PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY
"Procurement That Delivers"

REPORT ON PROCUREMENT AND DISPOSAL AUDIT FOR UGANDA CIVIL AVIATION AUTHORITY FOR FINANCIAL YEAR 2024/2025

JUNE 2026

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ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
CC	Contracts Committee
EC	Evaluation Committee
FY	Financial Year
HPDU	Head, Procurement and Disposal Unit
LTD	Limited
NOBEB	Notice of the Best Evaluated Bidder
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
RFP	Request for Proposals
RFQ	Request for Quotation
SBD	Standard Bidding Document
UCAA	Uganda Civil Aviation Authority

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a Procurement and Disposal Audit of the Uganda Civil Aviation Authority for the Financial Year 2024/2025 that covered 17 procurements and one disposal transactions (*Refer to Annex 2*).

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

The Procurement and Disposal activities of the Uganda Civil Aviation Authority (UCAA) 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 adherence to the procurement plan, robust Contracts Committee, record keeping in the Procurement and Disposal Unit and responsiveness to Authority's requests.

However, the audit identified several control and performance weaknesses that require management attention. These included; delays at different stages of the procurement process, inadequate storage space for procurement documents, deficient Contracting, failure to dispose of obsolete assets, delayed disposal process, delayed delivery of items, delayed appointment of Contract Managers, delayed commencement of contracts and delayed advance payments.

Notably, while these weaknesses did not materially undermine the overall integrity of the procurement system, they indicate deficiencies in asset management, 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 promptly addressed.

Consequently, the overall performance of the Uganda Civil Aviation Authority for the Financial Year 2024/2025 is evaluated as **Moderately Satisfactory** with an overall weighted average risk rating of **39.3%**. Addressing this risk requires focused management strategies to enhance procurement efficiency, contract administration, and statutory compliance.

Notwithstanding the Entity's moderately satisfactory performance, the Procurement and Disposal Audit revealed the following exceptions:

1. Delays at different stages of the procurement process by an average of 88 days: The Authority noted several delays at different stages of the procurement process in 12 sampled procurements worth UGX 38,354,479,366. These delays ranged from delayed approval of requisitions, delayed submissions to the Contracts Committee by the Procurement and Disposal Unit, delayed bid evaluation, delayed submission of contracts to the Solicitor General and the delayed contract signing after Solicitor General approval. Such delays are contrary to Section 51 of the PPDA Act, Cap. 205 and impact on service delivery.

2. Inadequate storage space for procurement documents: Whereas the Entity designated a room on the ground floor for storage of procurement documents, audit noted that the space is inadequate and can no longer accommodate additional records. Consequently, some procurement documents are being stored in the Procurement and Disposal Unit office and the Contracts Committee meeting room, leading to congestion and inefficient use of office space. This increases the risk of loss, misplacement or damage of critical procurement documents.

3. Deficient Contracting: The audit noted several inadequacies in four contracts worth UGX 7,939,467,598 namely; the supply and installation of hold baggage screening machines worth UGX 1,913,309,763, consultancy services for ETOD for Arua, Gulu, Soroti and Mbarara Airfields worth UGX 1,997,853,000, Ground maintenance at EIA worth UGX 2,172,680,064, Supply and commissioning of VHF radio equipment for Gulu Airport worth UGX 1,855,624,771. The deficiencies pertained to discrepancies in the Special Conditions of the Contract and failure to indicate the contract period for the respective procurements. These inadequacies complicate contract management and may result into unnecessary conflicts between service providers and the Entity.

4. Failure to dispose of obsolete assets: The audit noted that the Entity continues to hold obsolete and unserviceable assets that are due for disposal but have not been disposed. These assets include eight vehicles, as well as assorted furniture and airport luggage carts that are no longer in use. Furthermore, some of the items such as furniture and airport luggage carts had been poorly stored in an open space. Failure to timely dispose of obsolete assets may lead to continued deterioration and loss of value of assets

5. Delayed disposal process: The audit noted that the Entity's disposal process took approximately two years, from 29th May 2022 when the initial disposal requisition was raised, to 11th May 2024 when the disposal was concluded. This delay was largely attributed to prolonged internal requisitioning processes. In particular, the requisitioning stage alone took about 15 months, from 29th May 2022 when the first requisition was raised and approved, to 16th August 2023 when the final requisition was approved by the Accounting Officer.

6. Delayed delivery of items in two procurements worth UGX 5,521,910,056. In the procurement for Optimization of VHF Coverage – E Space worth UGX 3,666,285,285, a delay of nine months was noted as at the time of the audit in February 2026, while slow project implementation was noted in the procurement for Supply and Commissioning of VHF for Gulu Airport worth UGX 1,855,624,771. Such delays negatively impact on service delivery to intended beneficiaries.

7. Delayed appointment of Contract Managers in eight procurements worth UGX 28,434,679,916. In these procurements, Contract Managers were appointed approximately one month after contract signing, despite the contracts taking effect immediately upon execution. Consequently, contract implementation commenced before designated Contract Managers were in place to provide the required oversight and coordination. Such delays may result into weak oversight at the initial stages of contract implementation, increasing the risk of contractor commencing work without proper supervision.

8. Delayed commencement of contracts in two procurements worth UGX 5,851,330,771: In the Provision of consultancy services for acquisition of electronic terrain and obstacle data (ETOD) for area 2,3 and 4 for Arua, Gulu, Soroti and Mbarara worth UGX 1,997,853,000 and the Supply and Commissioning of VHF for Gulu Airport worth UGX 1,855,624,771, the audit noted delayed contract commencement by 7 days and three months respectively, beyond the commencement period provided for in the Special Conditions of the Contract. These delays indicate weaknesses in contract management and coordination between the Entity and the contractors at the contract initiation stage.

9. Delayed Advance Payments by an average of 133 days beyond the payment period provided for in the Special Conditions of the Contract in four procurements worth UGX 11,985,368,690. The delayed advance payments consequently impacted the performance of the contracts since contract commencement was contingent upon receipt of advance payment.

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

1. The Accounting Officer Charged with the execution of the procurement function should

i. Should eliminate delays in procurement process i.e., Initiation, evaluation and contracting to ensure that efficiency in the procurement process in accordance with Section 51 of the PPDA Act, Cap. 205.

ii. Provide additional on/ off site secure storage space or consider adopting digital/ electronic storage for procurement documents. The Entity should also consider implementing a structured records management system, including archiving older files and digitizing procurement records where feasible, to ensure compliance with Section 44(1) of the PPDA Act, Cap 205.

iii. Carry out frequent disposal of obsolete assets in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023.

iv. Task the HPDU to initiate and conclude disposal processes in a timely manner by streamlining internal approval procedures and setting clear timelines for each stage of disposal, in accordance with Section 51 of the PPDA Act, Cap. 205.

v. Appoint Contract Managers/ Contract Management Team in time in accordance to Regulation 50(1) of the PPDA (Contracts) Regulations, 2023.

vi. Strengthen cash flow planning and commitment management to ensure timely processing of advance payments in accordance with the contractual payment timelines and Regulation 49(3) of the PPDA (Contracts) Regulations, 2023. The Entity should also prioritize availability of funds before contract signing and establish effective payment scheduling mechanisms to avoid delays that hinder contractor mobilization and project commencement.

2. The Head, Procurement and Disposal Unit should prepare contracts with uniform contractual terms as those in the bidding document and the contractual terms in the contract issued to bidders.

3. The Contract Managers should:

    i. Enforce strict adherence to the stipulated contractual periods provided in the contract in accordance with Regulation 52 of the PPDA (Contracts) Regulations 2023 and the Entity should further conduct regular supplier appraisals to monitor performance against implicit timelines.

    ii. Closely monitor compliance with commencement timelines and ensure that any foreseeable constraints are identified and resolved before contract signing or immediately thereafter to avoid unnecessary delays in project implementation in accordance with Regulation 52(1)(b) of the PPDA (Contracts) Regulations, 2023. Similarly, Management should strengthen contract initiation and implementation planning to ensure timely commencement of contracts in accordance with the agreed contractual timelines.

From the three contract audits carried out, the following were noted:

1. Upgrade of the Runway, Taxiway and Apron at Jinja Airfield

i. Delayed site possession and handover: Whereas the contract was signed on 13th September 2024, the audit noted that the handover of the project site was undertaken on 8th November 2024, representing a delay of 56 days after contract signing. This was contrary to GCC 26.1 of the Special Conditions of Contract, which required commencement within seven (7) calendar days from the date of contract signing.

ii. Failure to retrieve Workers' Compensation Insurance from the contractor: Clause GCC 18.1 (g) of the Special Conditions of Contract required the contractor to obtain and maintain Workers' Compensation Insurance for personnel engaged on the project. However, the audit noted that the contractor did not provide Workers' Compensation Insurance. Instead, the contractor only submitted Contractors' All Risks Insurance on 10th June 2025, which does not specifically cover statutory compensation obligations for workers in case of injury, disability, or death arising out of employment.

The Authority recommends that:

i. Management should ensure that all prerequisite regulatory approvals, including requirements for closure of operational facilities such as Airdromes, are secured prior to contract signing to enable timely handover of project sites in accordance with contract provisions. In addition, the Entity should strengthen project planning and coordination among stakeholders to ensure that commencement timelines specified in the contract are adhered to, and where delays are unavoidable, contract timelines should be formally adjusted in a timely manner to mitigate the risk of claims and delayed project completion.

ii. Contract Managers should in future obtain and verify all mandatory insurance policies prior to contract commencement and continuously monitor their validity to ensure compliance with contract requirements in accordance with Regulation 52(1)(b) of the PPDA (Contracts) Regulations, 2023.

2. **Upgrade of the Airport Perimeter Road at Entebbe International Airport to Butimen Standards**

The Authority noted delayed approval of change of personnel: Whereas the contractor submitted a list of personnel to the Entity on 4th December 2025, the audit noted that the Entity had not approved the same by the time of the Audit in February 2026, two months later and yet there were significant changes in personnel from those proposed in the bid.

The Authority recommends that the Contract Management Teams should review and approve or reject all requests for changes in key personnel within a reasonable and predefined timeframe in line with the contract provisions. No personnel substitutions should be allowed to take effect without prior written approval.

3. **Design, Manufacture, Supply, Installation, Testing and Commissioning of Airfield Ground Lighting System for Runway 12/30 at Entebbe International Airport**

i. Delayed conclusion of the project design and review. Whereas the Memorandum of Understanding provided for a total project implementation period of 12 months, the audit noted that the design and review phase alone took four months, from 17th May 2025 to 24th September 2025. This extended duration delayed the commencement of the core project activities, with actual works on the lighting system only starting on 10th October 2025.

ii. Delayed project commencement. Whereas the Memorandum of Understanding was signed on 11th February 2025, the audit noted that the design phase of the project commenced 93 days later on 7th Aprils 2025.The Entity attributed the delay to the change of the UPDF Engineering Brigade management.

The Authority recommends that:

i. Management should strengthen project planning by setting realistic timelines for each project phase, including design and review, and ensure close monitoring to avoid unnecessary delays.
ii. Design activities should be initiated promptly and, where possible, undertaken in parallel with preparatory activities to optimize time.

iii. The Accounting Officer and the Contract Management Team should in future ensure that projects commence within the period indicated in the contract in accordance with Regulation 52(1)(a)(b) of the PPDA (Contracts) Regulations, 2023.

CHAPTER 1: INTRODUCTION

1.1 About the Entity

Uganda Civil Aviation Authority (UCAA) was established by an Act of Parliament (Cap. 354) in 1991 with the main objective of promoting the safe, regular, secure and efficient use and development of civil aviation inside and outside Uganda.

Vision

The Safest, Most Efficient and Affordable Air Transport Service.

Mission

To Maintain the Highest Standards of Safety, Security and Service in Civil Aviation.

UCAA is mandated to carry out the following functions:

a) Advisory role to Government in relation to civil aviation policy matters and international; conventions and other functions as deemed necessary by the Minister responsible for aviation;
b) Regulation of safety, security and doing business in air transport;
c) Management and development of major Airports in the country; and
d) Provision of air traffic and navigation services.

UCAA advises government on policy matters concerning civil aviation generally and on matters regarding international conventions relating to civil aviation and the adoption of measures necessary to give effect to the standards and recommended practices of the international air transport system.

1.2 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out the procurement and disposal audit of Uganda Civil Aviation Authority that covered a representative sample of eighteen procurements under financial year 2024/2025. The audit involved a review of the procurement structures, procurement processes, as well as contract performance following the provisions of PPDA Act, Cap. 205, the PPDA Regulations, 2023 and the PPDA Guidelines and to assess the level of procurement performance over the audit period.

1.3 Main Objectives

The overall objective of the audit was to assess and establish the degree of compliance of the Entity's systems and processes with the provisions of the PPDA Act, Cap. 205, the PPDA Regulations, 2023 and the PPDA Guidelines and to assess 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 Entity with the general provisions of the PPDA Act, Cap. 205 and PPDA Regulations 2023 with regard to the performance of the procurement structures and conduct of procurement processes;
2. Assess the degree of compliance of the Entity' disposal process with the provisions of the PPDA Act, Cap. 205 and PPDA Regulations 2023; 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.

1.4 Audit Scope

The audit involved a review of the procurement and disposal processes, general compliance issues and contract implementation on sample basis. The audit covered a representative sample that covered 17 procurements and one disposal transaction carried out in the Financial Year 2024/2025. The list of sampled transactions is contained in **Annex 2.**

1.5 Procurement and Disposal Audit Methodology

Records and documents for each sampled procurement and disposal transaction were examined and relevant evidence obtained to derive audit conclusions. This involved a review of the Entity's procurement planning, initiation, bidding, evaluation, contract placement and implementation.

During the exercise, the auditors held interviews with the staff from the Procurement and Disposal Unit (PDU) and User Departments that were necessary in obtaining crucial qualitative information. The report presents the key findings and conclusions arising from the performance audit.

Upon completion of the audit exercise, the Authority issued to the Entity a Management Letter on 5th May 2026 and the Entity responded to the same on 15th May 2026. An exit meeting was held on 26th May 2026. Additional responses were received on 2nd June 2026

Refer to the Action plan on page 27 for the Authority's recommendations.

CHAPTER TWO: FINDINGS OF THE AUTHORITY

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

2.1.1 Failure to fully implement the procurement plan

Finding

Section 60 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.*"

Whereas the Entity planned to carry out procurements worth UGX 664,012,469,864 in FY 2024/25, the audit noted that the Entity implemented procurement activities amounting to UGX 621,921,407,279 during the same period, representing 93.7% of the total planned procurement value. This resulted in an implementation variance of UGX 42,091,062,585 as shown in Table 1 below:

Table 1: Procurement Plan Implementation

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	664,012,469,864
Total procurement spend value inclusive of VAT (UGX)	621,921,407,279
Procurement plan implementation rate (%)	93.7%.
Implementation variance (UGX)	42,091,062,585

Implication

Failure to fully implement the procurement plan delays of planned goods, works and services, thereby affecting timely achievement of organisational goals and service delivery outcomes.

<u>Management Response</u>

Management acknowledges that certain procurements planned during FY 2024/25 were not fully completed within the financial year. However, we wish to draw your attention to the fact that the Entity relies on internally generated revenues, and in this particular financial year, we anticipated that the debt owed by Uganda Airlines would be repaid to finance our activities. Our several engagements with the Airline did not yield much and the Entity had to rely on other sources of revenues to implement the plan. It became clear that during the financial year 2024/25, we were not going to have the full payment from the Uganda Airlines, and as such, in line with section 28 (1), (f) of the PPDA Act, we reviewed the procurement plan and prioritized the projects to implement so that the Entity is committed to the extent of the revenues expected.

This therefore explains the variance of 6.3%, an equivalent of UGX 42,091,062,585 of the plan that was not implemented. However, the procurement plan was not updated accordingly. In future, management commits to update the plan in accordance with Section 60 (7) to reflect these changes, particularly where the expected revenues impact on the implementation of the plan.

Management remains committed to improving procurement cycle efficiency and ensuring that planned procurements are executed in a timely and cost-effective manner in line with Section 60(2) of the PPDA Act.

Authority's comment
The Authority has noted the Entity's response, however; the procurement plan must be updated to reflect the procurement transactions that may not be carried out in particular Financial Year.

Recommendation
The Accounting Officer and the Head, Procurement and Disposal Unit should regularly carry out a review procurement plan implementation and update the plan it in accordance with Section 60 of the PPDA Act, Cap. 205 to reflect changes in funding availability and procurement priorities.

2.1.2 Failure to fully implement previous audit recommendations

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

The audit noted that out of six recommendations in the previous audit report for the Financial Year 2023/2024, one recommendation relating to timely completion of evaluation processes had not been fully implemented:

Table 2: Recommendation not fully implemented by the Entity

No.	Recommended Action	Status of Implementation
1.	The Evaluation Committee should always ensure that evaluation processes are concluded within the timelines stipulated in Regulation 4 of the PPDA (Evaluation) Regulations, 2023.	Partially Implemented

Implication
Failure to fully implement prior audit recommendations weakens accountability, perpetuates control deficiencies, and increases the likelihood of recurring procurement noncompliance.

Management Response
Management commits to ensure full compliance to the Regulation regarding the Evaluation Committees. We try as much as possible to comply with the Evaluation Regulations but some of our evaluations require presence of all technical personnel acting together which at times is difficult to achieve. In this case, the evaluation committee have been advised to seek extensions from the Accounting Officer.

The commitment to compliance is evidenced in the communication of the Accounting Officer to evaluators to improve coordination and turnaround time and notifying them of the requirements *of the law. We have also conducted a targeted training on evaluation processes by PPDA for UCAA evaluation teams.*

Authority's comments
The Authority has noted the Entity's response, however; physical absence of the Evaluation Committee members cannot prohibit evaluation processes from being carried out, especially with the Electronic Government Procurement (E-GP) which allows each evaluator to evaluate bids on their own online without physically being present. Similarly, other online meeting platforms like Zoom, Microsoft Teams and Google Meet, among others can be used to improve efficiency during evaluation of bids.

Recommendation
The Accounting Officer should ensure full implementation of all outstanding audit recommendations in accordance with Section l0 of the PPDA Act, Cap. 205 as agreed at the audit exit meeting.

2.1.3 Delays at different stages of the procurement process

Finding
Section 51 of the PPDA Act, Cap 205 states that "*All procurements and disposal shall be conducted in a manner that promotes economy, efficiency and value for money.*"

The Authority noted several delays at different stages of the procurement process in 12 sampled procurements worth UGX 38,354,479,366. These delays ranged from delayed approval of requisitions, delayed submissions to the Contracts Committee by the Procurement and Disposal Unit, delayed bid evaluation, delayed submission of contracts to the Solicitor General and the delayed contract signing after Solicitor General approval, as shown in Table 3 below:

Table 3: Delays at different stages of the procurement process

No.	Subject of Procurement	Stage of Procurement Process	Delays Noted
1.	Supply, installation, testing and commissioning of voice communication system at Entebbe International Airport worth UGX 3,252,196,840.32	Initiation	The audit noted that there was a delay of three months and 14 days from the date of confirmation of funds by the Accounting Officer on 23rd October 2024 to 6th February 2025 when the Procurement and Disposal Unit submitted the procurement to the Contracts Committee for approval of the method, shortlist and the Evaluation Committee.
2.	Supply of Gulu Airport VHF equipment worth UGX 1,855,624,771	Evaluation	The audit noted that while bid closing was on 21st March 2024, the evaluation was concluded on the 31st May 2024 causing a delay of 47 days.

No.	Subject of Procurement	Stage of Procurement Process	Delays Noted
3.	Purchase of a fire truck worth UGX 5,398,500,00		The audit noted delayed bid evaluation by 18 days. Evaluation was to be concluded on 21st March 2025, 10 days after bid opening on 7th March 2025. It was however concluded on 16th April 2025.
4.	Ground maintenance worth UGX 2,172,680,064		The audit noted that while the bids were opened on 30th September 2022, the evaluation was concluded on 8th November 2022 causing a delay of 19 days.
5.	Supply of the Voice Communication System worth UGX 3,252,196,840		The audit noted that while bid closing was on 18th March 2025, bid evaluation was concluded on 22nd May 2025 causing a delay of 24 working days.
6.	Optimization of VHF Coverage – E space worth UGX 3,666,285,285		The audit noted that there was delayed evaluation by 23 days. Whereas the bid closing was on 8th February 2024, implying completion dated of 22nd February 2024, evaluation was concluded on the 27th March 2024.
7.	The supply of Gulu Airport VHF equipment worth UGX 1,855,624,771.	Contracting: Submission of contracts to the Solicitor General	Whereas the Contracts Committee awarded the contract on the 11th June 2024 and the Best Evaluated Bidder Notice expired on 24th June 2024, the audit noted that the draft contract was submitted to the Solicitor General on 15th January 2025, creating a delay of 205 days.
8.	Supply, installation, testing and commissioning of voice communication system at Entebbe International Airport worth UGX 3,252,196,840.		Whereas the Contracts Committee approved the evaluation report on the 28th May 2025 and the Best Evaluated Bidder Notice expired on the 17th June 2025, it was noted that the contract was submitted to the Solicitor General on 15th July 2025, resulting into a delay of 31 days.
9	Consultancy Services for Acquisition of Electronic Terrain and Obstacle Data (ETOD) for Arua, Gulu,		The audit noted that whereas the Contracts Committee awarded the contract to Romani Geo Systems Ltd on 2nd July 2024, the draft

No.	Subject of Procurement	Stage of Procurement Process	Delays Noted
	Soroti and Mbarara Airfields worth UGX 2,715,949,563		contract was submitted to the Solicitor General on the 21st November 2024 thus a delay of 102 days.
10	Cleaning and pest control services lot 2 worth UGX 4,821,345,381		The audit noted that whereas the Contracts Committee approved the renewed contract on 29th July 2025, the Entity wrote to Solicitor General on 20th October 2025 causing a delay of 59 days.
11	Provision of consultancy services and on-site training for the civil aviation safety security oversight reporting and tracking (CASSORT) system worth UGX 3,663,009,900.		The audit noted that while the Contracts Committee awarded the contract on 20th May 2025, the draft contract was submitted to the Solicitor General 8th July 2025, causing a delay of 49 days.
12	Supply, installation, testing and commissioning of Voice Communication System at Entebbe International Airport worth UGX 3,252,196,840.32	Contracting: Contract signing	The audit noted that whereas the Solicitor General cleared the contract on 1st September 2025, the contract was signed 59 days later on 2nd November 2025.
13	Supply and installation of Gulu Airport VHF radio equipment worth UGX 1,885,624,77		The audit noted that while the Solicitor General cleared the contract on 24th February 2025, the Entity signed the contract 84 on 19th May 2025.
14	Optimization of VHF Coverage (Phase 2) For Class E Airspace worth UGX 3,666,285,285		The audit noted that whereas the Solicitor General cleared the draft contract on 23rd July 2024, the Entity signed the contract 76 days later on 7th October 2024.
15	Upgrade of power supply in the main substation to 8MVA at EIA - Phase 3 (8MVA AVRN0.2) worth UGX 2,391,835,479		Whereas the Solicitor General cleared the contract on 11th December 2024, the Audit noted that the Entity signed the contract on 27th March 2025, causing a delay of 96 days.
16	Upgrade of the automated AIM system worth UGX		Whereas the Solicitor General cleared the contract on 14th August

No.	Subject of Procurement	Stage of Procurement Process	Delays Noted
	2,924,011,557		2025, the audit noted that the contract was signed 50 days later on 24th October 2025.
17	Upgrade of the Monopulse Security Surveillance Radar (MSSR) At Entebbe International Airport worth UGX 3,871,728,648		Whereas the Solicitor General cleared the contract on 18th July 2025, the Entity signed the contract 64 days later on 17th October 2025.
18	Consultancy Services for Acquisition of Electronic Terrain Obstacle Data for Kabalega International Airport worth UGX 2,715,681,123		Whereas the Solicitor General cleared the contract on 26th August 2025, the audit noted the Entity signed the contract 40 days later on 22nd October 2025.

Implication

Delays in procurement processes postpones project implementation, delays service delivery outcomes, and may lead to cost escalation and loss of value for money

Management Response

Management acknowledges the finding of the audit on delays at different stages of the procurement cycle. Management had previously observed the same and to address the root causes requested for a targeted training for end users, Contract managers, Procurement and Disposal Unit and the Contracts Committee members from PPDA from 29th – 31st October 2024 that addressed several challenges faced in the procurement cycle.

Management has also agreed to recruit a Principal Procurement Officer in charge of monitoring who will follow through the procurements. This should be able to address the delays at initiation stage and the procurement cycle in general.

The Accounting Officer has continuously urged Procurement and Disposal Unit and Evaluation Committee members to adhere to the timelines for the evaluations allocated to them.

Management also now requires the Head, Procurement and Disposal Unit to present a monthly procurement brief to the EXCO so as to be able to monitor progress on different procurements undertaken by the Entity. Management will be able to monitor and track progress at all stages including the forwarding of the draft contracts to Solicitor General for Approval and subsequently the signing of the contract by the respective parties.

Recommendation

The Accounting Officer should strengthen procurement cycle management by enforcing timeliness in requisition approval, evaluation, contract committee processing, Solicitor General submission and contract execution to ensure that efficiency in the procurement process in accordance with Section 51 of the PPDA Act, Cap. 205.

2.1.4 Inadequate storage space for procurement documents

Finding

Section 44(1) of the PPDA Act, Cap 205 states that: *"A Procuring and Disposing Entity shall maintain records on its procurement and disposal proceedings for a period of seven years from the date of a decision to terminate the procurement or disposal action, or the date of the contract completion, whichever comes later, except where a contract is ongoing or is challenged, in which case, the records shall be kept for an additional year after the completion of the contract or the settlement of the dispute, whichever comes earlier."*

The audit observed that the designated record storage room was no longer adequate to accommodate procurement files. As a result, some records were being kept in in the Procurement and Disposal Unit office creating congestion and increasing the risk of loss, misplacement, or damage.

Implication

Inadequate records storage compromises record integrity, makes retrieval difficult and weakens audit trail, required for accountability and transparency.

Management Response

Management acknowledges the finding and concurs that proper storage of procurement records is critical for maintaining a reliable audit trail and ensuring compliance with Section 44(1) of the PPDA Act, Cap 205.

UCAA is investing in the expansion of the ADA (Advanced Document Application) system, recognizing that physical archiving is not sustainable in the long term. The Procurement and Disposal Unit Office is therefore seeking Management approval for the rollout of the ADA system, which is currently being implemented by the Registry and Directorate of Safety Security and Economic Regulation (DSSER). Currently UCAA is also redesigning its offices which will provide for more room to cater for this storage. UCAA also has an offsite storage facility in Soroti that will be utilized.

Recommendation

The Accounting Officer should provide additional storage space and accelerate adopting electronic storage for procurement documents. The Entity should also consider implementing a structured records management and archiving solutions to ensure proper custody and retrieval of procurement records.

2.1.5 Deficient Contracting

Finding

The audit noted several inadequacies in four contracts worth UGX 7,939,467,598 namely; the supply and installation of hold baggage screening machines worth UGX 1,913,309,763, consultancy services for ETOD for Arua, Gulu, Soroti and Mbarara Airfields worth UGX 1,997,853,000, Ground maintenance at EIA worth UGX 2,172,680,064, Supply and commissioning of VHF radio equipment for Gulu Airport worth UGX 1,855,624,771 as detailed in Table 4 below:

Table 4: Deficient Contracting

No.	Subject of Procurement	Deficiencies Noted
1.	The supply and installation of hold baggage screening machines worth UGX 1,913,309,763	Discrepancies were noted between the Special Conditions of Contract in the bidding document and the Special Conditions of Contract in the contract. Specifically, the audit noted the following discrepancies: a) Discrepancy in the percentage of advance payment. Whereas GCC 17.1 of the Special Conditions of the Contract in the bidding document provided for 20% advance payment, the same was increased to 30% in the contract. Similarly, the advance payment clause changed from GCC 17.1 in the bidding document to GCC 16.1 in the contract. b) Discrepancy in the performance security rate. Whereas GCC 19.1 of the Special Conditions of the contract in the bidding document provided for a performance security of 10%, the audit noted that the same was reduced to 5% in the contract.
2.	Consultancy services for ETOD for Arua, Gulu, Soroti and Mbarara airfields worth UGX 1,997,853,000	The audit noted that whereas the contract indicated the activities were to be performed by the consultant in the 16 months contract period, the contract did not indicate the timelines within which each of the deliverables were supposed to have been provided.
3.	Ground maintenance at Entebbe International Airport worth UGX 2,172,680,064,	The audit noted that both the bidding document and the contract did not indicate the start/ commencement date of the contract
4.	Supply and commissioning of VHF radio equipment for Gulu airport worth UGX 1,855,624,771	The audit noted that both the bidding document and the contract did not indicate the start/ commencement date of the contract.

Implication

Poorly drafted contracts create ambiguity in implementation, weaken enforceability, and increase the risk of disputes, delays, and non-compliance by contracting parties

Management Response

Management acknowledges the finding and commits to strengthen the internal end to end tracking and recruit a Principal Procurement Officer in charge of monitoring who will be able to follow through and review all this so that such discrepancies don't recur in the future.

Recommendation

The Head, Procurement and Disposal Unit should ensure that all contracts accurately reflect terms and conditions contained in the bidding document and the contractual provisions, such as commencement dates, delivery timelines, are clearly stated in the contract issued to bidders.

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

2.2.1 Failure to dispose of obsolete assets

Finding

Regulation 2(1) of the PPDA (Disposal of Assets) Regulations states that: "*For the purposes of disposal planning, an Accounting Officer shall, in each financial year, cause the public assets of a procuring and disposing Entity to be reviewed, to identify the public assets to be disposed of in the following financial year.*"

The audit noted that the Entity continued to hold obsolete and unserviceable assets including eight vehicles (seven double-cabin pickups and one coaster), assorted furniture and airport luggage carts that are no longer in use. Some of these items were stored in the open and exposed to weather damage, as confirmed during physical verification. This exposed the assets to deterioration and accelerated depreciation, further reducing their residual value and potential disposal proceeds.

Implication

Retention of obsolete assets leads to deterioration, reduces residual value and disposal proceeds, occupies valuable storage space, and increases risk of loss or misuse.

Management Response

Management acknowledges the finding. The e-GP Disposal module closed much earlier than we could utilize it for disposal for the FY 2024/2025 owing to the fact that obsolete items are accumulated overtime and not at one go until when it makes economic sense to dispose them. The disposal of assets is handled with external stakeholders i.e., the valuers who are nominated by the Ministry of Wworks and Transport, Ministry of Land who took long to provide the valuation report.

The Valuers have been nominated and are scheduled to embark on the valuation this month of May 2026. A dedicated storage shade has been identified by Management within UCAA premises and will be secured for obsolete items pending disposal and prevent further deterioration in the future

Management commits to complete disposal processes in strict compliance with the PPDA (Disposal of Public Assets) Regulations, 2023, and ensure future disposals are initiated within the required timelines and through the e-GP.

Recommendation

The Accounting Officer should carry out frequent review and timely disposal of obsolete assets in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023.

2.2.2 Delayed disposal process

Finding

Section 51 of the PPDA Act, Cap 205 states that: "*All procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money.*"

The disposal process reviewed by the audit took approximately two years, from 29 may 2022 to 11 May 2024. The requisitioning phase alone consumed about 15 months, indicating significant internal delays before disposal could be completed.

Implication

The delayed disposal prolongs exposure of assets to deterioration, increases storage and maintenance costs, and reduces the returns obtainable from the disposal.

Management Response

Management acknowledges the finding. The e-GP Disposal module closed much earlier than we could utilize it for disposal for the FY 2024/2025 owing to the fact that obsolete items are accumulated overtime and not at one go until when it makes economic sense to dispose them. The disposal of assets is handled with external stakeholders i.e the Valuers who are nominated by the Ministry of Works and Transport, Ministry of Lands who took long to respond to our request.

The Valuers have been nominated and are scheduled to embark on the valuation this month of May 2026. Management commits to complete disposal processes in strict compliance with the PPDA (Disposal of Public Assets) Regulations, 2023, and ensure future disposals are initiated within the required timelines and through the e-GP.

Recommendation

The Accounting Officer should streamline internal disposal approval processes, set clear timelines for, and ensure timely completion of disposal processes in accordance with Section 51 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 where applicable

2.3.1 Delayed delivery of items

Finding

Regulations 52(1)(b) and 52(3) (a)(i) of the PPDA (Contracts) Regulations 2023 mandates Contract Managers to monitor contract performance to ensure timely delivery within the contractual period.

The audit noted delayed delivery or slow implementation in two procurements worth UGX 5,521,910,056 as detailed in Table 5 below.

Table 5: Delayed Delivery of Items

No	Subject of Procurement	Exception	Response
1.	Optimization of VHF Coverage – E space worth	The audit noted a delay of nine months to complete delivery from 23rd May	*Delivery was delayed due to factory scheduling changes, Pre-export Verification of Conformity (PVoC)*

No	Subject of Procurement	Exception	Response
	UGX 3,666,285,285	2025 delivery date up to 24th February 2026 when the audit was conducted.	*Inspection and logistical challenges that had not been anticipated. However, Factory acceptance was completed, and completion is expected by 31st July 2026.*
2.	Supply and commissioning of VHF for Gulu Airport worth UGX 1,855,624,771	The audit noted slow contract implementation, which may result into delayed project completion. Whereas the contract was due for completion by 18th May 2026, the audit noted that the equipment and installation, factory acceptance tests and training were yet to be completed by March 2026. Only the container and radar had been installed.	*The delay was occasioned by unforeseen global supply chain disruptions. However, factory training and Factory Acceptance Tests (FATs) was completed on 23rd January 2026 and 28th January 2026 respectively.*

Implication
Delayed delivery postpones the use of procured items, slows project completion, and limits the achievement of the intended service delivery outcomes

Management Response
see in table 5 above

Authority's comments
The Authority noted the Entity's explanation. However, the delays indicate weaknesses in project planning and risk anticipation, particularly with regard to supply chain, inspection, and logistics management. The Entity should strengthen contract implementation monitoring and proactively identify and mitigate foreseeable risks that may affect timely delivery of project outputs.

Recommendation
Contract Managers should closely monitor delivery schedules and enforce contractual timelines in accordance with Regulation 52 of the PPDA (Contracts) Regulations 2023 and the Entity should further conduct regular supplier appraisals to monitor performance against implicit timelines.

2.3.2 Delayed appointment of Contract Managers

Findings
Regulation 50(1) of the PPDA (Contracts) Regulations, 2023. states that: "*The Accounting Officer shall appoint a person from the User Department to be a Contract Manager.*"

Regulation 51(1) of the PPDA (Contracts) Regulations, 2023 further stats that: "*For purposes of regulation 50 (1), a User Department shall nominate, a member of the User Department, with appropriate skills and experience, or a person who is supervised by a member of the User Department who has the appropriate skills and experience, to be appointed as Contract Manager.*"

The audit noted delayed appointment of Contract Managers in eight procurements worth UGX 28,434,679,916. In these cases, appointments were made one month or more after contract signing, despite contracts taking effect immediately. Details in in Table 6 below:

Table 6: Delayed Appointment of Contract Managers

No.	Subject of Procurement	Exceptions
1.	Consultancy services for acquisition of Electronic Terrain and Obstacle Data (E-TOD) for Kabalega International Airports areas 2,3 and 4 worth UGX 2,339,408,440	Delayed appointment of the Contract Management Team by three months. Whereas the contract was signed on 22nd October 2025, the Contract Management team was appointed on 27th January 2026.
2.	Provision of grounds maintenance at Entebbe International Airport for two (02) years' worth UGX 2,172,680,064	Delayed appointment of the Contract Management Team by one month. Whereas the contract was signed on 20th February 2023, the Contract Management Team was appointed on 23rd March,2023.
3.	Provision of consultancy services and onsite training for civil aviation safety security oversight reporting and tracking (CASSORT) System worth UGX 3,663,009,900	Delayed appointment of Contract Managers by one month. Whereas GCC 12.1 stated that the contract commenced immediately after contract signing, the Contract Management Team was appointed on the 12th November 2025.
4.	Upgrade of the Monopulse Security Surveillance Radar (MSSR) at EIA worth UGX 3,871,728,648	Delayed appointment of a Contract Managers by one month. Whereas the contract was signed on 17th October 2025, the Accounting Officer appointed the Contract Managers on 11th November 2025.
5.	Optimization of VHF coverage (phase 2) for class E Space worth UGX 3,666,285,285	Delayed appointment of the Contract Management Team by one month. Whereas GCC 12.1 stated that the contract commenced immediately after contract signing, the Contract Management Team was appointed on 5th November 2024.
6.	Contracts for provision of insurance for UCAA assets worth UGX 5,325,214,579	Delayed appointment of the Contract Management Team by three weeks. Whereas the contract was signed on 30th September 2025, the Entity appointed the Contract Management Team on 20th October 2025.
7.	Provision of consultancy services for acquisition of Electronic Terrain and	Delayed appointment of the Contract Management Team by one month. Whereas the

	Obstacle Data (ETOD) for area 2,3 and 4 for Arua, Gulu, Soroti and Mbarara worth UGX 1,997,853,000	contract was signed on the 13th January 2025 and was to commence within 14 days (27th January 2025) the Contract Management Team were appointed on 3rd February 2025
8.	Supply of major foam tender (Fire Truck) at EIA worth UGX 5,398,500,000	Delayed appointment of the Contract Management Team by one month. The contract was signed on 13th February 2025 but the Contract Management Team was appointed on 2nd April 2025.

Implication
Delayed appointment of Contract Managers may result in weak contract oversight at the initial stages of contract implementation, increasing the risk that contractors commence work without proper supervision and guidance. This may lead to non-compliance with contract terms, delays in execution, and delivery of substandard outputs that may not meet the Entity's requirements.

Management Response
Management acknowledges the finding that delay in appointment of Contract Managers causes a delay in execution. It is only when the Contract Manager/Contract Management Team is appointed that the actual implementation of the contract commences.

Historically, Contract Managers/Team(s) have been appointed after contract signing due to the practice of waiting for the contracts to be fully signed then appointment done after nomination by the Head of the User departments. In the internal discussions, this has been raised as an issue that is causing the delays in execution of the contracts, As such, beginning the next financial year, the contract managers/management team(s) will be appointed at the time of commitment of funds/initiation of the procurement.

The Procurement and Disposal Unit in its procurement checklist will include "Proof of Contract Manager Appointment" as a mandatory attachment before contract signing and a register to be maintained and reviewed monthly. Management commits to ensuring 100% compliance as per the PPDA for all future procurements.

Recommendation
The Accounting Officer should appoint Contract Managers/ Contract Management Team in time in accordance to Regulation 50(1) of the PPDA (Contracts) Regulations, 2023.

2.3.3 Delayed commencement of contracts

Finding
The audit noted delayed commencement in two procurements worth UGX 5,851,330,771.In the Provision of consultancy services for acquisition of Electronic Terrain and Obstacle Data (ETOD) for area 2,3 and 4 for Arua, Gulu, Soroti and Mbarara worth UGX 1,997,853,000, the audit noted that whereas the contract was signed on the 13th January 2025 and the services where to commence 14 days after contract signing as per GCC 8.1 of the Special Conditions of the Contract, the services commenced on 11th march 2025, 57 days later.

Similarly, in the procurement for the Supply and Commissioning of VHF for Gulu Airport worth UGX 1,855,624,771, the contract was expected to commence immediately after signing on 8th September 2025. However, contract implementation commenced three (3) months later. These delays indicate weaknesses in contract management and coordination between the Entity and the contractors at the contract initiation stage.

Implication
Delayed commencement shortens the effective implementation period, effects project timelines, and may lead to late completion and increased implementation costs.

Management response
The Contract Managers will be tasked to explain the delayed commencement of the mentioned contracts and these will be taken as lessons learned for other projects.

Recommendation
Contract Managers should closely monitor commencement timelines closely and ensure that any implementation constraints are addressed before contract signing or immediately. in accordance with Regulation 52(1)(b) of the PPDA (Contracts) Regulations, 2023. Similarly, Management should strengthen contract initiation and implementation planning to ensure timely commencement of contracts in accordance with the agreed contractual timelines.

2.3.4 Delayed Advance Payments

Finding
Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023 states that; *"The period for payment shall be thirty days from certification of invoices, except where this is varied in the special conditions of the contract".*

The audit noted delayed advance payments in four procurements worth UGX 11,985,368,690, with delays averaging 133 days beyond the contractual payment period. These delays affected contractor mobilization and implementation progress. Details are provided shown in Table 7 below:

Table 7: Delayed advance payments

No.	Subject of Procurement	Exceptions noted
1	Supply of major foam tender (Fire Truck) at EIA worth UGX 5,398,500,000	Delayed advance payment by 193 days, contrary to GCC 16.3 of the Special Conditions of the Contract which provided a payment period of 30 days. Whereas the supplier provided the advance payment security on 14th May 2025, the advance payment was affected 22nd December 2025.
2	Supply and commissioning of VHF for Gulu Airport worth UGX 1,855,624,771	Delayed advance payment by 85 days. The audit noted that while the contractor invoiced the Entity on 14th July 2025, payment was made on 7th November 2025, contravening GCC 16.1 of the Special Conditions of the Contract, which stated that payment

		would be made within 30 days.
3	Upgrade of power supply in the main substation to 8 MVA at EIA-phase 3(8MVA AVRN0.2) worth UGX 2,391,835,479	Delay in payment of the Advance payment by 164 days. Whereas the Advance Payment Guarantee was submitted on 15th May 2025, the Entity paid the same on 24th November 2025.
4	Consultancy services for acquisition of electronic terrain and obstacle data (E-TOD) for Kabalega International Airports areas 2,3 and 4 worth UGX 2,339,408,440	Delayed advance payment by 92 days. Whereas GCC 22.1 of the Special Conditions of the Contract provided a payment period of one month after contract signing and inception meeting, the audit noted that payment took 102 days from the inception meeting on 18th November 2025 to the time of the audit in February 2026. At the time of the audit, the advance payment had not yet been effected.

Implication

Delayed advance payment hinder contractor mobilization, delays commencement of works and contribute to late completion of projects.

Management Response

Management acknowledges the audit observation regarding delays in processing advance payments for the highlighted procurements. The delays mainly arose from cash flow challenges experienced during the implementation period, notably delays by Uganda Airlines in settling its outstanding balances to the Uganda Civil Aviation Authority. Measures are being strengthened to enhance cash flow planning, commitment management, and payment scheduling so as to minimize similar occurrences and support timely implementation of projects going forward

Recommendation

Management should strengthen cash flow planning and commitment management to ensure timely processing of advance payments in accordance with the contractual payment timelines and Regulation 49(3) of the PPDA (Contracts) Regulations, 2023. The Entity should also prioritize availability of funds before contract signing and establish effective payment scheduling mechanisms to avoid delays that hinder contractor mobilization and project commencement.

Furthermore, Management should enhance coordination between Finance and User Departments to ensure prompt processing and approval of payment requests so as to support timely implementation and completion of government projects.

CONTRACT AUDITS

The Authority undertook contract audit of three projects worth UGX 63,191,131,245 as tabulated in Table 8 below:

Table 8: Contract Audits Carried Out

No.	Project	Contractor	Contract Amount (UGX)
1.	Upgrade of the Runway, Taxiway and Apron at Jinja Airfield	GOFA Investments Limited and MG Engineers and Contractors Limited (JV)	23,471,923,508
2.	Upgrade of the Airport Perimeter Road at Entebbe International Airport to Bitumen standards	Kiru General Services	9,463,407,660
3.	Design, manufacture, supply, installation, testing and commissioning of airfield ground lighting system for runway 12/30 at Entebbe International Airport	UPDF Engineering Brigade	30,255,800,077
	Total		**63,191,131,245**

The findings on the contract audits are detailed below:

2.4 UPGRADE OF THE RUNWAY, TAXIWAY AND APRON AT JINJA AIRFIELD

On 13th September 2024, Uganda Civil Aviation Authority signed a contract with GOFA Investments Limited and MG Engineers and Contractors Limited (JV) for the upgrade of the runway, Taxiway and Apron at Jinja Airfield at UGX 23,471,923,508 for a period of 15 months. The physical progress of the construction works is currently at 98%, although the Entity issued a Certificate of Practical Completion on 3rd March 2026.

The following exceptions were noted:

Achievement of Value for money during contract implementation (economy, efficiency and effectiveness)

2.4.1 Delayed site possession and handover

Finding

Section 51 of the PPDA Act, Cap 205 states that *"All procurements and disposal shall be conducted in a manner that promotes economy, efficiency and value for money"*. Whereas the contract was signed on 13th September 2024, the audit noted that the handover of the project site was undertaken on 8th November 2024, representing a delay of 56 days after contract signing. This was contrary to GCC 26.1 of the Special Conditions of Contract, which required commencement within seven calendar days from the date of contract signing. The Entity attributed the delay to regulatory requirements relating to the closure of an operational Airdrome prior to handing over the site.

Implication
Delayed handover of the project sites postpones commencement of works and reduces the available contract implementation period, which may lead to delayed project completion.

Management Response.
Management notes that the audit observation is correct as the contract was signed on 13th September 2024 and the site was handed over on 8th November 2024. GCC 26.1 states that the possession date shall be Seven calendar days after the contractor receives a fully signed contract or as mutually agreed. Management will ensure that Contract Management Team (s) are nominated at the initiation stage of the procurement and one of the responsibilities will be to plan and coordinate all the necessary pre-requisites for the project so as not to interfere with the actual timelines of the project implementation.

Recommendation
Management should ensure that all prerequisite regulatory approvals, including requirements for closure of operational facilities such as airdromes, are secured prior to contract signing to enable timely handover of project sites in accordance with contract provisions. In addition, the Entity should strengthen project planning and coordination among stakeholders to ensure that commencement timelines specified in the contract are adhered to, and where delays are unavoidable, contract timelines should be formally adjusted in a timely manner to mitigate the risk of claims and delayed project completion.

Overall management of the project in accordance with each party's obligations

The Entity

2.4.2 Failure to retrieve Workers' Compensation Insurance from the contractor

Finding
Clause GCC 18.1 (g) of the Special Conditions of Contract required the contractor to obtain and maintain Workers' Compensation Insurance for personnel engaged on the project. However, the audit noted that the contractor did not provide Workers' Compensation Insurance. Instead, the contractor only submitted Contractors' All Risks Insurance on 10th June 2025, which does not specifically cover statutory compensation obligations for workers in case of injury, disability, or death arising out of employment.

Implication Failure to obtain mandatory worker's compensation cover exposes the Entity to legal, financial, and safety-related liabilities in the event of injury, disability, or death of workers.
Failure to provide Workers' Compensation Insurance exposes the Entity to potential financial and legal liabilities in the event of workplace accidents, injuries, or fatalities. The absence of this cover may result in compensation claims being directed to the Entity, project delays due to disputes, and non-compliance with contractual and statutory requirements. This also weakens risk transfer mechanisms intended under the contract.

Management Response
Management takes note of the recommendation to be implemented on future projects.

Recommendation
Contract Managers should verify all mandatory insurance policies before to contract commencement of works and continuously monitor their validity in accordance with Regulation 52(1)(b) of the PPDA (Contracts) Regulations, 2023.

2.5 UPGRADE OF THE AIRPORT PERIMETER ROAD AT EIA TO BUTIMEN STANDARDS

On 23rd October 2025, UCAA signed contract with Kiru General Services for the proposed upgrade of the Airport Perimeter Road at Entebbe International Airport to Bitumen standards at UGX 9,463,407,660 for a period of four months starting 15th December 2025 and ending 15th April 2026. As at 31st March 2026, the project was at 72% physical progress.

The Authority noted the following finding:

2.5.1 Delayed approval of change of personnel

Finding
Section 51 of the PPDA Act, Cap 205 states that *"All procurements and disposal shall be conducted in a manner that promotes economy, efficiency and value for money"*.

The contractor submitted changes in key personnel on 4th December 2025, but the Entity had not approved or rejected the request at the time of audit in February 2026, despite significant substitutions in critical positions.

Whereas the contractor submitted a list of personnel to the Entity on 4th December 2025, the audit noted that the Entity had not approved the same by the time of the Audit in February 2026, and yet there were significant changes in personnel from those proposed in the bid as detailed in the table below:

Table 9: Personnel changes not Approved

Position	Proposed Personnel in the Bid	Personnel on Ground
Quantity Surveyor	Mr. Ashraf Kasozi	Ms. Nabayego Katrina
Health and Safety Officer	Mr. Byran Okedi	Ms. Aciro Gladys Michelle
Land Surveyor	Mr. Kamagero Eria Isabirye	Mr. Ndase Charles

Implication
This exposes the project to the risk of engaging unverified or potentially unqualified staff, which may adversely affect the quality of works, project timelines, and accountability.

Management Response
Management acknowledges the finding. Management commits to ensure that all provisions of the contract are adhered to in a reasonable time frame.

Recommendation
Contract Management teams should review requests for personnel changes in key personnel within a reasonable and predefined timeframe and ensure that no personnel substitutions take effect without prior written approval.

2.6 DESIGN, MANUFACTURE, SUPPLY, INSTALLATION, TESTING AND COMMISSIONING OF AIRFIELD GROUND LIGHTING SYSTEM FOR RUNWAY 12/30 AT ENTEBBE INTERNATIONAL AIRPORT

On 11th February 2025, Uganda Civil Aviation Authority signed a Memorandum of Understanding with the Ministry of Defence and Veteran Affairs representing UPDF Engineering Brigade for the design, manufacture, supply, installation, testing and commissioning of Airfield ground lighting system for runway 12/30 at Entebbe International Airport at a cost of UGX 30,255,800,077.

The scope of the works pertained to installation of airfield ground lighting system, associated civil works and substation electrical and mechanical works. The contract was to be implemented for a period of 12 months.

Achievement of Value for money during contract implementation (economy, efficiency and effectiveness)

2.6.1 Delayed conclusion of the project design and review

Finding
Section 51 of the PPDA Act, Cap 205 states that *"All procurements and disposal shall be conducted in a manner that promotes economy, efficiency and value for money".*

Although the Memorandum of Understanding provided for 12 months implementation period, the design and review stage alone took four months, from 17th May 2025 to 24th September 2025, delaying commencement of the main installation works until 10th October 2025.

The cause of delay was due to change of the UPDF Engineering Brigade management.

At the time of the audit in March 2026, the lighting system were still in production while other items such as transformers, man hole covers, UPS, electrical switch gears and the remote-control system had been imported by the contractor.

Implication
Extended design and review phases consume a substantial portion of the implementation period and increase the likelihood of delayed completion and possible coast escalation.

The prolonged design and review phase reduced the time available for execution of the main works, thereby increasing the risk of delayed project completion and potential cost overruns.

Management Response
Management takes note of the recommendation and clarifies that the project is a design, manufacture, install, test and Commission of the Airfield Ground Lighting for Runway 12/30. The design part was a component to be delivered by the contractor, UPDF Engineers Brigade.

The delay to undertake the design arose from the change of the administration of the Brigade for which we are informed that this is a normal practice within the Army Structures. At the time, we did not anticipate the change and the impact it would have on the project timelines.

For future projects with the UPDF Engineers Brigade, the risk of change of administration and its impact on the timelines of the project will be considered.

The manufacturing of different components of the project have been undertaken in parallel to reduce on the time for shipping in the logistics.

Authority's comments

The Authority has noted the Entity's response. However, Authority maintains that the four-month design and review period consumed a significant portion of the 12 months project implementation period, consequently delaying the commencement of the core installation works and increasing the risk of delayed project completion.

While the change in administration may have been beyond the Entity's direct control, it represents an implementation risk that should be identified, assessed, and mitigated during project planning and contract management, particularly where project delivery depends on institutional arrangements within the contractor's organization.

Recommendation

Management should strengthen project planning by setting realistic timelines for each project phase, including design and review, and ensure close monitoring to avoid unnecessary delays. Design activities should be initiated promptly and, where possible, undertaken in parallel with preparatory activities to optimize time.

Delayed project commencement

Section 51 of the PPDA Act, Cap 205 states that *"All procurements and disposal shall be conducted in a manner that promotes economy, efficiency and value for money".*

Although the Memorandum of Understanding was signed on 11th February 2025, the audit noted that the design phase of the project commenced 93 days later on 7th Aprils 2025. The cause is attributed the delay to the change of the UPDF Engineering Brigade management.

Implication

Delay in project commencement reduces the effective project period and may result in failure to meet planned implementation targets.

Management Response

Management takes note of the recommendation of the Audit and shall endeavor to comply with the timeline stipulated for commencement. It is the unforeseen changes of the administration of the UPDF Engineers Brigade that caused delays in commencement.

Recommendation
The Accounting Officer and the Contract Management Team should in future ensure that projects commence within the period indicated in the contract in accordance with Regulation 52(1)(a)(b) of the PPDA (Contracts) Regulations, 2023.

AUDIT OPINION
Based on the audit work performed on the procurement and disposal activities of Uganda Civil Aviation Authority, for FY2024/25, the Entity demonstrated moderately satisfactory compliance with PPDA Act Cap. 205, the PPDA Regulations, 2023, and related guidelines.

While the Entity had notable strengths, including an approved procurement plan, functional procurement structures, timely Contracts Committee activity, and generally responsive cooperation with the audit team, the audit also identified several significant weaknesses.

These included: Delays in procurement processing at multiple stages, inadequate records storage, deficiencies in contract drafting, delayed disposal of obsolete assets, delayed contract management actions, delayed deliveries and contract commencement, late appointment of Contract Managers, delayed advance payments, and weak planning and control in selected contract implementations

In addition, the contract audits showed instances of cost variations, delayed site handover, weak insurance of cost variations, project planning, which collectively indicate control gaps in implementation and contract management.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This Section presents graphically the scores per area assessed under different procurement and disposal audit questions.

3.1 Overall Procurement and Disposal Audit Conclusion

The performance of Uganda Civil Aviation Authority for the performance audit of FY 24/25 was **Moderately Satisfactory** with overall weighted average risk rating of **39.3%**.

The risk rating is as follows:

Risk Rating

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

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:

3.3 Risk Computation

Risk category	No.	No. %	Value (UGX)	Value %	Weights	Total Weighted Average	
						By No.	By Value
Medium	11	65	81,460,921,855	75	0.3	19.5	22.5
Low	5	29	24,447,288,940	22	0.1	2.9	2.2
Satisfactory	1	6	3,252,196,840	3	0	0	0
Total	**17**	**100**	**109,160,407,635**	**100**	**1**	**22.4**	**24.7**

Weighted Average (By no.) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{22.4 \times 100}{60} = 37.3\ \%$

Weighted Average (By Value) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{24.7 \times 100}{60} = 41.2\%$

Combined Weighted Average = $\frac{37.3 + 41.2}{2} = 39.3\%$

3.4 Chart Representation of Risk Rating

Figure 1: Chart Representation of Risk Rating by Value

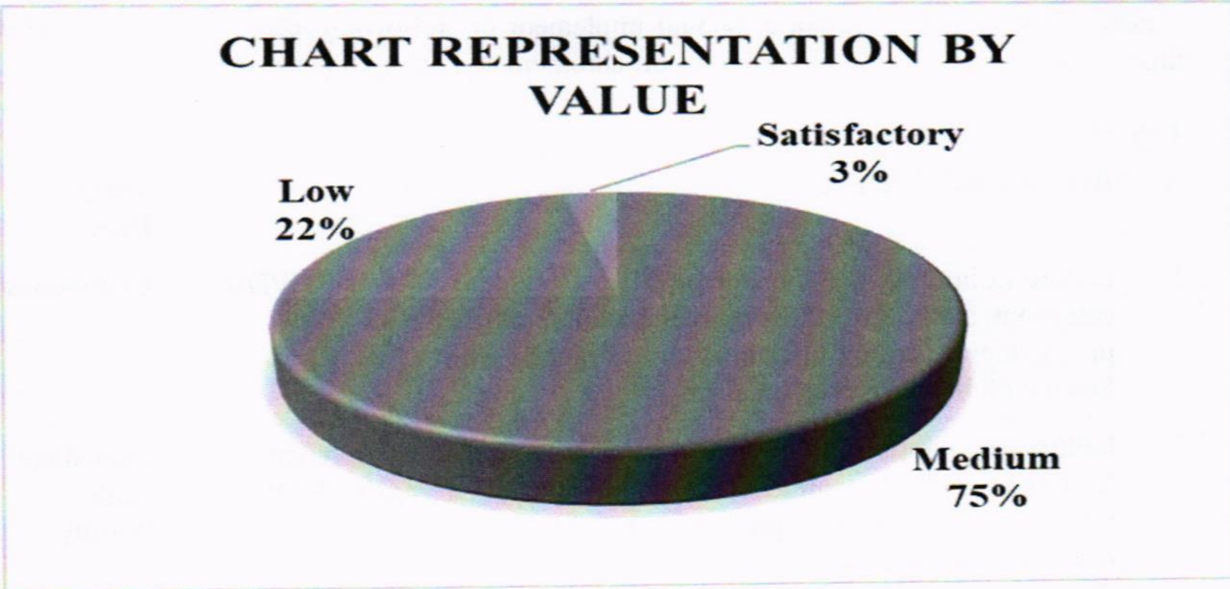
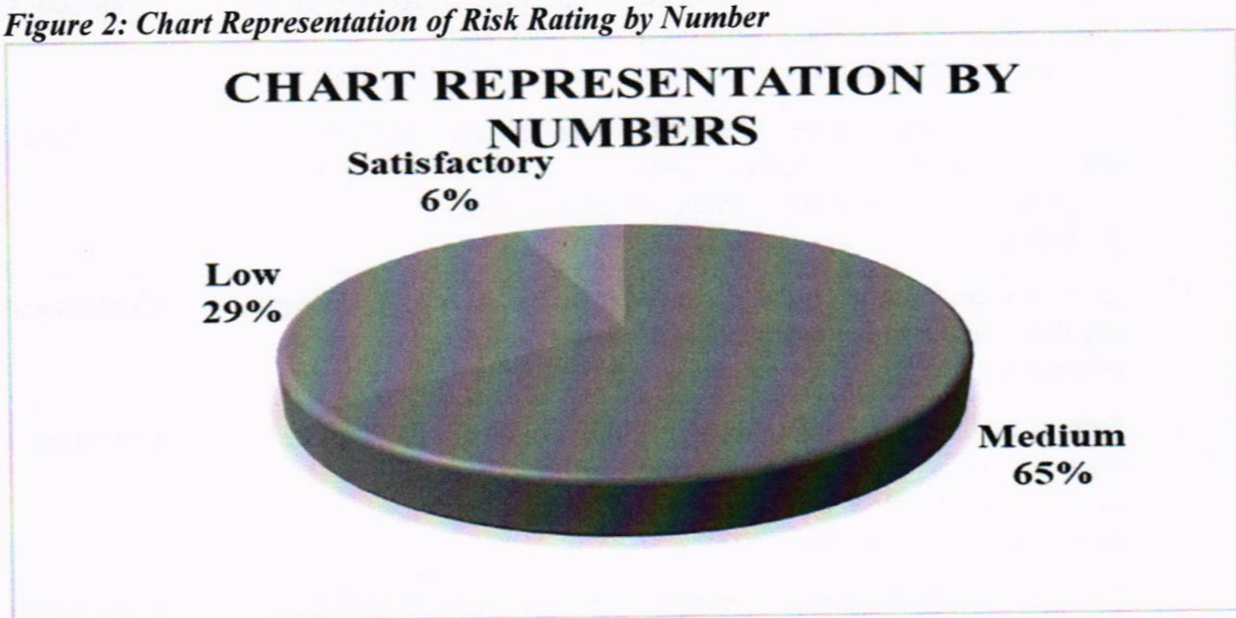


Figure 2: Chart Representation of Risk Rating by Number



3.5 Recommended Action Plan

Uganda Civil Aviation Authority should implement the following recommendations within the time frame given in order to improve its procurement and disposal performance.

Table 5: Action Plan

No.	Recommended Action		Target Date
1.	Failure to implement Procurement Plans: Regularly carry out a review of the implementation of the procurement plan and update it in accordance with Section 60 of the PPDA Act, Cap. 205.	AO/and HPDU	Continuous
2.	Failure to implement audit recommendations: Establish Audit Recommendation implementation tracker and monitor progress monthly until recommendation closer	AO/Internal Audit/HPDU	Immediate/ High Priority
3.	Delays in the procurement processes: Introduce a procurement cycle tracker with clear timelines and escalate delayed actions	AO/CC/HPDU	Continuous
4.	Inadequate storage space: Expand storage space, use off site secure storage space or consider adopting digital/ electronic storage for procurement documents.	AO/HPDU	Immediate
5.	Deficient contracting: Introduce a contract review checklist and ensure legal/technical review before contract signing	HPDU/Legal	Continuous
6.	Failure to dispose obsolete assets: Prepare annual disposal plans and initiate disposal of obsolete assets in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023.	AO/HPDU	Continuous
7.	Delayed disposal process: ensure that disposal processes are initiated and concluded in a timely manner by streamlining internal approval procedures and setting clear timelines for each stage of disposal, in accordance with Section 51 of the PPDA Act, Cap. 205.	AO/HPDU	Continuous
8.	Delayed delivery of items: Enforce strict adherence to the stipulated contractual periods provided in the contract in accordance with Regulation 52 of the PPDA (Contracts) Regulations 2023 and the Entity should further conduct regular supplier appraisals to monitor performance against implicit timelines.	Contract Managers/HPDU	Continuous

No.	Recommended Action		Target Date
9.	Delayed appointment of contract managers: Appoint Contract Managers/ Contract Management Team in time in accordance to Regulation 50(1) of the PPDA (Contracts) Regulations, 2023.	AO/Head User Department	immediate
10.	Delayed commencement of contracts: Hold pre-commencement meetings and ensure all prerequisites are met before signing to avoid delayed commencement	AO/Contract Managers	Continuous
11.	Delayed advance payment: Management should strengthen cash flow planning and commitment management to ensure timely processing of advance payments in accordance with the contractual payment timelines and Regulation 49(3) of the PPDA (Contracts) Regulations, 2023.	AO/Finance Department	Continuous
12.	Delayed site handover: Entity should strengthen project planning and coordination among stakeholders to ensure timely site handover and timely commencement	AO/Contract Mangers	Continuous
13.	Failure to retrieve workers Compensation: Contract Managers should in future obtain and verify all mandatory insurance policies prior to contract commencement and continuously monitor their validity to ensure compliance with contract requirements in accordance with Regulation 52(1)(b) of the PPDA (Contracts) Regulations, 2023.	Contract Managers/HPDU	Immediate
14.	Delayed approval of change of personnel: Review and approve or reject all requests for changes in key personnel within a reasonable and predefined timeframe in line with the contract provisions.	Contract Managers	Continuous
15.	Delayed conclusion of project designs and review: Management should strengthen project planning by setting realistic timelines and ensure close monitoring to avoid unnecessary delays.	AO/User Department	Continuous
16.	Delayed Project Commencement: Contract Management Team should in future ensure that projects commence within the period indicated in the contract in accordance with Regulation 52(1)(a)(b) of the PPDA (Contracts) Regulations,	AO/Contract management teams	Continuous

No.	Recommended Action		Target Date
	2023.		

ANNEX 1: SUMMARY OF CASE BY CASE

MEDIUM RISK CASES

No.	Procurement Details	Reasons for Medium Risk Rating
1.	Design, manufacture, supply, Installation, testing and commissioning of airfield ground lighting system for runway 12/30 at EIA. worth UGX 30,255,800,077.00	• Delayed conclusion of project design and review. • Delayed project commencement
2.	Upgrade of the runway, taxiway, and apron at Jinja Airfield worth UGX 23,471,923,508	• Delayed site possession and handover. • Failure to retrieve insurance
3.	Supply of Gulu Airport VHF equipment worth UGX 1,855,624,771	• Deficient contracting • Delayed evaluation • Delayed submission of draft contract to the Solicitor General • Delayed contracting • Slow project progress
4.	Consultancy Services for Acquisition of Electronic Terrain Obstacle Data for Kabalega International Airport worth UGX 2,715,681,123	• Delayed appointment of the Contract Management Team by three months • Delayed advance payment • Delayed contract signing
5.	Optimization of VHF Coverage – E space worth UGX 3,666,285,285	• Delayed delivery by 9 months • Delayed evaluation by 23 days • Delayed contract signing by 76 days • Delayed appointment of Contract Managers by one month
6.	Consultancy services for ETOD for Arua, Gulu, Soroti and Mbarara airfields worth UGX 1,997,853,000	• Deficient contracting • Delayed appointment of the Contract Management Team by one month • Delayed commencement of contract
7.	Provision of grounds maintenance at Entebbe International Airport for 2 years UGX 2,172,680,064.00	• Delayed evaluation by 19 days • Deficient contracting • Delayed appointment of Contract

No.	Procurement Details	Reasons for Medium Risk Rating
		Managers by one month
8.	Supply of major foam tender (Fire Truck) at EIA worth UGX 5,398,500,000.00	• Delayed appointment of the Contract Management Team by one month • Delayed advance payment
9.	Upgrade of power supply in the main substation to 8MVA at EIA - Phase 3 (8MVA AVRN0.2) worth UGX 2,391,835,479	• Delayed contract signing • Delayed advance payment
10.	Upgrade of the Monopulse security surveillance radar MSSR at EIA worth UGX 3,871,728,648	• Delayed contract signing by 64 days • Delayed appointment of the Contract Managers by one month
11.	Provision of consultancy services and on-site training for the civil aviation safety security oversight reporting and tracking (CASSORT) system worth UGX 3,663,009,900.	• Delayed submission of draft contract to solicitor general by 49 days • Delayed appointment of the Contract Managers

LOW RISK CASES

No.	Procurement Details	Reasons for Low-Risk Rating
1.	Contracts for provision of insurance for UCAA assets worth UGX 5,325,214,579	Delayed appointment of contract management team by 3 weeks.
2.	Supply of hold baggage screening machines at Entebbe International Airport worth UGX 1,913,309,763	Discrepancies between the special conditions of the contract and the bidding document and the special conditions of the contract in the contract.
3.	Upgrade of the Airport perimeter road at EIA to bitumen standards worth UGX 9,463,407,660	Delayed approval of change in personnel
4.	Provision of cleaning and pest control services at EIA (lot2, departures, cargo terminals and connected areas worth UGX 4,821,345,381	Delayed submission of draft contract to the solicitor general by 59 days.
5.	Upgrade of the automated AIM system worth UGX 2,924,011,557	Delayed contract signing by 50 days

SATISFACTORY CASE

1. Supply, installation, testing and commissioning of VCCS system at EIA worth UGX 3,252,196,840.32.

ANNEX 2: SAMPLE LIST FOR THE PROCUREMENT AND DISPOSAL AUDIT OF UCAA FOR FY 2024/2025

NO.	REFERENCE NUMBER	SUBJECT OF PROCUREMNET	METHOD OF PROCUREMENT	PROVIDER	VALUE	RISK RATING
1.	UCAA/SUPLS/2024-2025/00095	Supply, installation, testing and commissioning of VCCS system at EIA	Open Domestic Bidding	PureFlex Systems Ltd and Sitti S.P. A	3,252,196,840.32	Satisfactory
2.	UCAA/SUPLS/2024-2025/00283	Upgrade of the monopulse security surveillance radar MSSR at EIA	Direct Procurement	Indra Systems	Euro 939,284 (UGX 3,871,728,648)	Medium
3.	UCAAF/NCONS/2024-2025/00007	Contracts for provision of insurance for UCAA assets	Direct Procurement	Liberty, Britam, Mua, Pax, Alliance, Nic, Sanlam, Goldstar, UAP, ICEA	5,325,214,579	Low
4.	UCAA/WRKS//23-24/00032	Design, manufacture, supply. Installation, testing and commissioning of airfield ground lighting system for runway 12/30 at EIA.	Direct Bidding	UPDF Civil Engineering Brigade	30,255,800,077.00	Medium
5.	UCAA/SUPLS/23-24/00431	Supply of hold baggage screening machines at Entebbe International Airport	Open Domestic Bidding	Europa Engineers Ltd	1,913,309,763	Low
6.	UCAA/WRKS/23-24/00054.	Upgrade of the runway, taxiway, and apron at Jinja Airfield	Open Domestic Bidding	Gofa & Mg Engineers (JV)	23,471,923,508	Medium
7.	UCAA/WRKS/24-	Upgrade of the Airport perimeter	Open Domestic	Kiru General	9,463,407,660	Low

NO.	REFERENCE NUMBER	SUBJECT OF PROCUREMNET	METHOD OF PROCUREMENT	PROVIDER	VALUE	RISK RATING
	25/00028	road at EIA to bitumen standards	Bidding	Services Ltd		
8.	UCAA/NCONS/23-24/00299.	Provision of cleaning and pest control services at EIA (lot2, departures, cargo terminals and connected areas.	Open Domestic Bidding	A& M Executive Cleaning Co. Ltd	4,821,345,381	Low
9.	UCAA/CONS/20-21/00024	Provision of consultancy services for acquisition of electronic terrain and obstacle data (ETOD) for area 2,3 and 4 for Arua, Gulu, Soroti and Mbarara.	Open Domestic Bidding	Ramani Geo Systems Ltd	1,997,853,000	Medium
10.	UCAA/WRKS/22-23/00022	Upgrade of power supply in the main substation to 8mva at EIA - phase 3 (8mvano.2)	Open Domestic Bidding	International Energy Technik (U) Ltd.	2,391,835,479	Medium
11.	UCAA/SUPLS/23-24/00255	Supply and commissioning of VHF for Gulu Airport	Open Domestic Bidding	Sea and Air Technology Sl.	1,855,624,771.00	Medium
12.	UCAA/NCONS/24-25/00472	Consultancy services for acquisition of electronic terrain and obstacle data (E-TOD) for Kabalega International Airports areas 2,3 and 4	Direct Procurement	Ramani Geo Systems Ltd	2,339,408,440	Medium
13.	UCAA/SUPLS/24-25/00033	Provision of consultancy services and onsite training for Civil Aviation Safety Security Oversight Reporting and Tracking (CASSORT) System	Direct Procurement	Gilbert Senyonjo	USD 1,035,000 (UGX 3,663,009,900)	Medium

NO.	REFERENCE NUMBER	SUBJECT OF PROCUREMNET	METHOD OF PROCUREMENT	PROVIDER	VALUE	RISK RATING
14.	UCAA/SUPLS/23-24/00499	Upgrade of the Automated AIM System	Open Domestic Bidding	Indra Avitech Gmbh	EURO 709,367.19 (UGX 2,924,011,557)	Low
15.	UCAA/NCONS/22-23/00263	Optimization of VHF coverage (Phase 2) for class E Space	Open Domestic Bidding	Suncraft Energy LLC	3,666,285,285	Medium
16.	UCAA/SUPLS/23-24/00059	Supply of major foam tender (Fire Truck) at EIA	Open Domestic Bidding	Bar Aviation Ltd	5,398,500,000.00	Medium
17.	UCAA/WRKS/21-22/00007	Provision of grounds maintenance at Entebbe International Airport 2 years	Open Domestic Bidding	Detail Multiservice & Contractors Ltd	2,172,680,064.00	Medium
				Total (UGX)	**109,160,407,635.32**	

ANNEX 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 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 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 use of less competitive methods which affects transparency, accountability and value for money.
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct 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 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	**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,	This implies lack of efficiency, standardisation and

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	avoiding competition.
		Procurement Structures: Lack of procurement structures	This implies 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 not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to	**Planning:** Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.

RISK	DESCRIPTION	AREA	IMPLICATION
	improve efficiency or to ensure that the business matches current market best practice. 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.	**Bidding Process:** Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and 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.