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

PROCUREMENT AND DISPOSAL AUDIT REPORT OF NATIONAL WATER AND SEWERAGE CORPORATION FOR THE FINANCIAL YEAR 2024/2025

JUNE 2026

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ACRONYMS

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

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out a procurement and disposal audit of National Water and Sewerage Corporation (NWSC). The audit covered a representative sample of 10 procurement transactions under the Financial Year 2024/2025.

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

From the findings of the audit exercise, the performance of National Water and Sewerage Corporation in the Financial Year 2024/2025 was **Satisfactory** with an overall weighted average risk rating of **14.6%.** The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the audit report.

The key positives observed during the audit were:

1. The Entity maintains a highly organised records management system. All the sampled procurement files contained the necessary documents as required in Section 44 of the PPDA Act, Cap 205.
2. The Entity reserved and awarded contracts to special interest groups in the financial year under review.
3. The Entity disposed all assets identified in the board of survey report in the financial year under review in compliance with the PPDA Act Cap. 205, Regulations 2023 and Guidelines.
4. The Entity implemented 97.2% of the procurement plan in compliance with the PPDA Act, Cap.205, Regulations 2023 which is commendable.

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

1. Failure to conduct geotechnical or hydrological investigation in the procurement for labour works for pipe laying on Jinja Road and Mbalala Swamp worth UGX 347,628,000. The Authority noted that the works were initiated and executed without any soil or swamp stability assessment contrary to the best practices under the engineer's standards and Regulation 37 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. This raised concerns on the structural adequacy and safety of the design and long-term reliability of the structure considering that the swamp terrain is unstable with seasonal flooding and soil movement.

2. Duplication and overlap of activities leading to inflated costs. In the procurement for implementation of full-scale source protection measures in Bushenyi worth UGX 1,058,997,608 contrary to Regulation 37(2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. A significant overlap was noted among Activities A, B, C and E all of which involved tree planting and vegetation establishment creating a risk that quantities and costs were duplicated and provided room for bidders to inflate the contract price.

3. Delayed progress of works. In the procurement for water supply and sanitation infrastructure under Package 3 (Masaka – South Western Water and Sanitation Project) worth UGX 199,979,404,038.36, physical progress stood at only 12% for Component A and 7% for Component B as of May 2026 (seven months into implementation), despite the Contractor having received advance payment of UGX 9,600,150,653.44 and EUR 5,738,560.54 contrary to Section 51 of the PPDA Act. Cap 205. This delays service delivery and may result in unnecessary additional costs.

4. Delayed delivery in the procurement for DN 15mm velocity multijet cold water meters (UGX 4,094,604,000 framework contract by Hunan Changde Deshan Meter Co. Ltd), the samples approved during technical evaluation were redesigned to include (a register, plastic casing, impeller and chamber) without technical justification or re-approval. This directly contributed to persistent delivery delays across Call-off Orders 1–4 although a bill of lading provided confirmed arrival of meters at Mombasa on 19th May 2026, as at the time of Exit meeting (17th June 2026), deliveries had not been made contrary to Section 51 of the PPDA Act Cap. 205. Consequently, the Entity faced heightened risks of stock-outs and revenue shortfalls from delayed metering.

5. Incomplete deliveries due to non-payment of outstanding claims in the procurement for assorted PE & UPVC pipes by Roofing's Limited worth UGX 60,292,275.25 contrary to Regulation 52 (3) (i) of the PPDA (Contract) Regulations, 2023. The Entity attributed the delays to delayed remittance of funds by Government to the Corporation, which hindered invoice settlements. This exposed NWSC to operational disruptions in pipe supply for maintenance works.

The Authority recommends the following:

1. The Accounting Officer should:
   i) Require that all future works contracts involving swamp crossings or geotechnically challenging terrain are preceded by mandatory site-specific geotechnical and hydrological investigations prior to design finalization and procurement initiation in accordance with Regulation 37 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

   ii) Institute mandatory pre-tender bills of quantities validation and consolidation of similar activities in future procurements to prevent artificial inflation of costs so as to promote economy, efficiency and value for money in accordance with Section 51 of the PPDA Act Cap. 205 and Regulation 37 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

   iii) The Accounting Officer should expedite the settlement of the outstanding balance of UGX 400 million owed to Roofing's Limited and formally engage the supplier to agree on a time-bound delivery schedule for the outstanding quantities valued at UGX 60,292,275.25, ensuring all agreements are documented as part of the contract management record. Additionally, the Entity should strengthen payment planning under Government-funded contracts to ensure that delays in remittances do not cascade into supplier non-performance and put in place contract management safeguards that protect both parties' obligations in the event of future payment delays in accordance with Regulation 52 (1) and 52 (3) (i) & (iv) of the PPDA (Contracts) Regulations, 2023.

National Water and Sewerage Corporation should implement the recommended action plan on Pages 18-19.

CHAPTER 1: INTRODUCTION

1.1 Background
The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out a procurement and disposal audit of National Water and Sewerage Corporation (NWSC) that covered a representative sample of 10 procurement transactions conducted in the Financial Year 2024/2025. The audit involved a review of the procurement structures, procurement and asset disposal processes, as well as contract performance, following the provisions of the PPDA Act Cap. 205, PPDA Regulations, 2023 and PPDA Guidelines.

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

The specific objectives were to establish the levels of:

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

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

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

1.3 Structure of the Entity
The National Water and Sewerage Corporation was established in 1972 under Decree No. 34, initially operating in three major urban centres i.e Kampala, Jinja, and Entebbe. By 1990, operations had expanded to cover seven towns and today the Corporation serves over 260 towns and urban centres across Uganda, demonstrating sustained institutional growth and a deepening mandate.

NWSC also operates within the broader legal framework established by the Water Act Cap. 164, Laws of Uganda, which consolidates laws relating to water resource management in Uganda. Specifically, Section 46 of the Water Act Cap. 164 requires NWSC to enter into a performance ccontract with the Ministry of Water and Environment (MWE) to provide water and sewerage services efficiently and economically to the people of Uganda. This performance contract framework ensures accountability in service delivery and alignment of NWSC's operations with national water sector policies and targets.

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 National Water and Sewerage Corporation during the financial year under review was Dr. Eng. Silver Mugisha.

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	Position	Date of Appointment	Date of Expiry
1.	Mr. Jude Mwoga	Director Information and Business Solutions	Chairperson	8th October 2024.	8th October 2027
2.	Mr. Willy Nuwamanya Basiima	Senior Manager Billing & Data Management	Member	20th August 2025	20th August 2028
3.	Eng. Andrew Muhwezi	Senior Manager Water Production	Member	8th October 2024.	8th October 2027
4.	Ms. Craven Barigye	Manager Legal Services	Member	20th August 2025	20th August 2028
5.	Ms. Zainab Mpakiraba	Manager External Services	Secretary	8th October 2024.	8th October 2027

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. Nable A. Byaruhanga. ***Appendix 4***.

1.4 Audit Scope

The audit involved a review of the procurement and disposal processes, general compliance issues and contract implementation of 10 transactions undertaken in Financial Year 2024/2025 contained in ***Appendix 2***.

1.5 Audit Methodology

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

Table: Population and Sample Breakdown by Procurement Method

	POPULATION			SAMPLE		PERCENTAGE	
No	**Procurement method**	**Value (UGX)**	**No**	**Value (UGX)**	**No.**	**No%**	**Value%**
1	Open Domestic Bidding	51,424,046,242	39	24,269,664,415	4	10.3	47.2
2	Open International Bidding	9,476,636,510	3	5,615,079,625	2	66.7	59.3

	POPULATION			SAMPLE		PERCENTAGE	
No	Procurement method	Value (UGX)	No	Value (UGX)	No.	No%	Value%
3	Restricted Domestic Bidding	3,254,237,478	6	0	0	0	0
4	Restricted International Bidding	285,914,024	2	0	0	0	0
	Direct Procurement	1,116,091,702	24	0	0	0	0
6	Request for Quotation	224,356,482,245	169	201,888,529,646.36	4	2.4	90
8	Micro Procurements	357,065,632	217	0	0	0	0
	TOTAL	**290,270,473,833**	**248**	**231,773,273,686.36**	**10**	**79.3**	**196.4**

1.5.2. Audit execution

On 10th April 2026, the Entity was formally notified about the upcoming audit. An audit entry meeting between the audit team and the Entity's officials was held on 22nd April 2026. The audit was executed by a team comprising a Senior Officer and an Officer, under the direct supervision of the Manager.

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

1.5.3. Communication and Reporting

On completion of data collection, the Audit Manager reviewed the working papers for completeness. The working papers contain a detailed chronology of findings on each of the sampled transactions. The audit report presents the key findings and conclusions arising from the audit. A debrief meeting to discuss the preliminary findings was held between the audit team and the Entity's Officials on 8th May 2026, before the auditors could embark on preparation of the management letter. The auditors prepared the management letter, which was issued to the Entity on 11th June 2026 and a management response was received on 17th June 2026. The exit meeting was held on 17th June 2026.

CHAPTER 2: FINDINGS OF THE AUTHORITY

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

2.1.1 Procurement plan implementation

Section 60 of the PPDA Act, Cap. 205 mandates a Procuring and Disposing Entity to prepare and submit its annual procurement plan for the following financial year. The Authority reviewed the Entity's procurement plan for the Financial Year (FY) 2024/2025 and found that the Entity did not implement 2.8% of its procurement plan creating a variance of UGX 3,794,060,382 as indicated in Table 2 below:

Table 2: Procurement plan implementation

Analysis of procurement spend	
Total procurement budget/plan value inclusive VAT (UGX)	148,433,633,544
Total procurement spend value inclusive VAT (UGX)	141,405,588,787
Various for contracts awarded below the planned values (Savings)	*3,233,984,375 (2.2%)*
Procurement plan implementation (%)	97.2%
Budget Variance (UGX)	3,794,060,382

Implication

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

Management Response

We note the audit finding. However, the reality is that we got more competitive offers for our open tenders, hence the difference between the actual expenditure and the procurement plan. For example, the procurement for supply of Aluminium Sulphate under a framework contract for a period of 18 months was estimated at UGX 2,385,600,000. After bid evaluation, the BEB's offer was only UGX 1,542,615,625, resulting into a saving of UGX 842,984,375. Also, the procurement for supply of sodium carbonate under a framework contract for a period of 18 months was estimated at UGX 4,849,500,000. After bid evaluation, the BEB's offer was UGX 2,458,500,000, thereby resulting into a saving of UGX 2,391,000,000. The total savings on the above procurements was ***UGX 3,233,984,375****.*

Procurements worth ***UGX 2,908,757,666*** *were commenced during the FY2024/25, but awarded in the following year, FY2025/26, as explained here below;*

1. *Three phase power extension to Mpasana Borehole Kakumiro Area-Phase 1 to M/s Tumo Technical Services Ltd at a total contract sum of UGX 101,166,356 under procurement reference No. NWSC-HQ/WRKS/24-25/181253 awarded on July 17, 2025, two weeks after the end of FY2024/25.*
2. *Supply of submersible motor for repairs and maintenance for Static Plant under Reservation Scheme to M/s Plumb Base Uganda Ltd at a total contract sum of UGX*

84,400,237 under procurement reference No. NWSC-HQ/SUPLS/24-25/181275 awarded on July 17, 2025, two weeks after the end of FY2024/25.

3. *Supply of assorted GI Pipes for O&M under framework contract for a period of 18 months to M/s Jadma Stars Investments Ltd at an estimated total contract sum of UGX 640,000,000 under procurement reference No. NWSC-HQ/SUPLS/24-25/181227 awarded on July 17, 2025, two weeks after the end of FY2024/25.*
4. *Supply of parts for repair and calibration for Total Organic Carbon Equipment under Reservation Scheme to M/s Labx Scientific Ltd at a total contract sum of UGX 68,523,933 under procurement reference No. NWSC-HQ/SUPLS/24-25/181284 awarded on July 17, 2025, two weeks after the end of FY2024/25.*
5. *Drilling, development and construction of two production boreholes in Rukiga to M/s Reddy's Borehole Technical Services Ltd at a total contract sum of UGX 174,667,140 under procurement reference No. NWSC-HQ/WRKS/24-25/181279 awarded on July 17, 2025, two weeks after the end of FY2024/25.*
6. *Acquisition of land for the New Intake and Water Treatment Plant for Entebbe/ Nakawuka Supply Project to M/s Mr. Stephen Mwanje, Mr, Nsibirwa Robert Waggwa and Manek Kaushik L. at a total contract sum of UGX 1,840,000,000 under procurement reference No. NWSC-HQ/SUPLS/24-25/181250 awarded on July 24, 2025, three weeks after the end of FY2024/25.*
7. *Provision of labour works for pipe laying of Kololo distribution main upgrade DN300/250/200/150MM assorted from Kololo Hill Lane and Hill Drive under Reservation Scheme to M/s JSG Construction Company Ltd at a total contract sum of UGX 177,762,091 under procurement reference No. NWSC-HQ/WRKS/24-25/1369218 awarded on July 24, 2025, three weeks after the end of FY2024/25.*

In conclusion, the planned procurements which were not implemented amounted to ***UGX 885,302,716.*** *These were procurements which were planned for final quarter of the FY24/25, but were no longer required due to the circumstances on the ground.*

Authority's Comment

The Authority takes note of Management's response. However, whereas procurements worth **UGX 2,908,757,666** were commenced during the FY2024/25 and awarded in the following year, there was no evidence that these were planned as multi-year procurements. This was an indicator of inadequate planning and/or delayed commencement of procurements thus hindering timely service delivery.

The Authority takes note of Management's response. However, whereas procurements worth UGX 2,908,757,666 were commenced during FY2024/25 and awarded in the following year FY2025/26, there was no evidence that these were planned as multi-year procurements. This was an indicator of inadequate planning and/or delayed commencement of procurements thus hindering timely service delivery.

Recommendations

- The Accounting Officer should review and update of the procurement plan should be conducted on a quarterly basis and in any other case, wherever necessary to ensure improved performance in accordance with Section 60 (7) and (8) of the PPDA Act Cap. 205.

- The Head, Procurement and Disposal Unit should include procurements that are to be undertaken over a period of more than one financial year in the multi-year procurement plan in accordance with Section 60 (6) of the PPDA Act Cap. 205.

2.1.2 Failure to fully implement previous audit recommendations

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

The Authority conducted a procurement and disposal audit of the Entity in the FY 2023-2024 and made recommendations therein. The audit noted that out of seven previous recommendations made, five recommendations (71.4%) were implemented while two (28.5%) were partially implemented as indicated in Table 3 below:

Table 3: Previous audit recommendations that were partially implemented

No.	Actionable Person	Recommendation	Audit Observation
1.	Accounting Officer	The Accounting Officer should actively monitor the implementation of audit recommendations and hold management accountable for any gaps that may come up as a result of non-adherence to the Authority's recommendations.	Partially implemented
2.	Accounting Officer	The Accounting Officer should ensure that procurements are undertaken in a manner that enhances efficiency for effective service delivery in accordance with Section 51 of the PPDA Act, Cap 205.	Partially implemented - delays were noted at confirmation of funding by 1 month and delays at contract management.

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

The funding for NWSC Projects comes from mainly two sources: Government of Uganda through Ministry of Water and Environment, and NWSC revenue allocated for implementation of projects.

There have always been significant delays in the collection of receipts from government. In many cases, the amount released, is less than what is budgeted. In addition, there have also been delays in remitting to NWSC the funds allocated.

Secondly, there have been significant delays in remitting funds to the Corporation by the MDAs in respect to payment of water bills. By the end of June 2025, Government had accumulated arrears of more than UGX 80 billion.

The approval of funding therefore, is usually stayed until the Corporation is certain about the receipts of project funding from Government and until the MDAs make payments. If NWSC were to go ahead and approve funding before being certain about the receipt of funds from Government, it could lead to significant cashflow constraints to the Corporation.

Recommendation
The Authority notes the Entity's response regarding funding delays from Government and outstanding MDA arrears. However, the Accounting Officer should ensure that procurements are only initiated when funding availability is reasonably assured and that payment plans are structured to reflect actual Government remittance patterns in accordance with the PS/ST Circular on Initiation of procurements and payment obligations so as to avoid contractual obligations that cannot be met within the available resource envelope.

2.1.3 No geotechnical or hydrological investigation of the swamp site
Section 64 (2) of the PPDA Act, Cap 205 provides that statement of requirements shall give a correct and complete description of the object of the procurement or disposal activity for the purpose of creating fair and open competition.

Regulation 37 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 provides that a procuring and disposing entity shall include in the statement of requirements for works:
(a) a clear description of the scope and location of the works;
(b) the specifications;
(c) the drawings;
(d) bills of quantities or activity schedules; and
(e) a completion schedule.

The Authority noted that in the procurement for labour works for pipe laying works DN150mm steel pipes on Jinja Road and Mbalala Swamp worth UGX 347,628,000, the procurement was initiated and executed without evidence of any geotechnical investigation or hydrological assessment on the Mbalala swamp site. No soil investigation report was obtained and no assessment of swamp stability was conducted contrary to the best practices under the engineer's standards. Given that the design involves reinforced concrete pedestals to support the pipeline, the absence of ground investigation data raises concerns about the structural adequacy and safety of the design, and the long-term reliability of the infrastructure.

Implication
Without a soil investigation report or swamp stability assessment, there is no technical basis to confirm that the pedestal design is adequate for the ground conditions at a swamp crossing considering that the swamp terrain is unstable with seasonal flooding and soil movement.

Management Response

The Corporation has previously conducted geotechnical studies in similar areas around Kampala and nearby places namely:

i. *Katosi transmission line of about 53kms that stretches through several swamps and various pedestals were constructed to anchor the transmission pipeline.*

ii. *The Gaba – Namasuba transmission pipeline also crosses a number of swamps and the line is anchored on pedestals.*

iii. *The current transmission line from Gaba to Muyenga also crosses Bunga swamp and the line is anchored on pedestals throughout the swamp.*

Designs were done and NWSC has information on the geotechnical condition of swamps in and around Kampala. As a result, the Corporation did not carry out separate specific geotechnical investigations for the Mbalala (in Mukono District) swamp given the fact that it was costly and yet we already had historical data gathered from earlier studies.

In implementing this project, the Corporation was directed by previous experience of 500mm to 1400mm diameter pipelines which are heavier than the 150mm pipeline for Mbalala swamp.

Authority's Comment

The Authority takes note of Management's response but does not find it sufficient to resolve the finding. While the Authority acknowledges that NWSC has historical geotechnical data from previous swamp crossings around Kampala, those studies were conducted for entirely different sites, different pipeline diameters and different ground conditions. Geotechnical and hydrological conditions are site-specific by nature and the characteristics of the Mbalala swamp in Mukono District cannot be reliably predicted from studies conducted at Katosi, Gaba–Namasuba or Bunga swamp, which are geographically, geologically and hydrologically distinct locations in accordance with Regulation 37 (1) (a) of the PPDA(Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

Recommendation

The Accounting Officer should ensure that all future works contracts involving swamp crossings or geotechnically challenging terrain are preceded by mandatory site-specific geotechnical and hydrological investigations prior to design finalization and procurement initiation in accordance with Regulation 37 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.4 Delays at confirmation of funds

Section 51 of the PPDA Act Cap. 205 provides that all procurement and disposals shall be conducted in a manner which promotes economy, efficiency and value for money. Contrary to this, the audit noted delays at confirmation of funding by the Officer delegated a role of the Accounting Officer of one month in the procurement for the supply of aluminium sulphate for water treatment under framework contract worth UGX 1,520,475,625. The procurement was initiated on 26th April 2024 and funds were confirmed by the delegated Accounting Officer on 28th May 2024 causing a delay of 25 working days.

Implication

Delays in the procurement process create a lengthy lead time which consequently impedes timely service delivery

Management Response
By the time Form 5 was initiated, funding was not yet available and the stock of Aluminium Sulphate was still sufficient. As soon as funding was available, confirmation was given and the procurement progressed and there were no effects on the operations of the Corporation.

Recommendation
The Accounting Officer should approve procurements in a manner that enhances efficiency for effective service delivery in accordance with Section 51 of the PPDA Act, Cap 205 and the guidance issued by the PS/ST on initiation of procurements dated 8th October 2010 that guided that PDE's must not commence procurement processes without confirmed budget provisions and realistic cashflow projections to meet resulting payment obligations.

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

The Entity conducted the disposal of assorted scrap materials, motor vehicles and cycles located at central stores, Katosi WTP, Bugolobi STP and Gaba Water Works through Armstrong Limited as the appointed auctioneer and all obsolete assets in the financial year under review were disposed. The Authority did not find any exceptions in the disposal process.

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

2.3.1 Duplication and overlap of activities leading to inflated costs

In the procurement for implementation of full-scale source protection measures in Bushenyi worth UGX 1,058,997,608, the Authority noted a significant overlap among activities A, B, C and E from the review of the scope of works, all of which involved tree planting and vegetation establishment. Activity A involved planting live markers along buffer zones, Activity B required bamboo and tree planting along River Kitagata; Activity C involved wetland restoration through vegetation establishment and Activity E covered afforestation and agroforestry on 650 ha. These activities were costed separately, creating a risk that quantities and costs were duplicated and provided room for bidders to inflate the contract price.

Implications
- This reflects fundamental weaknesses in the preparation and review of the Bills of Quantities (BOQ) and scope of works during the planning and bidding document preparation stages.
- This duplication undermines the integrity of the requirements and the Entity's ability to achieve value for money.

Management Response
Source Protection is a relatively new field in NWSC, and was only recently introduced by the World Bank as a mechanism for realizing tangible environmental conservation results in development projects. Before tendering, the Project underwent a Feasibility phase, during which the final scope of the Project was agreed to and subsequently given a No Objection by the funder (World Bank).

The scope of works encompassed two main deliverables with five outputs, as follows;

A. Buffer Zone Protection

1) *Establishment of suitable varieties of permanent live markers for the Kitagata River buffer. At Project start however, the Kitagata community opted for live markers instead of demarcating the river buffer zone using concrete markers.*
2) *Restoration of a 20km stretch along River Kitagata with Bamboo and suitable indigenous tree and fruit species.*

B. Tree Coverage increase within the Catchment Area

3) *Restoration of 58.11hactares of the degraded wetlands in River Kitagata sub-catchment through use of catchment management measures (Kizinda). Tree species that are used in wetland restoration are completely different from tree species used to restore uplands.*
4) *Agroforestry and tree planting on 650ha of degraded communal and individual land through tree growing (afforestation, reforestation and agroforestry). This component of the project was separated as a key deliverable because the species/types of trees recommended for agroforestry are different from those recommended to be utilized in wetland restoration.*
5) *Promotion and establishment of soil and water conservation structures on 1000 ha of individual farmers/public land to restore degraded hotspots and reduce/control runoff to control soil erosion and siltation (Muhito, Kyarushakara, Mutara, Katenga). This component involves both structural and greening activities. The species of trees and grass planted under this component of the project were also different from those planted under wetlands restoration and agroforestry.*

Authority's Comment

The Authority takes note of Management's response however it does not adequately resolve the finding. While Management has sought to justify the separate costing of Activities A, B, C, and E by pointing to differences in tree species and ecological zones, this explanation does not address the core concern raised by the Authority of the duplication and overlap of activities leading to inflated costs as presented in the bidding documents.

Recommendation

The Accounting Officer should institute mandatory pre-tender Bills of Quantities validation and consolidation of similar activities in future procurements to prevent artificial inflation of costs so as to promote economy, efficiency and value for money in accordance with Section 51 of the PPDA Act Cap. 205 and Regulation 37 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.3.2 Unjustifiable redesign of water meters

In the procurement for the supply of DN 15mm velocity multijet cold water meters worth UGX 4,094,604,000, the bidding documents required submission of meter samples for technical evaluation and Hunan Changde Deshan Meter Co. Ltd submitted samples that were approved as compliant. However, the provider later attributed delivery delays to a comprehensive redesign of the meters, including changes to the register, plastic casing, impeller and chamber followed by extensive testing. The Entity stated that the redesigned meter was a superior type compared to the initially submitted sample. However, there was no evidence of any documented assessment or technical justification to support this claim. Furthermore, no new sample of the redesigned meter was submitted for fresh technical verification and approval.

Implication
This post-approval redesign rendered the initial sample technical evaluation ineffective and undermined the principles of transparency and accountability.

Management Response
The sample meter that was submitted by the bidder at bid submission conformed to the performance requirements as stated in the standard bidding document. However, being their first contract for supply of domestic water meters for NWSC, they had to redesign their production line to incorporate NWSC's features, as stated in the standard bidding document, to customize the meter.
For example, the meters had to bear the NWSC log, bear the meter classification, serial number, among other features. This is what the supplier referred to as redesigning the production line. The said post approval of redesign was basically on the sample that was presented by the supplier to confirm its conformity with all the features that were stated in the standard bidding document.

Authority's Comment
The Authority takes note of the re-assessment report submitted during the exit meeting. However, the concern remains that there was no assurance that the meters will perform to the required expectations of the Entity. The Authority therefore maintains the finding and recommends that the Entity carries out independent performance verification of the redesigned meters and puts in place controls to ensure that any future post-contract design changes are formally documented and approved before acceptance and taking care of the same in the contractual delivery timelines.

Recommendation
The Accounting Officer should put in place controls that require prior approval of any post-bid or post-contract design changes including mandatory re-submission of samples, updated technical documentation and documented comparative assessments justifying the changes in accordance with Regulation 53 of the PPDA (Contracts) Regulations, 2023.

2.3.3 Delays at Contract Management

Regulation 52 (3) (vi) of the PPDA (Contracts) Regulations, 2023 requires that all the contract obligations are completed before the expiry of the contract. The Authority noted delays in implementation of contracts in two procurements as detailed below:

2.3.3.1 Delayed delivery of meters

In the procurement for supply of DN 15mm velocity multijet cold water meters worth UGX 4,094,604,000, Hunan Changde Deshan Meter Co. Ltd had not delivered the items at the time of audit i.e. 17th June 2026 despite extended delivery periods. Whereas Call-off Order No. 1 required delivery within 120 working days, Call-off Orders No. 2 to 4 each required delivery within 90 working days. Although the Entity was issued with a bill of lading dated 19th May 2026 from Evergreen line indicating that the items had reached Mombasa, however, no delivery had been made yet.

Implication
The continued non-delivery of the meters increases the risk of stock-outs and failure to meet revenue collection targets.

Management Response
NWSC has received a Bill of Landing No. 149603084818 from EVERGREEN LINE on behalf of the supplier (Ms. Hunan Changde Deshan Meter Co. Ltd) confirming that the water meters are in Mombasa. We have obtained a Tax Assessment No. C 30743 from URA for the same and we expect water meters to be delivered at NWSC Central Stores by June 25, 2026.

Recommendation
The Accounting Officer should ensure that the supplier fully deliver's all the meters in accordance with Regulation 52 (3) (i) & (vi) of the PPDA (Contracts) Regulations, 2023. In the event the supplier fails to honor this commitment, the Accounting Officer should immediately issue a formal default notice or invoke the performance security in accordance with Regulation 11(5) of the PPDA (Contracts) Regulations, 2023.

2.3.3.2 Slow progress of works
In the procurement for the water supply and sanitation infrastructure under Package 3 (Masaka - South Western Water and Sanitation Project) worth UGX 199,979,404,038.36, the Authority noted significant delays at contract management.

Despite the contract being signed on 14th February 2025 and the Contractor having received an advance payment of UGX 9,600,150,653.44 and EUR 5,738,560.54, according to the February 2026 progress report, the overall physical progress stood at only 2.82% for Component A and 4.39% for Component B, with zero progress on permanent civil works, electro-mechanical works, procurement and commissioning across both components. In May 20206, the Authority conducted a physical verification while the project was seven months into implementation and further reviewed the Consultants progress report of May 2026. The report indicated that the physical progress for Component A was 12% and 7% for Component B. In addition, the Contractor was still conducting geotechnical tests and had only commenced construction of site offices. At this rate, there is a risk that the project will not be completed within the contractual timeframe, exposing the Entity to financial risk.

Implication
Delayed completion of works delays service delivery and may result in unnecessary additional costs.

Management Response
The Project experienced a slow start, especially after Contract signature, largely due to a combination of pre-construction requirements that included fulfillment of precedent conditions, mobilization, and lengthy administrative procedures and approvals. This was aggravated by the changes in the site layout, after a later boundary opening exercise revealed that the site boundaries, orientation, and access were different from that initially presumed.

It is also important to note that this being a design and build contract, the initial phase of the contract primarily entailed detailed design preparation, reviews, and approval. These activities, although not always reflected as physical progress, are critical to the successful execution of the subsequent works.

With the design phase now complete, physical progress is going to be accelerated through enhanced supervision, stricter monitoring of the contractor's performance and enforcement of contractual obligations, among others. Management is therefore confident that the Project will be completed within the allocated timeframe of 24months.

Recommendation

The Accounting Officer should task the Contract Management team to effectively monitor progress of the Contractor in accordance with Regulation 52 (3)(vi) of the PPDA (Contracts) Regulations, 2023 and bring any outstanding issues to management for adequate management.

2.3.4 Incomplete deliveries due to non-payment of outstanding claims

Regulation 52 (3) the PPDA(Contracts) Regulations 2023 provides that a contract manager shall ascertain that the provider meets all the performance or delivery obligations in accordance with the terms and conditions of the contract;

In the procurement for supply of assorted PE & UPVC pipes under framework contract for a period of 18 months by Roofing's Limited, incomplete deliveries were noted as detailed in the Table 4 below:

Table 4: Undelivered Call off Orders

No.	Description	Purchase Order No.	Qty Ordered	Qty Delivered	Outstanding to Date	Unit Cost (UGX)	Total Value Not Delivered (UGX)
1.	PVC pipes 12" PN 16	0000169411	50	15	35	1,205,845.76	42,204,601.60
2.	PVC Pipe 315mm PN 16 ISO BL ORING SOC	10462665 3	50	35	15	1,205,844.91	18,087,673.65

Implications

- The Entity is exposed to operational disruptions arising from non-delivery.
- The continued issuance of call-off orders to defaulting providers signals a systemic failure in contract management oversight and undermines the Entity's ability to achieve value for money.

Management Response

The funds to pay for these deliveries comes from the Government. There has been a delay in settlement of the outstanding invoices issued by Roofing's Limited due to the delay in remittance of the funds to the Corporation. This is the reason why Roofing's was unable to complete deliveries. However, the supplier was paid UGX 900 million on 16th June, 2026 and the outstanding balance has reduced to UGX 400 million. They have agreed to resume deliveries of the pending materials.

Authority's Comment
The Authority takes note of Management's response that the incomplete deliveries by Roofings Limited were partly occasioned by the Entity's failure to settle outstanding invoices in a timely manner which undermined the supplier's capacity to fulfil its contractual obligations. It is also noted that a payment of UGX 900 million was made on 16th June 2026 with an outstanding balance of UGX 400 million still owed to the supplier. In this regard, both parties bear full responsibility i.e the supplier for incomplete deliveries and the Entity for delayed payment. The outstanding undelivered quantities valued at UGX 60,292,275.25 continue to expose the Entity to operational disruptions and the situation warrants urgent resolution by both parties. The Authority therefore maintains the finding.

Recommendations
The Accounting Officer should expedite the settlement of the outstanding balance of UGX 400 million owed to Roofings Limited and formally engage the supplier to agree on a time-bound delivery schedule for the outstanding quantities valued at UGX 60,292,275.25, ensuring all agreements are documented as part of the contract management record. Additionally, the Entity should strengthen payment planning under Government-funded contracts to ensure that delays in remittances do not cascade into supplier non-performance and put in place contract management safeguards that protect both parties' obligations in the event of future payment delays in accordance with Regulation 52 (1) and 52 (3) (i) & (iv) of the PPDA (Contracts) Regulations, 2023.

CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

3.1 Overall Audit Opinion/Conclusion

The Procurement and Disposal activities of the National Water and Sewerage Corporation (NWSC) 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, and disposal activities reviewed were conducted satisfactorily.

However, the audit identified control and performance weaknesses that require management attention. These included a partial procurement plan implementation with 2.8% worth UGX 3,794,060,382 in planned procurements not implemented and procurements worth UGX 2,908,757,666 carried over into FY2025/26 without evidence of multi-year planning), failure to fully implement two previous audit recommendations, absence of mandatory site-specific geotechnical and hydrological investigations prior to execution of swamp works, , duplication and overlap of activities leading to inflated contract costs, unjustifiable post-approval redesign of procured water meters without documented technical justification, delayed and incomplete delivery of pipes and meters by suppliers and critically slow progress of works on the Masaka South Western Water and Sanitation Project (UGX 199,979,404,038), with physical progress of only 12% and 7% for Components A and B respectively, seven months into implementation.

While these weaknesses did not materially undermine the overall integrity of the procurement system, they indicate deficiencies in procurement planning, contract management, financial commitment 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 National Water and Sewerage Corporation for FY 2024/2025 was assessed as **Satisfactory**, with an overall weighted average risk rating of **14.6%**, but requiring targeted management interventions to strengthen procurement efficiency, contract performance, and compliance with statutory and regulatory requirements.

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 below:

Risk Computation

The Table below shows the computation of risk for NWSC:

Table 8: Risk Computation

Risk category	No.	No. %	Value (UGX)	Value (%)	Weights	Total weighted Average	
						By No.	By Value
High	0	-	-	0.0	0.6	0.0	0.0
Medium	1	10	4,094,604,000.0	1.7	0.3	3.0	0.5

Low	5	50	207,399,929,686.4	89.5	0.1	5.0	8.9
Satisfactory	4	40	20,278,740,000	8.6	0	0.0	0.0
TOTAL	**10**	**100**	**231,773,273,686.4**	**100**	**1**	**8.0**	**9.5**

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{8}{60} \times 100 = 13.3\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{9.5}{60} \times 100 = 15.8\%$$

$$\text{The average weighted risk rating} = \frac{13.3+15.8}{2} = \mathbf{14.6\%}$$

The risk rating is indicated in Table 7 below:

Table 7: Risk Rating

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

Chart Representation of Risk Rating

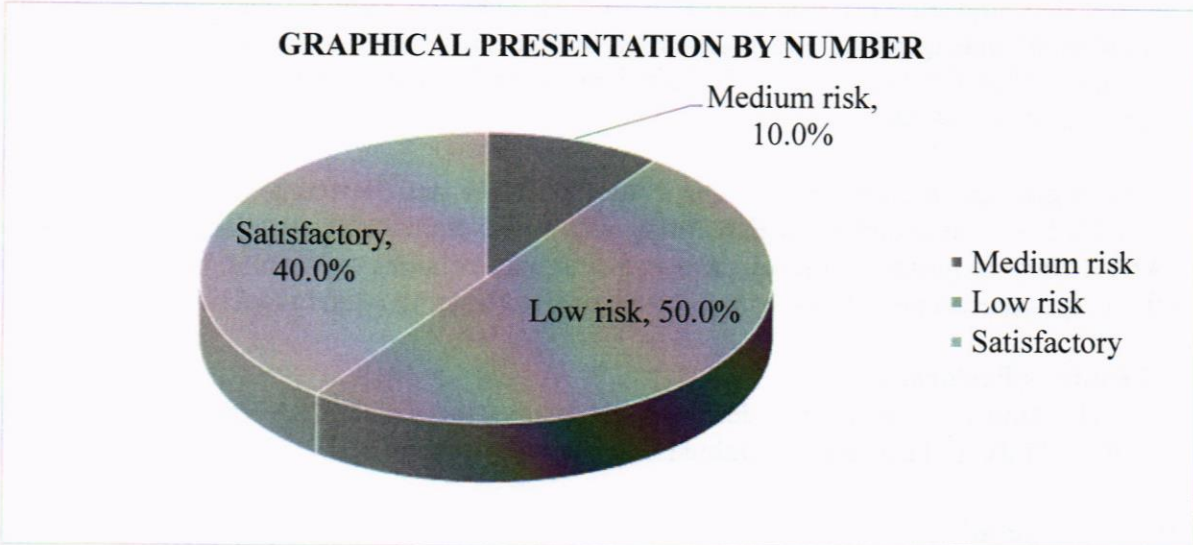

Figure 1: Chart Representation of Risk Rating by Number

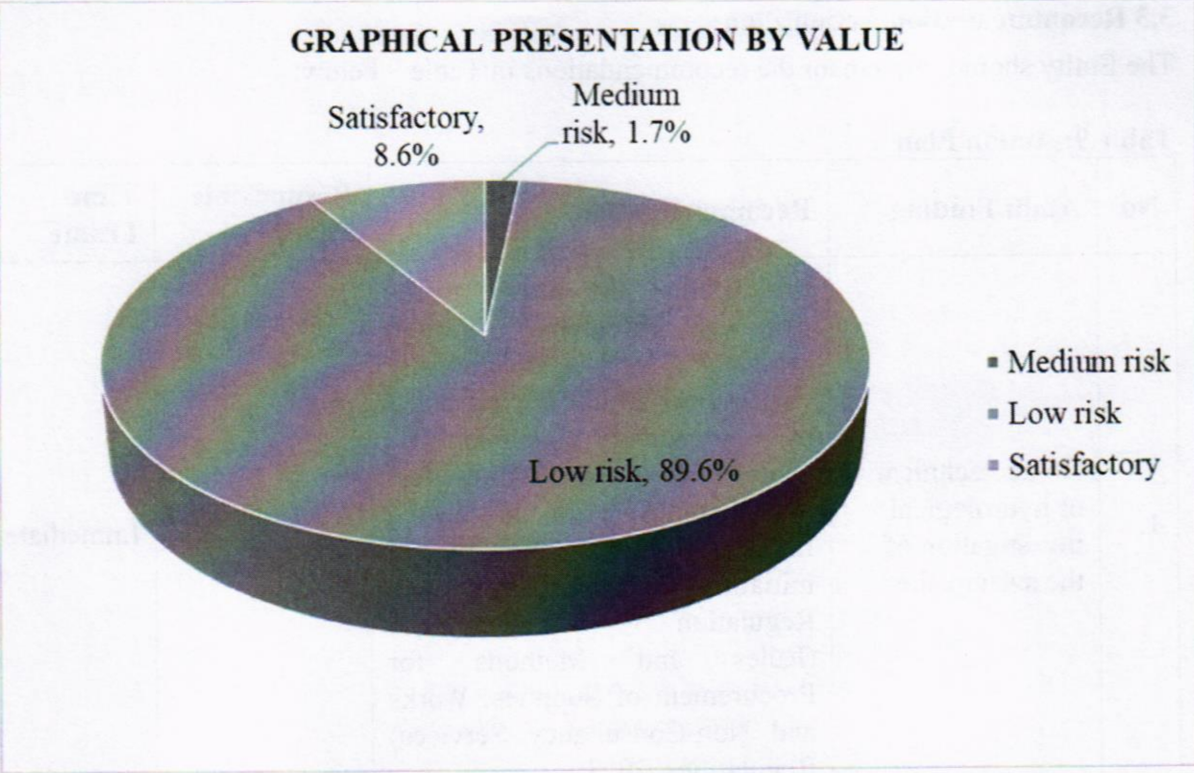

Figure 2: Chart Representation of Risk Rating by Value

3.3 Recommendation Action Plan

The Entity should implement the recommendations in Table 9 below:

Table 9: Action Plan

No.	Audit Finding	Recommendation	Responsible Party	Time Frame
1.	No geotechnical or hydrological investigation of the swamp site	Ensure that all future works contracts involving swamp crossings or geotechnically challenging terrain are preceded by mandatory site-specific geotechnical and hydrological investigations prior to design finalization and procurement initiation in accordance with Regulation 37 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	AO/Contract Managers	Immediate
2.	Delays at confirmation of funds	Approve procurements in a manner that enhances efficiency for effective service delivery in accordance with Section 51 of the PPDA Act, Cap 205 and the guidance issued by the PS/ST on initiation of procurements dated 8th October 2010.	AO/HPDU	Immediate and Continuous
3.	Duplication and overlap of activities leading to inflated costs	Institute mandatory pre-tender BOQ validation and consolidation of similar activities in future procurements to prevent artificial inflation of costs so as to promote economy, efficiency and value for money in accordance with Section 51 of the PPDA Act Cap. 205 and Regulation 37 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023	AO/HPDU/User Dept	Immediate
4.	Irregular redesigned meters	Put in place controls that require prior approval of any post-bid or post-contract design changes including mandatory resubmission of samples and	AO/Contract Managers	Immediate

No.	Audit Finding	Recommendation	Responsible Party	Time Frame
		documented comparative assessments.		
5.	Delays at contract management (meters and works)	Task the Contract Management team to effectively monitor progress and issue formal notices to non-compliant providers. Where there is persistent non-compliance, cash the performance security and submit providers to the Authority for suspension in accordance with Regulation 52 (3) (i) &(vi) of the PPDA (Contracts) Regulations, 2023.	AO/Contract Managers	Immediate and Continuous
6.	Inadequate contract management – Incomplete deliveries due to non-payment outstanding claims	The Accounting Officer should expedite the settlement of the outstanding balance of UGX 400 million owed to Roofings Limited and formally engage the supplier to agree on a time-bound delivery schedule for the outstanding quantities valued at UGX 60,292,275.25, ensuring all agreements are documented as part of the contract management record. Additionally, the Entity should strengthen payment planning under Government-funded contracts to ensure that delays in remittances do not cascade into supplier non-performance and put in place contract management safeguards that protect both parties' obligations in the event of future payment delays in accordance with Regulation 52 (1) and 52 (3) (i) & (iv) of the PPDA (Contracts) Regulations, 2023.	AO/Contract Managers	Immediate

APPENDICES

Appendix 1: Findings and Rating on the Individual Contracts Reviewed

MEDIUM RISK CASES

No.	Procurement Details	Reasons for Rating
1.	Supply of 15mm (1/2) velocity (multi-jet) cold meters under FW contract for a period of 18months worth UGX 4,094,604,000	Unjustifiable redesigned of the product. Hunan Changde Deshan Meter Co. Ltd carried out a comprehensive redesign of meters including changes to the register, plastic casing, impeller and chamber without documented assessment, technical justification or fresh sample submission for technical verification and approval. Delayed delivery of meters. In the procurement for supply of DN 15mm velocity multijet cold water meters worth UGX 4,094,604,000, Hunan Changde Deshan Meter Co. Ltd has not delivered to date despite extended delivery periods across Call-off Orders No. 1 to 4, increasing the risk of stock-outs and failure to meet revenue collection targets.
2.	Implementation of full-scale source protection measures in Bushenyi worth UGX 1,058,997,608	Duplication and overlap of activities leading to inflated costs.

LOW RISK CASES

No.	Procurement Details	Reasons for Rating
3.	Contract for labour works for pipe laying works of DN150mm steel pipes PN16, on pedestals along Jinja Road Mbalala swamp between Grow Seeds and Stirling Yard worth UGX 347,628,000	No geotechnical/hydrological investigation – Pipe laying works on Jinja Road/Mbalala Swamp worth UGX 347,628,000 were initiated and executed without any soil or swamp stability assessment.
4.	Supply of aluminium sulphate for water treatment under framework contract worth UGX 1,520,475,625	Delays at confirmation of funds by over one month by the delegated Accounting Officer in confirming funds for the aluminium sulphate framework contract worth UGX 1,520,475,625, contrary to Section 51 of the PPDA Act Cap. 2025.
5.	South western Cluster-Development of water supply and sanitation infrastructure for Mbarara and Masaka Areas: Package 3- Masaka Package 1: Kagera water works worth UGX 199,979,404,038.36	Slow progress of works. physical progress stood at only 12% for Component A and 7% for Component B as of May 2026 (seven months into implementation), despite the Contractor having received advance payment of UGX 9,600,150,653.44 and EUR 5,738,560.54.
6.	Supply of assorted PE & UPVC pipes under framework contract for	Failure to deliver. In the procurement for supply of assorted PE & UPVC pipes by Roofing's

No.	Procurement Details	Reasons for Rating
	a period of 18 months worth UGX 4,493,424,415	Limited under framework contracts, call-off orders remained undelivered at the time of the audit, exposing the Entity to operational disruptions and signaling systemic failure in contract management oversight

SATISFACTORY RISK CASES

No.	Procurement Details
7.	Contract for supply of land for the construction of an intake water treatments plant in Masaka worth UGX 502,500,000.
8.	Supply of assorted steel pipe socketed ended (Pipe length 8mtrs) for Kampala, Central & Eastern Region UGX 3,821,940,000 and UGX 4,575,000,000.
9.	Supply of Sodium Carbonate (Soda Ash) under a FW Contract for a period of 18months worth UGX 2,458,500,000.
10.	Provision of consultancy services for design and tender documents review, construction supervision and social safeguards support for the water supply and sanitation works in Nakivale and Oruchinga Settlement areas – Isingiro District worth UGX 8,920,800,000

Appendix 2: Transaction List for FY 2024/2025

SN	Reference Number	Subject of procurement	Method of Procurement	Provider	Estimated Cost	Contract Value (UGX)	Risk Rating
1.	NWSC-HQ/WRKS/24-25/181095	South western Cluster-Development of water supply and sanitation infrastructure for Mbarara and Masaka Areas: Package 3- Masaka Package 1: Kagera water works	RFQ	Sogea Satom	210,000,000,000	Component A: 118,702,851,445.27 Component A: 81,276,552,593.09	Low Risk
2.	NWSC-HQ/SUPLS/24-25/18166	Supply of 15mm (1/2) velocity (multi-jet) cold meters under FW contract for a period of 18months	OIB	1st BEB-m/S Hunan Changde Deshan Meter Co. Ltd 2nd BEB-M/s Sheargold Ltd	5,456,000,000	4,094,604,000	Medium Risk
3.	NWSC-HQ/SRVCS/23-24/180730	Provision of consultancy services for design and tender documents review, construction supervision and social safeguards support for the water supply and sanitation works in Nakivale and	ODB	Fitchner Water & Transportation Gmbh in Jv with Malteser International	Euros 1,804,770	8,920,800,000	Satisfactory

SN	Reference Number	Subject of procurement	Method of Procurement	Provider	Estimated Cost	Contract Value (UGX)	Risk Rating
		Oruchinga Settlement areas – Isingiro District					
4.	NWSC-KW/WRKS/24-25/1269200	Contract for labour works for pipe laying works of DN150mm steel pipes PN16, on pedestals along Jinja Road Mbalala swamp between Grow Seeds and Stirling Yard	RFQ	JSG Constriction Company Limited	391,250,000	347,628,000	Low Risk
5.	NWSC/SUPLS/24-25/181241	Contract for supply of land for the construction of an intake water treatments plant in Masaka	RFQ	Yusuf Karmali	650,000,000	502,500,000	Satisfactory
6.	NWSC-HQ/SUPLS/24-25/181036	Lot 1: Supply of assorted steel pipe socketed ended (Pipe length 8mtrs) for Kampala, Central & Eastern Region	ODB	1st BEB Wan and One Limited 2nd BEB Mulstar Technical Services limited	5,479,200000 1,760,400,000	3,821,940,000 4,575,000,000	Satisfactory
7.	NWSC-HQ/SUPLS/24-25/181160	Supply of assorted PE & UPVC pipes under framework contract for a period of 18 months	ODB	Lot 1: Roofing's Limited	6,002,834,040	4,493,424,415	Medium Risk
8.	NWSC-HQ/SUPLS/2	Supply of Sodium Carbonate (Soda Ash)	ODB	Pan Africa Chemicals	4,849,500,000	2,458,500,000	Satisfactory

SN	Reference Number	Subject of procurement	Method of Procurement	Provider	Estimated Cost	Contract Value (UGX)	Risk Rating
	4-25/181028	under a FW Contract for a period of 18months		Limited			
9.	NWSC-HQ/SUPLS/23-24/180990	Aluminium sulphate for water treatment under framework contract for a period of 18months under five lots	Open International Bidding	Pan Africa Chemicals Ltd	Lot 1- UGX 777,600,000	1,520,475,625	Satisfactory
10.	NWSC-HQ/WRKS/24-25/181146	Implementation of full-scale source protection measures in Bushenyi	National closed bidding	Keirere Green Africa Agency	1,053,089,820	1,058,997,608	Medium Risk

Appendix 3: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry a risk for the regulatory system or the Entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	**Planning:** Lack of or failure to procure within the approved plan	This implies emergencies and the use of the direct procurement method which affects competition and value for money.
		Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals, and usurping the powers of the PDU.	This implies the use of less competitive methods which affects transparency, accountability, and value for money.
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct an evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies a lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the Entity's reputation,	**Planning:** Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		Bidding Process: Deviations from standard procedures namely	This implies a lack of efficiency, standardization, and avoiding competition.

RISK	DESCRIPTION	AREA	IMPLICATION
	warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.	bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms, and splitting procurement requirements.	
		Procurement Structures: Lack of procurement structures	This implies a lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health, and safety are not covered by the contractor during contract implementation.	

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

Appendix 4: Procurement and Disposal Unit members

No.	Name	Job Title
1.	Nable À Byaruhanga	Senior Manager Procurement
2.	Norah Nyanganda	Manager Procurement - KW
3.	Martin Busuulwa	Manager Procurement - HQ
4.	Morris Greg Akera	Principal Procurement Officer
5.	Macrine Nakiguli	Principal Procurement Officer
6.	Doreen Anena	Senior Procurement Officer
7.	Barbara Asiimwe	Senior Procurement Officer
8.	Brendah Atukwatse	Senior Procurement Officer
9.	Peter Natwaluma	Procurement Officer
10.	Brendah Ninsiima	Procurement Officer
11.	Robert Angalia	Procurement Officer
12.	Gauda Kemirembe	Procurement Officer
13.	Nancy Lanyero	Procurement Officer
14.	Moses Osujo	Procurement Officer
15.	Lilian Mwanakombo	Procurement Officer
16.	Patricia Murungi	Procurement Officer
17.	Richard Kiguli	Procurement Officer
18.	Pauline Musimenta	Procurement Officer
19.	Aggrey Muhereza	Procurement Officer
20.	Oscar Mugabe	Procurement Officer
21.	Brendah Atwine	Procurement Officer
22.	Habibu Kabunga	Procurement Officer
23.	Annet Okot	Procurement Officer
24.	Beatrice Boonabaana	Procurement Officer
25.	Irene Mbabazi	Procurement Officer
26.	Leah Ainembabazi	Procurement Officer
27.	Alex Natwijuka	Senior Procurement Officer
28.	Anna F. Nambula	Procurement Officer
29.	Immaculate Asekenye	Procurement Officer

No.	Name	Job Title
30.	Maurice Turinawe	Procurement Officer

Appendix 5: User Departments

S/NO	Title of User Department	Job Title of Head of Department
1.	Office of the Managing Director	Managing Director
2.	Static Plant	Finance and Administration Manager
3.	Water Supply	Chief Manager Water Supply
4.	Water Production	Chief Manager Water Production
5.	Project & Capital Development	Senior Director Project & Capital Development
6.	Water Quality	Director Water Quality
7.	Information Technology	Director Information Technology
8.	Inventory	Senior Manager Inventory
9.	Transport	Manager Transport
10.	Human Resource	Director Human Resources
11.	Operations	Senior Director Operations
12.	Sewerage Services	Chief Manager Sewerage Services
13.	Legal Services	Director Legal Services