	68.5	3	2	66.7
Micro Procurements	44,739,800	-	-	16	-	-
Total	**51,138,342,353**	**44,913,417,576**	**87.8**	**109**	**17**	**15.6**

1.6 Audit Methodology

On 13th April 2026, the Entity was notified about the audit exercise. A sample of 20 procurement transactions conducted in the Financial Year 2024/2025 was selected based on stratified random sampling. An audit launch meeting was held on Wednesday 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 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 11th June 2026 between the audit team and the Entity's officials. A management letter was issued to the Entity for management's response on 16th June 2026 and the Entity's responses to the raised issues were received on 23rd June 2026. The exit meeting was held on 23rd June 2026 at PPDA Head Office, PPDA-URF Towers, Nakasero Road, Kampala.

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 Guidelines 2024

2.1.1 Procurement plan implementation rate

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."*

The Authority assessed the Entity's procurement plan and noted that procurements worth UGX 57,274,415,736 were reported to the Authority against the planned procurements worth UGX 64,147,806,358. Table 1 below details information about the plan and utilization of funds. The procurement plan implementation rate was **89.3%** with a variance of UGX 6,873,390,622 as indicated in Table 3 below:

Table 3: Procurement Plan Implementation

Analysis of procurement spend	
Total procurement budget/plan value inclusive VAT (UGX)	64,147,806,358
Total procurement spend value inclusive VAT (UGX)	57,274,415,736
Procurement plan implementation (%)	89.3%
Budget Variance (UGX)	6,873,390,622

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 Entity.

Management response

Management noted the anomaly and stated that the computation of 64.1% procurement plan implementation rate in the management letter was as a result of only Government of Uganda (GoU) procurements undertaken in Financial Year 2024/2025 but project procurements for the Local Economic Growth Support (LEGS) project worth UGX 16,150,466,682 were planned and implemented during the period under review which translates into 89.3 % absorption of the total procurement plan.

Recommendation

The Authority noted the management's response but there was no explanation provided for the variance worth UGX 6,873,390,622 and therefore recommends that the Accounting Officer should strengthen procurement planning by ensuring that procurement requirements are realistically assessed and aligned to available funding and implementation capacity. Management should conduct quarterly reviews of procurement plan performance, analyse variances, and revise the procurement plan where necessary in accordance with Section 60 (7) of the PPDA Act Cap. 205.

2.1.2 Issuance of inadequate bidding documents

A review of sampled procurements revealed issuance of inadequate bidding documents in four procurements worth UGX 3,444,652,803 to the prospective bidders as detailed in the Table 4 below:

Table 4: Procurements with inadequate bidding documents

No	Subject of Procurement	Contract Amount (UGX)	Observations
1.	Procurement of assorted ICT equipments for Local Governments worth UGX	2,999,767,680	• **Failure to provide for the requirement of a Performance Securing Declaration:** This was contrary to PPDA 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. • **There were inconsistent clauses in the bidding document as indicated below:** GCC 16.1: The structure of payments shall be 100% after submission of an Advance Payment Guarantee from a reputable bank in Uganda GCC 16.3: The payment period shall be within 30 days from date of acceptable delivery. GCC 17.1: An advance payment guarantee shall be required for payment.
2.	Procurement of one 14-seater omni bus for Ngora District under DTRF scheme	214,903,169	• **Restrictive requirements in the bidding document:** GCC 19.1 on performance security stated that the amount of the performance security shall be 10% of the bid price contrary to PPDA Guideline 3 of 2024 on Bid and Performance Securities which states that where performance security in form of a Bank Guarantee is required, it shall be expressed in the Special Conditions of Contract in the bidding document as a percentage of the contract price and shall not exceed 5% of the contract price.
3.	Procurement of Consultancy Services to Undertake Costing of the Regional Development Programme (RDP) PIAP and Development of Ministry Strategic Plan FY2025/2026-	99,999,954	• **Failure to provide for the requirement of a Proposal Securing Declaration:** This was contrary to PPDA Guideline 3 of 2024 on Bid and Performance Securities which states that a Proposal Securing Declaration shall be required for procurement of consultancy services under all procurement bidding methods. • **Failure to provide for the requirement of a Performance Securing Declaration:** This

No	Subject of Procurement	Contract Amount (UGX)	Observations
	FY2029/2030 UGX 99,999,954		was contrary to PPDA 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.	Consultancy services to undertake Environment, Social Management Plans and Project brief for 16 Investment sites in selected Districts	129,982,000	• **Failure to provide for the requirement of a Proposal Securing Declaration:** This was contrary to PPDA Guideline 3 of 2024 on Bid and Performance Securities which states that a proposal securing declaration shall be required for procurement of consultancy services under all procurement bidding methods. • **Failure to provide for the requirement of a performance Securing Declaration:** This was contrary to PPDA 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	**3,444,652,803**	

The issuance of inadequate bidding documents is attributed to 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 into bidder confusion, submission of non-responsive bids, reduced competition, increased procurement disputes, and delays in completion of procurement proceedings.

Management Response

- *Management acknowledged the anomaly and stated that following the dissemination workshops conducted by PPDA on the use of revised standard bidding documents and User Guides, the Entity adopted the use of revised bidding documents.*
- *Management acknowledged the anomaly and states that following the Solicitor General's clearance of the draft contract, the Entity noted the issue, and on that basis has improved in the structuring of standard bidding documents that are issued to bidders for bidding purposes.*

Recommendations

- The Head, Procurement and Disposal Unit should ascertain that the statement of requirements in the prepared bidding documents define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

- The Contracts Committee and Head PDU 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.

2.1.3 Unjustified use of direct procurement method

The Authority noted that in the procurement of Double-Cabin Pickups for District Chairpersons, City and Municipality Mayors worth UGX 35,098,000,000, the Entity used the direct procurement method without any justification contrary to Regulation 25 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 which outlines the conditions under which direct procurement may be employed, including emergencies, single-source availability, contract extensions, compatibility with existing services and continuity in technical approaches.

Implication

Unjustified use of the direct procurement method denies the Entity the benefits of competition which may lead to costly procurements thus affecting achievement of value for money.

Management response

The Entity used the direct procurement method in accordance with the PPDA Act Cap. 205 as it was the most appropriate procurement method because of the critical need for the vehicles based on the urgent requirement to facilitate Local Government leaders to supervise implementation of Government programmes. However, a market survey was carried out prior to the initiation of the procurement.

Recommendation

The Head, Procurement and Disposal Unit should use the direct procurement method only where conditions are met as per the legal framework, adequately justified and documented. Competitive methods should be employed whenever feasible to achieve value for money, transparency and fairness in accordance with Section 49 of the PPDA Act Cap 205.

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

Regulation 3 (4) of the PPDA (Contracts) Regulations, 2023 provides that a Procuring and Disposing Entity shall deliver a copy of the Notice of Best Evaluated Bidder to all bidders who participated in the bidding process by electronic mail; by post or courier; or in person.

The Authority noted that in two procurements worth UGX 221,982,000, whereas the Entity displayed the Notice of Best Evaluated Bidder, 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 are detailed in Table 5 below:

Table 5: Procurements without evidence of delivery of the Notice of Best Evaluated Bidder

No	Subject of Procurement	Contract Amount (UGX)
1.	Supply and delivery of 16 motorcycles under the Local Economic Growth Support (LEGs) project	92,000,000

No	Subject of Procurement	Contract Amount (UGX)
2.	Consultancy services to undertake Environment, Social Management Plans and Project brief for 16 Investment sites in selected Districts	129,982,000
Total		**221,982,000**

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 nevertheless, the Entity in line with Regulation 3 of the PPDA (Contracts) Regulations, 2023. displayed a copy of the Notice of Best Evaluated Bidder on the Procurement Notice Board.

Recommendation
The Authority noted the management's response of display of the NoBEB. However, the law requires issuance of the same to 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 proof of delivery is obtained in accordance with Regulation 3 (4) and (5) of the PPDA (Contracts) Regulations, 2023.

2.1.5 Signing of contract after expiry of the bid validity period

The Authority noted that in the supply of assorted visibility and branding materials for the PDM programme worth UGX 153,749,988, the Entity entered into a contract with the bidder after expiry of the bid validity period. The contract was signed on 4th June 2025 yet the bid validity period had expired on 28th May 2025.

Implication
Signing a contract beyond the bid validity period renders the contract null and void which exposes the Entity to the risk of potential litigation.

Management response
Management noted the anomaly and stated that the bidder accepted the contract on EGP on 15th May 2025 prior to expiry of the Bid Validity. The Configuration of the EGP system does not have a provision for the entity to seek bid validity extension from the bidders. Thus, this made it difficult for the Entity to seek extension of bid validity from the bidder. The above shortcoming notwithstanding, the contract was performed satisfactorily.

Recommendation
The Authority noted management's response of EGP configuration not providing for extension of the Bid Validity. However, the Entity should have requested for the extension offline and recommends that the Head, Procurement and Disposal Unit should 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 in accordance with Regulation 62 (5) of the PPDA (Rules and Methods Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023.

2.1.6 Delays in the procurement process

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.*"

Furthermore, Section 129 (1) (f) of the PPDA Act, Cap 205 states that, 'a person who delays the opening of bids, the evaluation of bids or making an award decision contrary to the requirements of the Act, commits an offence. The Authority noted delays at both confirmation of funds availability and evaluation of bids of the transactions shown in Table 8 below:

i. Delays in confirmation of availability of funds

The audit noted delays in the confirmation of availability of funds in the following five procurements worth UGX 2,148,255,629 indicated in Table 6 below:

Table 6: Delays in the confirmation of availability of funds

No.	Procurement Details	Findings	Delay
1.	Procurement for developing a video documentary for the Northern Uganda Development of Enhanced Local Governance Infrastructure and Livelihoods (NUDIEL) Project worth UGX 87,914,000	The request for procurement was dated 5th April 2024. However, both the confirmation of request and availability of funds were dated 2nd May 2024.	One month
2.	Procurement of three brand new station wagons and one double cabin pick up vehicle worth UGX 1,585,075,000	The procurement was initiated on 18th February 2025.Confirmation of funding and approval to procure was done on 6th March 2025.	Three weeks
3.	Procurement of one 14-seater omni bus for Ngora District under DTRF scheme worth UGX 214,903,169	The procurement was initiated on 9th August 2024 and confirmation of funding and approval to procure was done on 27th September 2024.	Seven weeks
4.	Procurement of consultancy services for tracking the disbursement of the Parish Revolving Fund and Utilisation by beneficiaries under the PDM programme worth UGX 197,768,000.	The procurement was initiated on 11th February 2025 and confirmation of funding and approval to procure was done on 6th March 2025.	One month
5.	Supply of 4 workstation computers, 2 laptops, 2 coloured printers, and 4 black and white printers worth UGX 62,595,460	The procurement was initiated on 3rd March 2025 and confirmation of funding and approval to procure was done on 26th March, 2025.	Three weeks

ii. Delays in evaluation

The audit noted various delays in the evaluation of the procurement for developing a video documentary for the Northern Uganda Development of Enhanced Local Governance Infrastructure and Livelihoods (NUDIEL) Project worth UGX 87,914,000 at two stages of the evaluation process as shown in Table 7 below:

Table 7: Delays at evaluation stage

Procurement details	Findings	Delay
Procurement for developing a video documentary for the Northern Uganda Development of Enhanced Local Governance Infrastructure and Livelihoods (NUDIEL) Project worth UGX 87,914,000	• The opening of technical proposals was on 12th June 2024. The evaluation of technical proposals was completed on 29th July 2024, and the financial proposal evaluation was completed on 22nd August 2024.	One month
	• There was a delay between the completion of financial proposal and the submission of the financial evaluation report to the Contracts Committee. The financial evaluation was completed on 22nd August 2024 and then forwarded to the Contracts Committee on 18th September 2024.	Three weeks

Implication

- Delays in the procurement process create lengthy lead times which consequently impede timely service delivery.
- Delays in bid evaluation prolong procurement lead times, delay contract award and implementation, increase the risk of bid expiry, may breed fraud, collusion and may affect timely delivery of planned services and projects.

Management Response

Management acknowledged the anomaly and stated that the Ministry of Local Government being a field-based Entity, most of the responsible officers are most times in the field carrying out inspection, support supervision, monitoring, coordinating of Local Governments among others. In a bid to mitigate this shortcoming, the Ministry has planned to procure an Ipad to enable the Accounting Officer transact on EGP remotely.

Management further stated that the trail of the original submission and approval by the Procurement and Disposal Unit and Contracts Committee was not reflected on the EGP system. Therefore, it was seen as a delay in submission of the evaluation report to the Contracts Committee.

Recommendation

The Head, Procurement and Disposal Unit should open bids in a timely manner and have evaluation reports approved by the Contracts Committee in accordance with Section 76 (4) of the PPDA Act Cap. 205.

2.1.7 Missing records

Section 44 (1) of the PPDA Act Cap. 205 requires the Procurement and Disposal Unit to maintain and archive records of the procurement and disposal process. During the audit, it was noted that in nine procurement transactions worth UGX 35,916,042,543, the following documents were missing as shown in the Table 8 below:

Table 8: Procurements with Missing Records

No	Subject of Procurements	Contract Amount (UGX)	Missing Documents
1.	Procurement of 218 Double-Cabin Pickups for District Chairpersons, City and Municipality Mayors	35,098,000,000	• Contract Management Plan
2.	Procurement of one 14-seater omni bus for Ngora District under DTRF scheme	214,903,169	• Contract Management Plan
3.	Supply of 4 workstation computers, 2 laptops, 2 coloured printers, and 4 black and white printers	62,595,460	• Contract Management Plan • Report from the Contract Manager on technical and performance.
4.	Procurement of Consultancy Services to undertake costing of the Regional Development Programme (RDP) PIAP and Development of Ministry Strategic Plan FY2025/2026-FY2029/2030	99,999,954	• Contract Management Plan • Final inception report • Draft assignment report • Final assignment report • Invoice • Payment records
5.	Procurement of a Network Server	80,977,500	• Contract Management Plan • Contract management records • Delivery Note • Goods Received Note • Report from the Contract Manager on technical performance.
6.	Procurement of 10 workstation computers, 02 laptops and 20 UPS	75,586,080	• Contract Management Plan • Contract management records • Delivery Note • Invoice • Goods Received Note • Report from the Contract Manager on technical and performance. • Payment records.
7.	Revamping of the Local Area Network for 5th floor boardroom worth UGX 61,998,380	61,998,380	• Contract Management Plan • Contract management records • Delivery Note • Invoice • Goods Received Note

No	Subject of Procurements	Contract Amount (UGX)	Missing Documents
			• Report from the contract Manager on technical performance. • Payment records
8.	Supply and delivery of 16 motorcycles under the Local Economic Growth Support (LEGs) project	92,000,000	• Contract Management Plan • Report from the Contract Manager on technical performance
9.	Consultancy services to undertake Environment, Social Management Plans and Project brief for 16 Investment sites in selected Districts	129,982,000	• Contract Management Plan
Total		**35,916,042,543**	

Implication

Failure to maintain complete procurement and contract management records limits accountability, impairs effective contract monitoring, hinders audit verification, and increases the risk of disputes and loss of institutional knowledge.

Management Response

Management acknowledged the anomaly and stated that the missing documents have since been retrieved and are available for review.

Recommendation

The Authority noted the management response but some of the missing documents as indicated in the table above were not availed for the review therefore the Authority recommends that:

- The Head, Procurement and Disposal Unit should establish and enforce a records management system to ensure that all procurement and 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 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.
- The Procurement and Disposal Unit shall every three months prepare and submit to the Accounting Officer a report on all contracts signed by the procuring and disposing entity, highlighting the problems encountered in managing the contracts in accordance with Regulation 52 (4) of the PPDA (Contracts) Regulations, 2023.

2.1.8 Non-compliance 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.

Review of the procurement processes at the Entity indicated that there were no deliberate efforts made to promote the participation of registered associations of Women, Youth and Persons with Disabilities from planning to contract award as required by the Guideline.

This was attributed to failure to shortlist and prequalify providers in the category of registered associations of Women, Persons with Disabilities and Youth and as such no procurements were reserved to such groups.

Implication

Non-adherence to reserving procurements for the Special Interest Groups hinders Government efforts to promote inclusive development and the creation of job opportunities especially to youth.

Management response

Management acknowledged the anomaly and stated that with support of PPDA through dissemination workshops on revised standard bidding documents and User Guides, the Entity has been able to embrace the use of reservation schemes to promote the participation of registered associations of Women, Youths and Persons with Disabilities.

Recommendation

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.

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

Section 10 (1) (a) of the PPDA Act Cap. 205 requires a Procuring and Disposing Entity to implement audit recommendations made by the Authority. The Entity was issued with the Procurement and Disposal audit report for Financial Year 2023/2024 in July 2025. All the three audit recommendations were partially implemented as indicated in Table 9 below:

Table 9: Status of implementation for FY 2022/23 recommendations

No.	Recommended Action	Status
1.	The Head, Procurement and Disposal Unit should ensure that complete procurement action files are maintained for all procurements in accordance with Section 44 (1) of the PPDA Act, Cap 205.	Partially implemented
2.	The Accounting Officer should ensure that all audit recommendations are implemented so as to improve the Entity's performance.	Partially implemented

No.	Recommended Action	Status
3.	The Accounting Officer should ensure that the Entity plans its disposal in accordance with Section 60 of the PPDA Act, Cap 205.	Partially 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 Entity is still committed to implementing all the recommendations of Financial Year 2023/2024.

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

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 and identify assets for disposal in the following year. This requires timely implementation of disposal activities to ensure efficient management of public assets and prevent the accumulation of obsolete, redundant and unserviceable assets.

The audit review revealed significant delays in the disposal of obsolete and unserviceable assets. The delayed disposal process is as indicated below:

i. The Entity wrote to the Ministry of Works and Transport and the Ministry of Lands, Housing and Urban Development requesting for the participation of the members from the Chief Mechanical Engineer and a Chief Government Valuer on 30th September 2024.
ii. The Ministry of Lands, Housing and Urban Development proposed a Government Valuer on 5th November 2024, the Ministry of Finance, Planning and Economic Development proposed a representative of the Accountant General's Office on 10th October 2024 and the Ministry of Works and Transport also proposed their Mechanical Engineer on 8th October 2024.
iii. The Board of survey was constituted on 13th June 2025, with 9 officers from the Ministry of Local Government.
iv. The requisition for the disposal of motor vehicles and motorcycles listed a total number of 38 items in total, comprising of six motor cycles, 16 double cabin pick-ups and 16 station wagons, with an estimated reserve price value of UGX 496,400,000, 46 UPS back-ups, 29 Central Processing Units, 7 printers, 3 photocopiers, 12 monitors, 10 keyboards, 5 photo frames, three shelves, three whiteboards, 8 aluminum wall partitions, one Wi-Fi router, 4 tires and 26 pieces of assorted furniture. The requisition form for disposal (Form 28) was signed on 30th September 2024 by the Accounting Officer.

The Authority noted a delay of one year in conducting the disposal process. As noted above, the disposal was initiated on 30th September 2024. The disposal items were six motor cycles, 16 double cabin pick-ups and 16 station wagons, with an estimated reserve price value of UGX 496,400,000, 46 UPS back-ups, 29 Central Processing Units, 7 printers, 3 photocopiers, 12 monitors, 10 keyboards, 5 photo frames, three shelves, three whiteboards, 8 aluminum wall partitions, one Wi-Fi router, 4 tires and 26 pieces of assorted furniture. By the time of the audit in June 2026, the disposal process had not been concluded.

Implication

Assets held beyond their useful life or optimal disposal window are susceptible to further deterioration in condition and market value, resulting in potential revenue loss to the Entity.

Management Response

Management acknowledged the delay and stated that the procurement process leading to award and signature of contract has been concluded and contract implementation is underway.

Recommendations

The Accounting Officer should:

- Expedite the completion of the ongoing disposal process and ensure that all assets approved for disposal are disposed of without further delay.

- Establish and enforce annual disposal plans with clear timelines for each stage of the disposal process, including the appointment of Boards of Survey, preparation of technical reports, approvals and procurement of disposal services.
- In addition, periodic monitoring of disposal activities should be undertaken to ensure compliance with Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023 and prevent the accumulation of obsolete assets in future. Failure of which the Authority will invoke actions against persistent breach in accordance with Section 10 (1) of the PPDA Act, Cap 205.

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

2.3.1 Delayed delivery of motorcycles

Regulations 52(1)(b) and 52(3)(a)(i) of the PPDA (Contracts) Regulations, 2023 require Contract Managers to monitor contract performance to ensure that providers fulfil all contractual obligations, including adherence to agreed delivery timelines, within the contractual completion period.

A review of the contract for the supply and delivery of 16 motorcycles under the Local Economic Growth Support (LEGs) project worth UGX 92,000,000 revealed that the contract was signed on 22nd January 2025 with a contractual delivery time of three weeks after contract signing but by 3rd April 2025, the supplier indicated that they had not yet received any necessary instructions or confirmation on how to proceed with the delivery despite their readiness to deliver the motorcycles.

Implication

Delayed delivery of supplies by providers leads to delayed service delivery to the intended beneficiaries.

Management Response

The Ministry acknowledged the delay and stated that it was due to less preparedness of the intended beneficiaries from the benefiting associations in the Local Economic Growth Support project host Districts. Subsequently, the motorcycles were delivered and dully handled over to the intended beneficiaries.

Recommendation

The Authority noted the management response and therefore recommends that the Accounting Officer should task the Contract Manager adequately plan for and proactively manage contract implementation by timely issuance of delivery instructions and confirmation of beneficiary readiness in accordance with the oversight functions under Regulation 52(1) (b) of the PPDA (contracts) Regulations, 2023.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall audit Conclusion

The performance of Ministry of Local Government for the Financial Year 2024/2025 was **Moderately Satisfactory** with overall weighted average risk rating of **36.9%.**

3.2 Entity's Performance

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

Table 10: Summary of Performance

Risk Category	No.	No. %	Value (UGX)	% Value	Weights	Total weighted Average	
						By No.	By Value
High	0	0	0	0	0.6	0	0
Medium	8	40	38,871,749,111	86.5	0.3	12	26
Low	10	50	5,877,483,668	13	0.1	5	1.3
Satisfactory	2	10	216,852,000	0.5	0	0	0
Total	**20**	**100**	**44,966,084,779**	**100**	**1**	**17**	**27.3**

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

Weighted Average by value $= \frac{\sum \text{Weighted Score by value}}{60} \text{ X } 100 = \frac{27.3 \text{ x } 100}{60} = 45.5\%$

The average weighted risk rating $= \frac{28.3\% + 45.5\,\%}{2} = 36.9\%$

Since **36.9%** falls within the **31-70** risk range, the performance of the Entity is rated **Moderately Satisfactory** as detailed in Table 10 below:

Table 11: 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

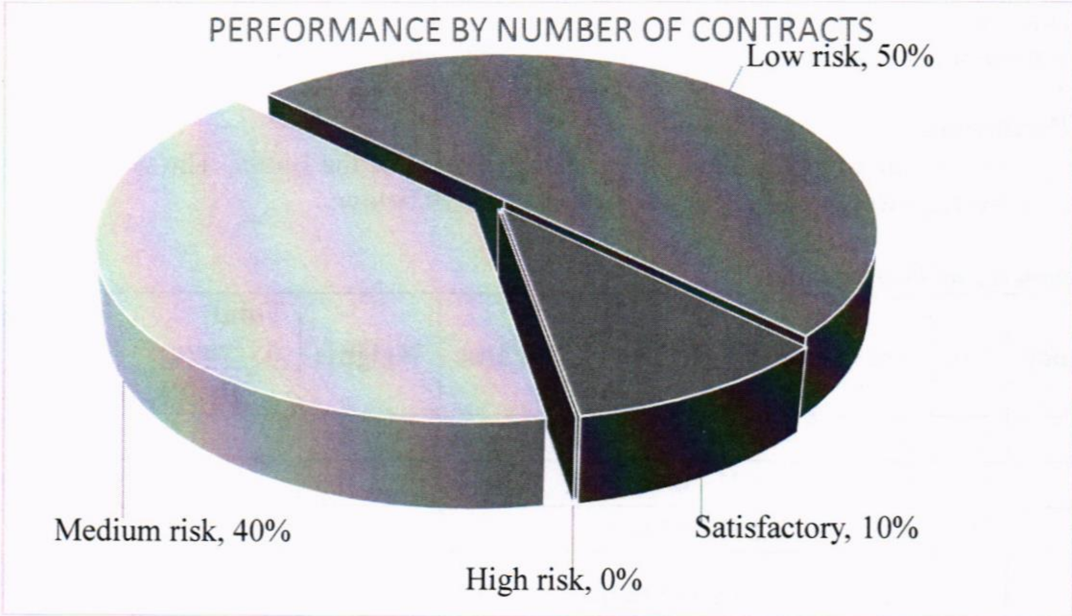
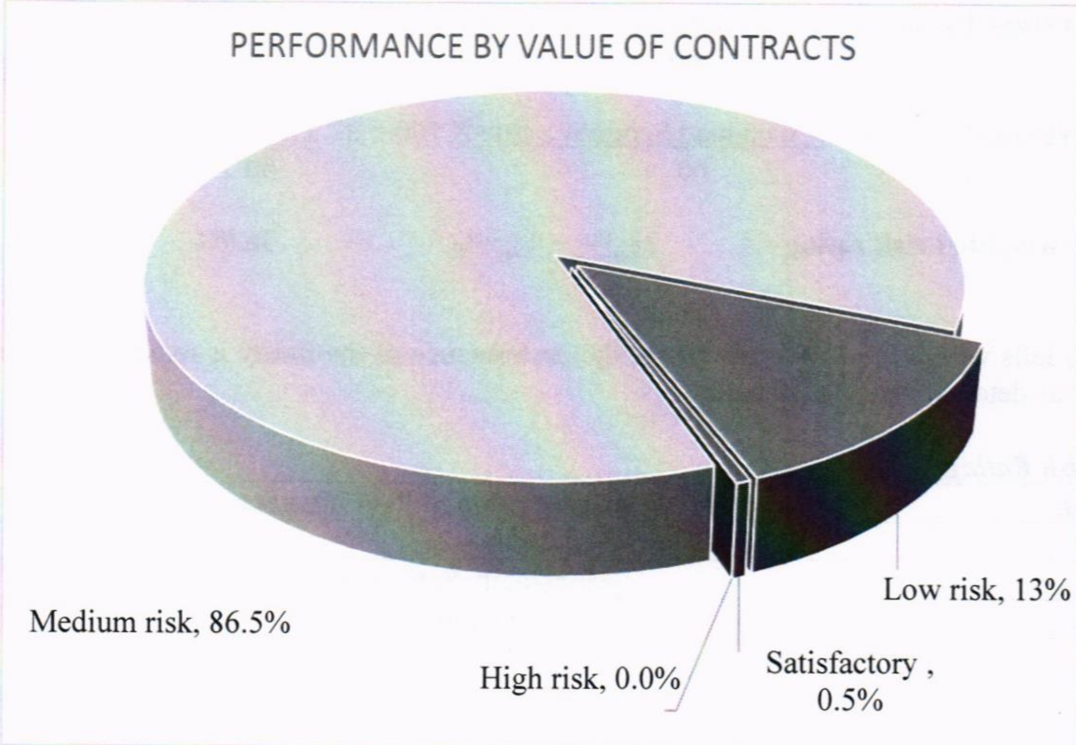


Figure 2 showing performance by value of contracts



3.3 Audit Opinion/Conclusion

The Procurement and Disposal activities of the Ministry of Local Government 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, 2024. The Entity maintained the required procurement and disposal structures.

However, the audit identified several control and performance weaknesses that require management's attention. These included; failure to fully implement all the three previous audit recommendations, issuance of inadequate bidding documents, unjustified application of the direct procurement method, failure to deliver a copy of the Best Evaluated Bidder Notice to all bidders, signing of a contract against an expired bid, delays in procurement and disposal processing and non-compliance with reservation schemes for Special Interest Groups and delayed delivery of supplies.

While these weaknesses did not materially undermine the overall integrity of the procurement system, they indicate deficiencies in the procurement and disposal processes, procurement planning, selection of procurement methods, preparation of bidding documents, evaluation of bids and communication to bidders, contract management and monitoring mechanisms that may adversely affect service delivery, value for money, supplier confidence and achievement of Government policy objectives if not addressed.

Accordingly, the performance of the Ministry of Local Government for FY 2024/2025 is assessed as **Moderately Satisfactory**, with an overall weighted average risk rating of **36.9%** but requiring targeted management interventions to strengthen procurement efficiency, contract performance, and compliance with statutory and regulatory requirements.

3.4 Recommendation Action Plan

The Entity should implement the recommendations as indicated in Table 12 below:

Table 12: Action Plan

Finding	Action/Recommendation	Responsible officer	Timeline
Inadequate bidding documents	Strengthen quality assurance reviews of solicitation documents before issue to bidders	Head PDU/Contracts Committee	Within 60 days
Unjustified use of direct procurement method	Use the direct procurement method only where conditions are met as per the legal framework, adequately justified and documented	Head PDU/Contracts Committee	Within 30 days
Failure to deliver a copy of the Notice of Best Evaluated Bidder to all bidders	Maintain evidence of dispatch and receipt of the Notice of Best Evaluated Bidder on file	HPDU	Within 30 days
Signing of a contract against an expired bid	Monitor bid validity periods throughout the procurement process and obtain requests for	HPDU	Within 60 days

Finding	Action/Recommendation	Responsible officer	Timeline
	extension of Bid Validity from bidders before expiry of the bids		
Failure to implement audit recommendations	Establish audit recommendation register and quarterly monitoring	Accounting Officer	Within 30 days
Procurement delays	Introduce procurement tracking dashboard	Head PDU	Within 60 days
Missing records	Put in place an easily accessible records archiving system	HPDU/Finance /Contract managers	With 60 days
Noncompliance with Reservation schemes	Develop a list of SIG providers and preserve eligible procurements	HPDU/CC	Before FY 2026/27 implementation plan
Delayed delivery	Implement contract monitoring and escalation mechanism	Contract Managers	Monthly
Significant delays in disposal of obsolete assets	Expedite the completion of the ongoing disposal process	Accounting Officer/HPDU	Within 1st quarter of FY 2026/27

APPENDIX 1: AUDIT SAMPLE LIST FOR THE MINISTRY OF LOCAL GOVERNMENT FOR FINANCIAL YEAR 2024-2025

No	Procurement Reference Number	Subject of Procurement	Procurement Method	Service Provider	Contract Amount in UGX	Risk rating
1.	MoLG/SUPLS/2024-2025/00057	Procurement of Double-Cabin Pickups for District Chairpersons, City and Municipality Mayors	Direct Procurement	CFAO Mobility Uganda Limited	35,098,000,000	Medium
2.	MoLG/SUPLS/2024-2025/00055	Procurement of Assorted ICT Equipment for Local Governments	Restricted Domestic Bidding Method	Excella Enterprises Limited	2,995,200,000	Medium
3.	MoLG/SUPLS/2024-2025/00035	Procurement of a network server	Request for Quotations	Gulf Africa Limited	80,977,500	Low
4.	MoLG/CONS/2024-2025/00005	Procurement to Automate Local Revenue Collection and Management in selected Local Governments.	Open Domestic Bidding Method	Tucksee Pty Ltd	3,237,000,000	Low
5.	MoLG/SUPLS/2024-2025/00033	Procurement of three brand new Station Wagons and one Double Cabin Pickup Vehicle	Open Domestic Bidding Method	CFAO Mobility Uganda Limited	1,585,075,000	Low
6.	MoLG/SUPLS/2024-2025/00037	Revamping of the Local Area Network for 5th floor boardroom	Request for Quotations	Gulf Africa Limited	61,998,380	Low
7.	MoLG/SUPLS/2024-2025/00001	Procurement of one 14 seater Omni-Bus for Ngora District under DTRF Scheme	Open Domestic Bidding Method	Motor Care Uganda Ltd	214,903,169	Medium
8.	MoLG/SUPLS/2024-2025/00042	Procurement of assorted stationery under framework Contracts	Open Domestic Bidding Method	Various suppliers	200,000,000	Low
9.	MoLG/CONS/2024-2025/00005	Procurement of Consultancy Services for developing a Compendium of PDM Investment Prospectuses and Value Chain analyses to support increased Household incomes for Participating Households in	Request for Quotations/Proposals	AFT Consult	198,610,048	Low

No	Procurement Reference Number	Subject of Procurement	Procurement Method	Service Provider	Contract Amount in UGX	Risk rating
		Greater Kampala Metropolitan and other Urban Areas under PDM				
10.	MoLG/CONS/2024-2025/00004	Consultancy Services for Tracking the Disbursement of the Parish Revolving Fund and Utilization by Beneficiaries under PDM Programme.	Request for Quotations/Proposals	Monfalcone Consulting Limited	197,768,000	Low
11.	MoLG/SUPLS/2024-2025/00016	Procurement of 10 workstation computers, 02 laptops and 20 UPS	Request for Quotations	Noble Suppliers EA Ltd	75,586,080	Low
12.	MoLG/CONS/2024-2025/00006	Procurement of Consultancy Services to develop a Communication Strategy for the Parish Development Model Programme	Request for Quotations/Proposals	The Implementing Partner Limited	177,873,200	Low
13.	MoLG/CONS/2024-2025/00001	Procurement of Consultancy Services to undertake costing of the Regional Development Programme (RDP) PIAP and Development of Ministry Strategic Plan FY2025/2026-FY2029/2030	Request for Quotations	Terimuka Holdings Co. Limited	99,999,954	Medium
14.	MoLG/NCONS/2024-2025/00015	Assorted visibility and branding materials for the PDM Programme	Request for Quotations/Proposals	Marctye Group Limited	153,749,988	Medium
15.	MOLG/SUPLS/ 24-25/00013	Procurement of visibility (T-shirts) materials	Request for Quotation/Proposal (RFQ-RFP)	Resteve International Ltd	111,360,000	Satisfactory
16.	MOLG/NCONS /24-25/00011	Procurement of hotel services for Quarterly Review workshop with 81 District Local Governments under NOSP	Request for Quotation/Proposal (RFQ-RFP)	Ridar Hotel Limited	105,492,000	Satisfactory

No	Procurement Reference Number	Subject of Procurement	Procurement Method	Service Provider	Contract Amount in UGX	Risk rating
17.	MOLG/CONS/23-24/00028	Procurement of an impact video documentary for the NUDEIL Project	Expression of Interest without Publication	Media Plus Ltd	87,914,000	Medium
18.	MoLG/SUPLS/2024-2025/00036	Procurement of 04 workstation computer, 02 laptops, 02 Colored Printers and 04 Black and white printers	Request for Quotations	Dakwa Logistics Limited	62,595,460	Low
19.	MoLG/SUPLS/2024-2025/00001/ - LOT 2	Supply and delivery of 16 motorcycles under the Local Economic Growth Support (LEGs) project	Request for Quotations	Simba Automotive Limited	92,000,000	Medium
20.	MoLG/NCONS/2024-2025/00014	Consultancy services to undertake Environment, Social Management Plans and Project brief for 16 Investment sites in selected Districts	Request for Proposals	Eco Innovations International Limited	129,982,000	Medium
	TOTAL				**44,966,084,779**	

Appendix 2: 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.		