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

# PROCUREMENT AND DISPOSAL AUDIT REPORT FOR THE FINANCIAL YEAR 2024/2025

## UGANDA COMMUNICATIONS COMMISSION

**JUNE 2026**

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**Acronyms**

| | |
|---|---|
| AO | Accounting Officer |
| CC | Contracts Committee |
| FY | Financial Year |
| HPDU | Head, Procurement and Disposal Unit |
| PDE | Procuring and Disposing Entity |
| PDU | Procurement and Disposal Unit |
| PPDA | Public Procurement and Disposal of Public Assets Authority |
| NOBEB | Notice of Best Evaluated Bidder |
| ODB | Open Domestic Bidding |
| RFP | Request for Proposals |
| SBD | Standard Bidding Document |
| UCC | Uganda Communications Commission |
| UGX | Uganda Shillings |

## EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a procurement and disposal audit of Uganda Communications Commission (UCC). The exercise covered a sample of 14 procurement transactions carried out during the Financial Year 2024/2025. The overall objective of the audit exercise was to assess and establish the degree of compliance of the Entity's procurement and disposal system and processes with the provisions of the PPDA Act Cap. 205 and the PPDA Regulations, 2023 and PPDA Guidelines and the level of procurement performance over the audit period.

From the findings of the procurement and disposal audit, the performance of the Entity for the Financial Year 2024/2025 was **satisfactory** with an overall weighted average risk rating of **25.6%.** The risk rating is detailed in Chapter 3 of the audit report.

Based on the sampled procurements, the following key positive findings were observed during the audit:

1. The procurement structures are in place and performing their respective duties. There was segregation of duties between the Accounting Officer, Contracts Committee, Evaluation Committees, User Departments, Procurement and Disposal Unit and this enhances accountability along the procurement cycle; and
2. The Procurement and Disposal Unit is adequately staffed with experienced personnel who possess appropriate qualifications which partly justifies the Entity's continued satisfactory procurement and disposal performance.

**Despite the satisfactory performance, the following key exceptions were noted;**

1. Failure to implement two (22%) out of the nine recommendations in the previous audit recommendations the for the Financial Year 2021/2022 which resulted into the recurrence of several weaknesses, limits improvements in the procurement and disposal function and exposes the Entity to repeated non-compliance.

2. Failure by the Entity to fully absorb the procurement plan. The Authority reviewed the Entity's procurement plan and reports submitted for the Financial Year 2024/2025 and found that the Entity conducted procurements worth UGX 66,397,886,479 equivalent to 83.6% of the total planned procurement value worth UGX 79,450,849,370. Procurements worth UGX 13,052,962,891 equivalent to 16.3% of the procurement plan were not implemented thus hindering service delivery to the intended beneficiaries.

3. Specification by brand name in the procurement to supply and deliver ICT assistive technology for People with Disabilities (PWDs) in four regions worth UGX 989,724,292, the technical specifications for the embosser required supply of Everest-D V5 unit, thereby prescribing "Everest" brand rather than defining performance-based or generic technical requirements which was restrictive and contrary to Regulation 38 of the PPDA Regulations, 2023.

4. Issuance of inadequate solicitation documents to bidders with anomalies such as requirement of a higher percentage of performance security and vague clauses in two procurements worth UGX 4,883,124,852 contrary to Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. This

could have resulted into bidder confusion, submission of non-responsive bids, reduced competition, increased procurement disputes, and delays in completion of procurement proceedings.

5. Delayed evaluation of bids by 55 working days in the procurement for supply and delivery of 4,500 tablet devices for rural households in 23 districts worth UGX 2,808,990,000 contrary to Regulation 4 (1) (a) of the PPDA (Evaluation) Regulations 2023.

6. Failure to submit a disposal plan for obsolete items contrary to Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023 which undermines the principle and transparency.

7. Delayed delivery in the procurement for supply, delivery and installation of ICT Equipment of 60 Public Access Centres Lot 2 worth UGX 1,437,819,852 where supplies were delivered 64 working days later than planned contrary to Regulation 52 (1) (b) of the PPDA (Contracts) Regulations, 2023.

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

1. The Accounting Officer should;
   i. Develop and maintain an audit recommendation implementation tracker indicating the responsible officer, actions required, timelines, and implementation status for each recommendation and adhere to recommendations of the Authority in accordance with Section 10 (1) (a) of the PPDA Act Cap 205.
   ii. Strengthen procurement planning by ensuring that procurement requirements are realistically assessed and aligned to available funding and implementation capacity. Management should conduct quarterly reviews of procurement plan performance, analyze variances, and revise the procurement plan where necessary in accordance with Section 60 (7) of the PPDA Act Cap 205.
   iii. Follow through that Evaluation Committees are constituted in a timely manner and provided with adequate resources to complete evaluations within the prescribed timelines in accordance with Regulation 4 (1) (a) of the PPDA (Evaluation) Regulations, 2023; and
   iv. Prepare and submit disposal plans prepared and submitted to the Authority in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023.

2. Head Procurement and Disposal Unit should;
   i. Task User Departments to prepare technical specifications are based on functional, performance, and quality requirements rather than specific brands. Where reference to a brand is unavoidable, the words "or equivalent" should be included and objective criteria established for assessing equivalence in accordance with Regulation 38 of the PPDA Regulations, 2023.
   ii. Strengthen quality assurance reviews of solicitation documents before issue to bidders to ensure that all provisions are accurate, relevant, in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

3. Heads of User Departments should through the Contract Manager should monitor the implementation of all contractual terms and conditions including delivery times in accordance with 52 (1) (b) of the PPDA (Contracts) Regulations, 2023.

The Uganda Communications Commission (UCC) should implement the recommended action plan on pages 15 and 16.

# CHAPTER ONE: INTRODUCTION

## 1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out a procurement and disposal audit that covered a representative sample of 14 procurement transactions for the Financial Year 2024/2025.

## 1.2 Objective

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

**The specific objectives were to:**

1. Establish the level of compliance by the Procuring and Disposing Entity (PDE) with the general provisions of the PPDA Act Cap. 205, PPDA Regulations, 2023 and PPDA Guidelines, 2024;
2. Establish the level of compliance by the Procuring and Disposing Entity (PDE) in conduct of disposal activities; and
3. Assess the level of efficiency and effectiveness in contract implementation including application of Environmental, Social, Health and Social safeguards (ESHS) where applicable.

## 1.3 Structure of the Entity

Uganda Communications Commission (UCC) is mandated to operates as an integrated regulatory body overseeing various sectors, including telecommunications, data communications, broadcasting, postal communication, radio communication and infrastructure services throughout Uganda. It is also tasked with the responsibility of licensing operations of cinematography theatres and video or film libraries in Uganda.

According to Section 28 of the PPDA Act Cap. 205, the Accounting Officer has the overall responsibility for the successful execution of procurement and disposal in the Procuring and Disposing Entity. During the period under review, the Accounting Officer of Uganda Communications Commission was Mr. Thembo Nyombi - the Executive Director.

Section 33 of the PPDA Act Cap. 205, provides that "*all procurement or disposal activities of the Procuring and Disposing Entity except adjudication and the award of contract are to be managed by the Procurement and Disposal Unit*". The Procurement and Disposal Unit during the Financial Year under review was headed by Mr. Moses Karuhanga.

The Permanent Secretary/Secretary to Treasury of Ministry of Finance, Planning & Economic Development approved the following members of the Contracts Committee who also acted during the period under review as indicated in Table 1 below:

**Table 1: Contracts Committee members**

| No | Name | Committee Position |
|---|---|---|
| 1. | Mr. Andrew Otim | Chairperson |
| 2. | Ms. Rebbecca Mayanja | Secretary |
| 3. | Ms. Christine Nakiganda | Member |
| 4. | Mr. Macgyver Mugamba | Member |
| 5. | Mr. Arthur Ariho | Member |

## 1.4 Audit Scope

The procurement and disposal audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation of the 14 transactions for the Financial Year 2024/2025 contained in **Annex 2**. The sample was selected based on stratified random sampling using monthly procurement and disposal reports as indicated in the Table 2 below:

**Table 2: Sample analysis**

| Method of procurement | Population Value (UGX) | Sample Value (UGX) | % By Value | Population by No. | Sample by Number | % By Number |
|---|---|---|---|---|---|---|
| Direct | 3,346,800,000 | 1,684,784,559 | 50 | 7 | 1 | 14.2 |
| Open Bidding | 30,486,400,000 | 7,849,339,386 | 25.7 | 34 | 9 | 26.5 |
| Request for quotation | 37,506,549,900 | 688,320,136 | 0.18 | 173 | 3 | 1.7 |
| Restricted Bidding | 6,997,050,000 | 351,321,600 | 5 | 19 | 1 | 5.2 |
| Micro Procurements | 885,950,530 | 0 | 0 | 58 | 0 | 0 |
| **Total** | **79,450,849,370** | **10,573,765,681** | **13** | **287** | **14** | **4** |

## 1.5 Audit Methodology

The audit was conducted in accordance with the Public Procurement and Disposal of Public Assets Act Cap. 205, PPDA Regulations 2023 and internationally recognized public sector auditing standards. A combination of compliance and substantive procedures was applied to assess adherence to statutory requirements and the effectiveness of procurement and contract management processes.

On 31st March 2026, the Entity was notified about the audit exercise. An audit launch meeting was held on 16th April 2026 between the audit team and the Entity's officials.

Two officers conducted the exercise under the supervision of the Manager, Performance Monitoring.

A debrief meeting was held on 8th June 2026 between the audit team and the Entity's officials. A management letter was issued to the Entity for management's response on 18th June 2026 and the Entity's responses to the raised issues were received on 23rd June 2026. The exit meeting was held on 24th June 2026 at PPDA Head Office, PPDA-URF Towers, Nakasero Road, Kampala.

## CHAPTER TWO: FINDINGS OF THE AUTHORITY

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

Procuring and Disposing Entities are required to apply the public procurement and disposal rules set out in the PPDA Act Cap. 205 and PPDA Regulations, 2023 and public procurement policies. The following areas of non-compliance were noted during the audit:

#### 2.1.1 Failure to implement 22% of the previous audit recommendations

Section 10 (1) (a) of the PPDA Act Cap. 205 requires the Procuring and Disposing Entity to implement the audit recommendations made by the Authority. The Entity was issued its previous audit report for the Financial Year 2021/2022 in March 2023. The audit noted that seven out of the nine previous audit recommendations representing 78% were fully implemented while two representing 22% were not fully implemented as indicated in Table 2 below:

**Table 3: Audit recommendations which were not fully implemented**

| No | Recommendation | Status | *Management response* |
|---|---|---|---|
| 1. | The Accounting Officer and Management should regularly carry out a review of the implementation of the procurement plan to ensure improved performance. | The Entity did not fully implement the procurement plan as indicated in 1.1.2 of this report. | *Response in the body under 1.1.1* |
| 2. | The Accounting Officer should caution; the Contracts Committee, the Head, Procurement and Disposal Unit and User Departments for failure to adhere to Regulations 27 and 37 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014 in the preparation of solicitation documents. | Inadequate solicitation documents were observed in two procurements as indicated in 1.1.5 of this report. | *Response in the body under 1.1.5* |
| 3. | The Accounting Officer should conduct a re-assessment of market prices before contract signature where prices are higher than those earlier estimated in accordance with Section 26 (4) of the PPDA Act, 2003 and Regulation 5 of the PPDA (Rules and Methods for procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014. | Implemented | *n/a* |
| 4. | The Contracts Committee should always scrutinize evaluation reports to ensure consistency to evaluation criteria before approval of recommendation of award of contract in accordance with Section | Implemented | *n/a* |

| No | Recommendation | Status | *Management response* |
|---|---|---|---|
| | 30 of the PPDA Act, 2003. | | |
| 5. | The Head Procurement and Disposal Unit should ensure that arithmetic errors are corrected and communicated to the concerned bidders through a written request for clarification as per Regulation 14 (3) of the PPDA (Evaluation) Regulations, 2014. | Implemented | *n/a* |
| 6. | The Accounting Officer should ensure that payment to providers is done in the contracted timeframe. | Implemented | *n/a* |
| 7. | The Accounting Officer should ensure that all procurements are undertaken in a competitive manner and in accordance with Section 46 of the PPDA Act, 2003. | Implemented | *n/a* |

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

***Management response***
*Management notes the observation and wishes to clarify that various interventions have been implemented by management. For the FY 2025-2026, management has set up a budget absorption committee which monitors performance of the procurement plan. It receives quarterly reports from PDU on performance of the procurement plan and makes reports to Top Management for user departments to pick action points; initiate pending procurements and update the procurement plan accordingly. A contract register tracker is in place which tracks Contract Managers' appointments and submissions from contract managers.*

**Recommendation**
The Authority takes note of the Entity's response and recommends that the Accounting Officer keenly follows through audit recommendation implementation tracker to ensure that the Entity adheres to recommendations of the Authority in accordance with Section 10 (1) (a) of the PPDA Act Cap. 205.

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

The Authority reviewed the Entity's procurement plan and reports submitted for the Financial Year 2024/2025 and found that the Entity conducted procurements worth UCX 66,397,886,479 equivalent to 83.6% of the total planned procurement value worth UGX 79,450,849,370.

Procurements worth UGX 13,052,962,891 equivalent to 16.3% of the procurement plan value remained un implemented as detailed in Table 3 below:

**Table 4: Procurement Plan Implementation Rate**

| *Analysis of procurement spend* | |
|---|---|
| Total procurement plan value inclusive VAT (UGX) | 79,450,849,370 |
| Total procurement spend value inclusive VAT (UGX) | 66,397,886,479 |
| Procurement plan implementation (%) | 83.6 |
| Variance (UGX) | 13,052,962,891 |

**Implication**

Failure to implement planned procurement activities may delay the achievement of the Entity's strategic objectives, affect timely delivery of planned outputs, and reduce the effectiveness of resource utilization during the financial year.

***Management response***

*Management notes the observation and wishes to clarify that this figure includes UGX 5Bn for a multiyear project of the office building not awarded within the FY, also includes 1.5Bn for the mobile ICT bus and 600m for Land for spectrum monitoring sites which resulted in no award decisions and were retenderd after the FY.*

*For the FY25-26, management set up a budget absorption committee which monitors performance of the procurement plan. It receives quarterly reports from PDU on performance of the procurement plan and makes reports to Top Management for user departments to pick action points; initiate pending procurements and update the procurement plan accordingly.*

**Recommendations**

The Authority takes note of your response and recommends that the Accounting Officer should task the HPDU to conduct quarterly reviews of procurement plan performance, analyze variances, and revise the procurement plan where necessary in accordance with Section 60 (7) of the PPDA Act Cap. 205.

### 2.1.3 Specification by brand name

Regulation 38 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 states that *"Specifications shall not be issued with reference to a particular trademark, brand name, patent, design, type, specific origin, producer, manufacturer, catalogue or numbered item".*

Regulation 38 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services), states that *"Where there is no other sufficiently precise or intelligible way of characterizing a requirement except by the use of a reference in sub regulation (1), the description shall be used, followed by the words "or equivalent", and shall only serve as a benchmark during the evaluation process"*

The Authority observed that in the procurement to supply and deliver ICT assistive technology for people with disabilities in four regions worth UGX 989,724,292, the technical specifications for the embosser required supply of Everest-D V5 unit and therefore "Everest" brand was prescribed rather than defining performance-based or generic technical requirements which was restrictive and could have potentially excluded other qualified bidders offering equivalent or superior products from bidding, thus undermining the achievement of value for money contrary to Regulation 38 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

**Implication**

Use of brand-specific specifications restricts competition, limits participation by potential providers offering equivalent solutions, and increases the risk of obtaining less competitive prices, thereby undermining value for money.

***Management response***

*Management notes the observations and agrees that specification of Everest should have been followed by a statement 'or equivalent'.*

*This particular item is unique in nature for the special needs personnel and National Council of PWDs who co-partners in this ICT intervention were very particular on this specific brand as it has proved to be the best option to deliver the intended purpose sustainably.*

*While the specification referenced the Everest-D V5 Braille Embosser, this was intended as a benchmark for quality and functionality, not as a restrictive requirement. PDU remains committed to transparent, competitive, and compliant procurement practices, and has taken corrective steps to align fully with procurement guidelines. The BEB gained no competitive advantage from this nor were other bidders disadvantaged.*

**Recommendation**

The Head Procurement and Disposal Unit should ensure that all technical specifications are based on functional, performance, and quality requirements rather than specific brands. Where reference to a brand is unavoidable, the words "or equivalent" should be included and objective criteria established for assessing equivalence in accordance with Regulation 38 of the PPDA Regulations, 2023.

#### 2.1.4 Inadequate solicitation documents

Regulation 42 (a) 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, when preparing each bidding document, ascertain that the statement of requirements defines the requirement precisely and in a manner that leaves no doubt or assumption by a bidder".*

The audit noted that the solicitation documents issued to bidders in two procurements worth UGX 4,883,124,852 contained anomalies as indicated in Table 4 below:

**Table 5: Procurements in which inadequate solicitation documents were issued**

| S/No | Subject of Procurement | Issues |
|---|---|---|
| 1. | Supply, delivery and installation of ICT Equipment of 60 Public Access Centres<br>Lot 1: (30) in Northern, Eastern, and Western Region<br>Lot 2: (30) in Greater central and Kampala city worth UGX 2,837,004,852 | • Whereas Clause GCC 19.1 of the solicitation document stated that "a Performance Security shall be required" and further provided that "the amount of the Performance Security shall be 10% of the contract price," the PPDA guideline expressly provides that the percentage of performance security should not exceed five percent (5%) of the contract price. By requiring bidders to provide performance security amounting to 10%, the Entity imposed a condition that exceeded the permissible threshold by 100%, making the requirement excessively burdensome.<br>• Inclusion of vague and inapplicable contractual provisions, particularly under Clause GCC 29.1 on Insurance, which provided that the *"risks of coverage should be (i) third party motor vehicle…".* |
| 2. | Provision of services for events setup and decoration for the Uganda Film Festival worth UGX 2,046,120,000 | Vague clauses in the contract. GCC 29.1 on Insurance *"risks of coverage should be (i) third party motor vehicle…"* which was not related to the procurement. |

**Implication**

Inadequate solicitation documents may result in bidder confusion, submission of non-responsive bids, reduced competition, increased procurement disputes, and delays in completion of procurement proceedings.

***Management response***

*Management notes the observation on Performance Security at 10%. The bidding document was issued on 28th October 2024 and the new guideline No. 3/2024 (capping Performance Security to 5%) repealing the old guideline on the same (which had capped Performance Security between 5% - 10%) which shouldn't have prevailed. Going forward management pledges compliance with the new guidelines issued in February 2024.*

*For Inclusion of vague and inapplicable contractual provisions, particularly under Clause GCC 29.1 on Insurance, management notes the observation and wishes to clarify that these requirements are incidental to the implementation of the contract.*

*Management has taken note of the recommendation and will strengthen the quality assurance process for all solicitation documents prior to issuance. The Head of PDU, in collaboration with the Contracts Committee, will ensure that all bidding documents undergo a comprehensive compliance review to confirm that contractual provisions are procurement item - specific, accurate, and aligned with PPDA laws, regulations, and guidelines.*

*In addition, PDU will be sensitized/trained on the new standard bidding documents and the guidelines that were issued by the Authority.*

*Management is committed to enhancing the quality of procurement documentation to minimize ambiguities, promote fair competition, and ensure full compliance with the PPDA framework.*

**Recommendation**
The Authority takes note of the Entity's response and recommends that the Head PDU should strengthen quality assurance reviews of solicitation documents before issuing them to bidders to ensure that all provisions are accurate and relevant in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

### 2.1.5 Delayed evaluation of bids
Regulation 4 (1) (a) of the PPDA (Evaluation) Regulations, 2023 states that *"An evaluation shall be concluded within the time period specified in this regulation, for the type of procurement ten working days from the date of the opening of the bids, for the procurement of supplies or non-consultancy services"* In the procurement for supply and delivery of 4,500 tablet devices for rural households in 23 districts worth UGX 2,808,990,000, an unjustified delay at evaluation of bids of 55 working days was noted contrary to the above PPDA Regulations. Whereas bids were opened on 27$^{th}$ November 2024, the evaluation process was only concluded on 17$^{th}$ February 2025.

**Implication**
Delays in bid evaluation prolong procurement lead times, delay contract award and implementation, increase the risk of bid expiry, may breed fraud, collusion and may affect timely delivery of planned services and projects.

***Management Response***
*Management has taken note of the observation and acknowledges that the evaluation process took a longer time. Management has now taken measures to support timely evaluation of bids by facilitating evaluation committees off site.*

*Management acknowledges the observation regarding the delay in concluding the evaluation of bids for the procurement of 4,500 tablet devices for rural households in 23 districts. The delay in evaluation arose due to the complexity and magnitude of the procurement, which required detailed verification of bidders' compliance with the technical specifications, post-qualification requirements, and clarification of certain aspects of the submitted bids to ensure value for money and fairness in the evaluation process.*

*Management notes that the evaluation was eventually concluded, and the procurement process proceeded to the subsequent stages. Nevertheless, management recognizes that the evaluation period exceeded the timelines prescribed under Regulation 4(1)(a) of the PPDA (Evaluation) Regulations, 2023.*

*To prevent recurrence, Management has strengthened procurement planning and will ensure that Evaluation Committees are facilitated to have offsite evaluation meetings for high value and complex procurements to complete evaluations within the prescribed timelines.*

*Going forward where exceptional circumstances necessitate additional time, the necessary approvals and documentation for extension of evaluation periods will be obtained in accordance with the PPDA Regulations.*

**Recommendation**
The Authority takes note of the Entity's response and recommends that the Accounting Officer facilitate Evaluation Committees with adequate resources to complete evaluations within the prescribed timelines in accordance with Regulation 4 (1) (a) of the PPDA (Evaluation) Regulations, 2023.

## 2.2 Compliance with the PPDA Act Cap 205, Regulations, 2023 and PPDA Guidelines, 2024 In the conduct of disposal activities

### 2.2.1 Failure to submit plan for disposal of obsolete items
Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023 requires an Accounting Officer to review the public assets of a Procuring and Disposing Entity in each Financial Year to identify, assets to be disposed of in the following year.

The Authority noted that the Entity did not submit a disposal plan to the Authority for the Financial Year 2024/2025 contrary to the above Regulation.

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

***<u>Management Response</u>***
*Management has taken note of the observation. The Commission annually reviews and updates its Asset register. Within the FY, a list of assets for disposal was approved. A disposal exercise by auction was conducted during the year. The Commission annually updates the asset register to ensure completeness and accuracy of asset records. These measures facilitate timely identification of assets for disposal, reduce unnecessary maintenance and storage costs, improve asset utilization, and ensure full compliance with the PPDA (Disposal of Public Assets) Regulations, 2023.*
*Management commits to implementing these actions annually to ensure every year obsolete assets are disposed.*

**Authority's Comment**
The Authority takes note of your response; however, it does not address the observation of failure to submit a disposal plan for the Financial Year 2024/2025 to the Authority.

**Recommendation**
The Accounting Officer should prepare and submit disposal plans annually to the Authority in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023. Management should also maintain an updated asset register and periodically review assets for disposal.

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

There were no ESHS gaps observed.

#### 2.3.1 Delayed delivery of supplies
Regulation 52 (1) (b) of the PPDA (Contracts) Regulations, 2023 provides that *"A contract manager shall make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract".* In the procurement for supply, delivery and installation of ICT Equipment of 60 Public Access Centres Lot 2 worth UGX 1,437,819,852, the Authority noted delayed delivery of supplies by the provider. Whereas the contract was signed on 26th May 2025, contrary to the agreed contractual obligations to deliver within 120 days, the provider effected delivery on 10th March 2026 totaling to 184 days and thus causing a delay of 64 working days.

**Implication**
Failure to enforce contractual requirements such as adherence to delivery timelines exposes the Entity to financial risk, weakens contract administration controls, and may result in delayed delivery of goods and services to intended beneficiaries.

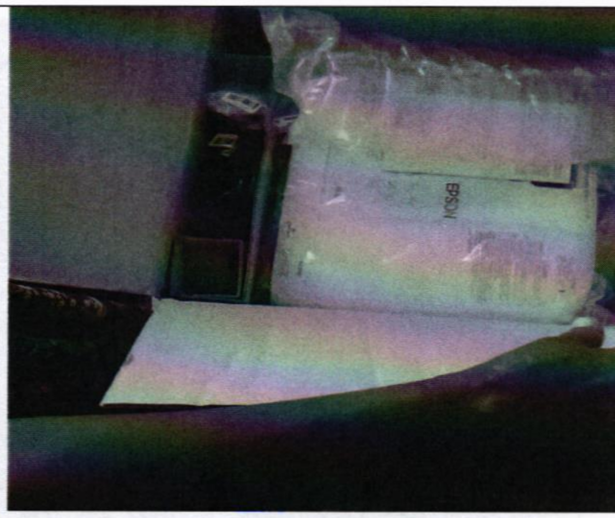
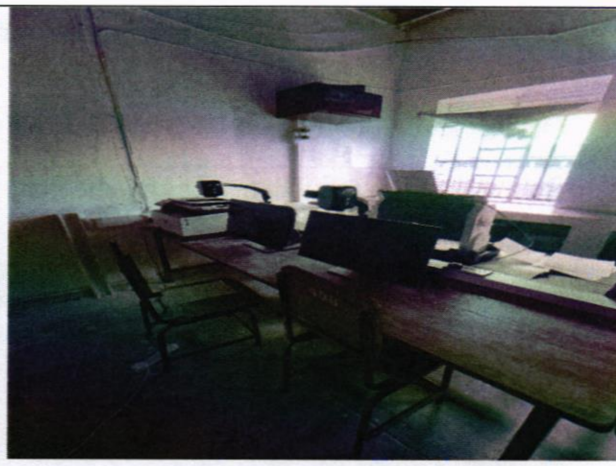
***Management response***
*Delayed performance of the contract was caused by uncertainties in the global supply chain due to Israel-Ukraine war and the provider requested for extension of the contract period to allow for more time to ship and clear the supplies out of customs. Extension of the contract period was granted and the contractual obligations fully performed by the provider. Documents are available on file for verification.*

**Recommendation**
The Authority takes note of the Entity's response and recommends that the Heads of User Departments through the Contract Manager should monitor the implementation of all contractual terms and conditions including delivery times in accordance with 52 (1) (b) of the PPDA (Contracts) Regulations, 2023. In addition, the Contract Manager should implement an early warning system requiring providers to promptly notify the Entity of anticipated delays, enabling timely intervention, consideration of appropriate remedies, and continuity of project implementation.

#### 2.3.2 Physical verification of works projects
The Authority conducted a physical verification exercise for several supplies delivered worth UGX 3,885,299,001 as detailed in the Table 5 below:

**Table 6: Pictures of assorted equipment verified**

| RUTI VOCATIONAL REHABILITATION CENTRE MBARARA | |
|---|---|
|  |  |
| Equipment at Ruti Vocational Rehabilitation Centre | Learners at Ruti Vocational Centre using the assistive equipment |
| OCOKO VOCATIONAL REHABILITATION CENTRE ARUA | |
| Below is the redundant equipment that has not been put to use at Ocoko Vocational Rehabilitation Centre | |
|  |  |
| Equipment that has not been put to use at Ocoko Vocational Rehabilitation Centre | |

| | |
|---|---|
|  |  |
| MBALE SCHOOL FOR THE DEAF | |
|  |  |
| Assistive Equipment installed at Mbale school for the Deaf Computer Laboratory | Equipment at Mbale School for the Deaf |
| KIREKA REHABILITATION CENTRE WAKISO | |
|  |  |
| Assistive Equipment in use at Kireka | Some of the equipment at Kireka Rehabilitation |

| Rehabilitation Centre | Centre |
|---|---|
|  Some of the equipment at Kireka Rehabilitation Centre | |

## CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

### 3.1 Overall Audit Conclusion

The Procurement and Disposal activities of Uganda Communications Commission (UCC) for the Financial Year 2024/2025 were generally conducted in compliance with the provisions of the PPDA Act Cap. 205, the PPDA Regulations, 2023, and PPDA Guidelines. The Entity maintained the required procurement and disposal structures, the PDU as adequately staffed and disposal activities reviewed were conducted satisfactorily.

Whereas the weaknesses did not materially undermine the overall integrity of the procurement system, they indicate failure to implement procurement plan absorption, specifications by brand name, deficiencies in preparation of solicitation documents, delay at evaluation, failure to submit disposal plan for the FY 2024/2025, and failure to enforce timely delivery. The afore mentioned gaps may adversely affect service delivery, value for money, supplier confidence and achievement of Government policy objectives if not addressed.

Accordingly, the performance of Uganda Communications Commission (UCC) for FY 2024/2025 was assessed as **Satisfactory**, with an overall weighted average risk rating of **25.6%**, but requires targeted management interventions to strengthen procurement plan absorption, specifications by brand name, quality assurance in preparation of solicitation documents, timely evaluation, submission of the disposal plan for the subsequent Financial Year and to enforce timely delivery.

### 3.2 Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 6 below:

**Table 7: Weighted score of Uganda Communications Commission**

| Risk category | No. | No.% | Value (UGX) | Value % | Weights | Total weighted Average | |
|---|---|---|---|---|---|---|---|
| | | | | | | By No | By Value |
| **High** | 2 | 14.3 | 2,837,004,842 | 22.5 | 0.6 | 8.6 | 13.5 |
| **Medium** | 2 | 14.3 | 1,989,414,326 | 18.8 | 0.3 | 4.3 | 4.3 |
| **Low** | 0 | 0 | - | - | 0.1 | - | - |
| **Satisfactory** | 10 | 71.4 | 5,747,346,513 | 54.4 | 0 | 0 | 0 |
| **Total** | **14** | **100** | **10,573,765,681** | **100** | **1** | **12.9** | **17.8** |

Performance by Number $= \frac{12.9 \times 100}{60}$ = 21.5 %

Performance by Value $= \frac{17.8 \times 100}{60}$ = 29.7 %

The average weighted risk rating $= \frac{21.5+29.7}{2}$ **= 25.6 %**

The performance of the Entity is rated satisfactory as detailed in Table 7 below:

**Table 8:Risk rating criteria**

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

**GRAPHICAL REPRESENTATION OF THE ENTITY'S PERFORMANCE**

**Figure 1: Performance by Value of Contracts**

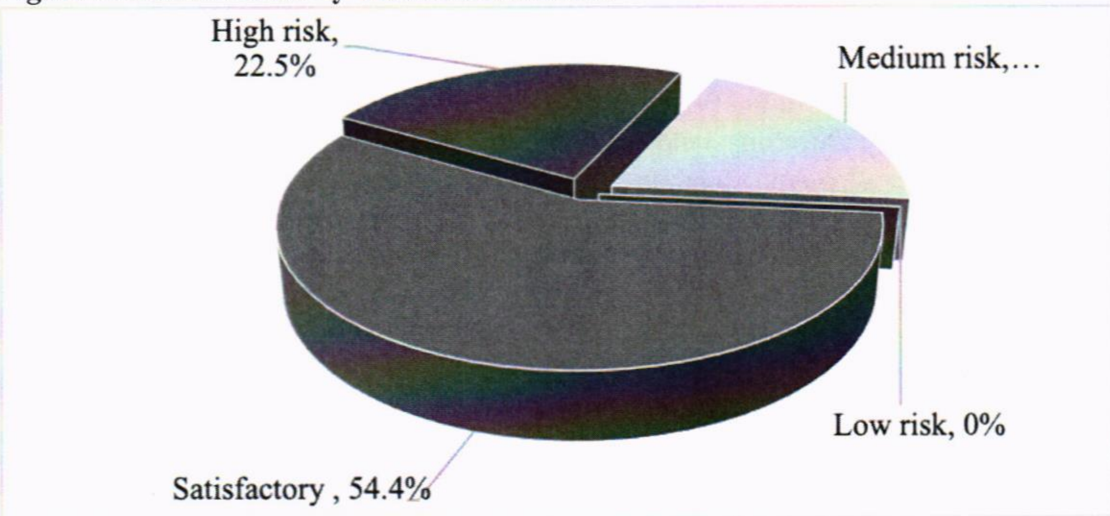
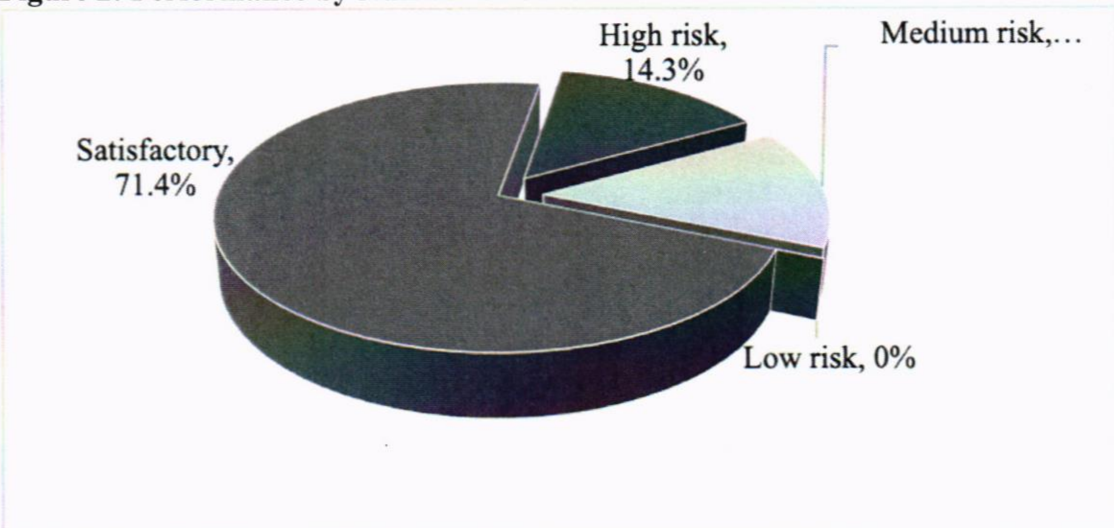



**Figure 2: Performance by Number of Contracts**




### 3.3 Recommended Action Plan

Uganda Communications Commission (UCC) should implement the recommendations in Table 8 within the period given in order to improve its performance.

**Table 9:Action Plan**

| No. | Finding | Action/Recommendation | Responsible Officer | Timeline |
|---|---|---|---|---|
| 1. | Failure to fully implement the procurement plan. | Strengthen procurement planning by ensuring that procurement requirements are realistically assessed and aligned to available funding and implementation capacity. Management should conduct quarterly reviews of procurement plan performance, analyze variances, and revise the procurement plan where | Accounting Officer/ Head PDU | Quarterly |

| No. | Finding | Action/Recommendation | Responsible Officer | Timeline |
|---|---|---|---|---|
| | | necessary in accordance with Section 60 (7) of the PPDA Act Cap. 205. | | |
| 2. | Failure to implement two previous audit recommendations. | Develop and maintain an audit recommendation implementation tracker indicating the responsible officer, actions required, timelines, and implementation status for each recommendation and adhere to recommendations of the Authority in accordance with Section 10 (1) (a) of the PPDA Act Cap. 205. | Accounting Officer/Head PDU | Within 30 days |
| 3. | Specification by brand name. | Ensure that all technical specifications are based on functional, performance, and quality requirements rather than specific brands. Where reference to a brand is unavoidable, the words "or equivalent" should be included and objective criteria established for assessing equivalence in accordance with Regulation 38 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. | Accounting Officer/Head PDU | Continuously |
| 4. | Issuance of inadequate solicitation documents to bidders. | Strengthen quality assurance reviews of solicitation documents before issue to bidders to ensure that all provisions are accurate, relevant, in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. | Head PDU | Continuously |
| 5. | Delayed evaluation of bids by 55 working days. | Follow through that Evaluation Committees are provided with adequate resources to complete evaluations within the prescribed timelines in accordance with Regulation 4 (1) (a) of the PPDA (Evaluation) Regulations, 2023. | Accounting Officer/Head PDU/ | Continuously |
| 6. | Failure to submit plan for disposal of obsolete items. | Ensure that disposal plan is prepared and submitted to the Authority in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023. | Accounting Officer/Head PDU | Quarter 1 FY 2026/2027 |
| 7. | Delayed delivery of | Monitor the implementation of all contractual terms and conditions | Heads of User Departments/ | Continuously |

| No. | Finding | Action/Recommendation | Responsible Officer | Timeline |
|---|---|---|---|---|
| | supplies | including delivery times in accordance with 52 (1) (b) of the PPDA (Contracts) Regulations, 2023. | Contract Managers | |

**Annex 1: Findings and rating of the individual procurements reviewed**

| | Details of the procurement | Exceptions/findings |
|---|---|---|
| No. | **High Risk Procurements** | |
| 1. | UCC/SUPLS/24-25/00027 Supply, delivery and installation of ICT Equipment of 60 Public Access Centres<br>Lot 1: (30) in Greater central and Kampala City<br>Provider: CLS Ltd<br>Contract Sum: 1,399,185,000 | **Solicitation document:** The Entity imposed an excessive performance security requirement that was inconsistent with the PPDA Guideline No. 3 of 2024 issued on 5th February 2024, thereby creating an unnecessary barrier to competition and undermining fairness in the procurement process. Whereas Clause GCC 19.1 of the solicitation document stated that "a Performance Security shall be required" and further provided that "the amount of the Performance Security shall be 10% of the Contract Price," the PPDA Authority guideline expressly provides that the percentage of performance security should not exceed five percent (5%) of the contract price. By requiring bidders to provide performance security amounting to 10%, the Entity imposed a condition that exceeded the permissible threshold by 100%, making the requirement excessively burdensome and non-compliant.<br>**Evaluation:** `significant delays during the bid evaluation stage and inadequate management of bid validity periods, contrary to the principles of efficiency. Whereas bids were opened on 27th November 2024, the evaluation process was only concluded on 17th February 2025, resulting in a delay of approximately 55 working days. |
| 2. | UCC/SUPLS/24-25/00027 Supply, delivery and installation of ICT Equipment of 60 Public Access Centres<br>Lot 2: (30) in Greater central and Kampala City<br>Lot 2: Impiger technologies PVT Limited<br>Contract Sum: 1,437,819,852 | **Solicitation document:** The Entity imposed an excessive performance security requirement that was inconsistent with the PPDA Authority's Guideline No. 3 of 2024 issued on 5th February 2024, thereby creating an unnecessary barrier to competition and undermining fairness in the procurement process. Whereas Clause GCC 19.1 of the solicitation document stated that "a Performance Security shall be required" and further provided that "the amount of the Performance Security shall be 10% of the Contract Price," the PPDA Authority guideline expressly provides that the percentage of performance security should not exceed five percent (5%) of the contract price. By requiring bidders to provide performance security amounting to 10%, the Entity imposed a condition that exceeded the permissible threshold |

| | Details of the procurement | Exceptions/findings |
|---|---|---|
| | | by 100%, making the requirement excessively burdensome and non-compliant with the Authority's procurement guidance.<br>**Evaluation**: Significant delays during the bid evaluation stage and inadequate management of bid validity periods, contrary to the principles of efficiency, fairness, and timely procurement under the PPDA framework. Whereas bids were opened on 27th November 2024, the evaluation process was only concluded on 17th February 2025, resulting in a delay of approximately 55 working days.<br>**Contract management:** Delayed delivery of supplies by the provider, Impiger Technologies, contrary to the agreed contractual obligations. Whereas the contract was signed on 26th May 2025, thereby triggering the commencement of the supplier's delivery obligations, actual delivery was effected on 10th March 2026 indicating a prolonged delay in fulfillment of the contract |
| | **Medium Risk Procurements** | |
| 3. | Supply and delivery and installation of equipment for establishment of ICT laboratories at 60 schools 1,784,802,326 | **Solicitation document:** Inclusion of vague and inapplicable contractual provisions, particularly under Clause GCC 29.1 on Insurance, which provided that the *"risks of coverage should be (i) third party motor vehicle…"*, it was established that this insurance requirement was not applicable to the nature of the procurement under review and bore no direct relevance to the goods, works, or services being procured. |
| 4. | UCC/NCONS/24-25/00040<br>Provision of services for events setup and decoration for the Uganda Film Festival<br>Provider: Solfit Solutions Limited<br>Contract Sum: UGX 2,046,120,000 | **Solicitation document:** Vague clauses in the contract. GCC 29.1 on Insurance" *risks of coverage should be (i) third party motor vehicle…*" which was not applicable to the procurement. |
| **Satisfactory cases (No major exceptions)** | | |
| 5. | UCC/SUPLS/24-25/00117<br>Supply and delivery of ICT and assistive technology equipment for People with Disabilities In 4 Regional Centres located at Wakiso, Mbale, Mbarara and Arua<br>Provider: Samanga Solutions Limited<br>Contract Sum: UGX 987,724,292 | |
| 6. | UCC/NCONS/23-24/00107<br>Development, integration testing, deployment and maintenance of the central equipment identifier register system for UCC | |

| | Details of the procurement | Exceptions/findings |
|---|---|---|
| | Provider: Gold leaf holdings JV Relworx Ltd<br>Contract Sum: UGX 1,250,000,000 | |
| 7. | UCC/NCONS/24-25/00130<br>Provision of services for undertaking digital literacy training and distribution of 6,500 tablet devices.<br>Provider: Bertcom Africa<br>Contract price: UGX 639,418,000 | |
| 8. | UCC/SUPLS/24-25/00023 (LOT 1) Supply, delivery and installation of equipment for establishment of solar powered laboratories.<br>Provider: Netcon Technologies India Pvt Limited<br>UGX 1,784,802,326 | |
| 9. | UCC/SUPLS/24-25/00032<br>Supply, Delivery and installation of two Firewalls and related services<br>Provider: Mantra Technologies Limited<br>Contract Sum: UGX 299,295,736 | |
| 10. | UCC/SUPLS/24-25/00128<br>Upgrade of Infovista Quality of services monitoring equipment<br>Provider: Infovista Fzco<br>Contract Sum: UGX 1,684,784,559 | |
| 11. | UCC/22-23/NCONS/00204<br>Provision of services for sensitization on regulation of interception of communications regulations 2023 (Lot 1 & 2)<br>Provider: Grindstone Ltd<br>Contract Sum: Lot 1 – 190,074,400 – central region | |
| 12. | UCC/SUPLS/23-24/00168<br>Supply and Installation of assorted digital Forensic Tools<br>Provider: Nokah Holdings<br>Contract Sum: UGX 351,321,600 | |
| 13. | UCC/SUPLS/23-24/00060<br>Procurement of outdoor truck with mobile stage and mobile LED screens<br>Provider: Grethe Practice Ltd<br>Contract price: UGX 720,482,378 | |
| 14. | UCC/22-23/NCONS/00204<br>Provision of services for sensitization on regulation of interception of communications regulations 2023 (Lot 1 & 2)<br>Contract price:<br>Lot 2: 198,950,000 – western region.<br>Lot 2: Treax Holdings Ltd | |

**Annex 2: SAMPLE FOR UGANDA COMMUNICATIONS COMMISSION FY 2024/25**

| S/no | Procurement Reference | Subject of Procurement | Procurement Method | Provider | Contract Value (UGX) | Risk rating |
|---|---|---|---|---|---|---|
| 1. | UCC/SUPLS/24-25/00023 (LOT 1) | Supply, delivery and installation of equipment for establishment of solar powered laboratories. | Open Bidding | Netcon Technologies India Pvt Limited | 1,784,802,326 | Medium risk |
| 2. | UCC/SUPLS/24-25/00024 | Supply and delivery of 4500 tablet devices for underserved served households in 23 Districts. | Open Bidding | Transtel Limited | 2,808,990,000 | Satisfactory |
| 3. | UCC/SUPLS/24-25/00117 | Supply and delivery of ICT and assistive technology equipment for People with Disabilities in 4 Regional Centres located at Wakiso, Mbale, Mbarara and Arua. | Open Bidding | Samanga Solutions Limited | 987,724,292 | Satisfactory |
| 4. | UCC/SUPLS/24-25/00032 | Supply, Delivery and installation of two Firewalls and related services. | Request for quotation | Mantra Technologies Limited | 299,295,736 | Satisfactory |
| 5. | UCC/SUPLS/24-25/00027 LOT 1 | Supply, installation and delivery of ICT equipment and establishment of Thirty (60) Public Access Centers in Northern Region, Eastern Region and Western Region. | Open Bidding | CLS Limited | 1,399,185,000 | High Risk |
| 6. | UCC/SUPLS/24-25/00027 LOT 2 | Supply, installation and delivery of ICT Equipment and establishment of thirty (60) Public Access Centers in Northern Region, Eastern Region and Western Region. | Open Bidding | Impiger Technologies Limited | 1,437,819,852 | High Risk |
| 7. | UCC/SUPLS/23-24/00060 | supply and delivery of one unit of an outdoor experiential truck with mobile stage and led screens | Open bidding | Gretiie Practice Limited | 720,482,378 | Satisfactory |
| 8. | UCC/NCONS/23-24/00130 | Provision of services with digital literacy training and distribution of tablet devices to households in 35 | Open Bidding | Bertcom Africa Ltd | 639,418,400 | Satisfactory |

| S/no | Procurement Reference | Subject of Procurement | Procurement Method | Provider | Contract Value (UGX) | Risk rating |
|---|---|---|---|---|---|---|
| | | Districts | | | | |
| 9. | UCC/NCONS/24-25/00040 | Provision for services for events setup and decoration for Uganda Film Festival 2025. | Open bidding | Soler Satmous Limited | 2,046,120,000 | Medium risk |
| 10. | UCC/SUPLS/24-25/00128 | Upgrade of Infovista Quality of services monitoring equipment. | Direct Procurement | Infovista Fzco | 1,684,784,559 | Satisfactory |
| 11. | UCC/22-23/NCONS/00204 | Provision of services for sensitization on regulation of interception of communications regulations 2023. | RFP | Grindstone Ltd | 190,074,400 | Satisfactory |
| 12. | UCC/SUPLS/23-24/00168 | Supply and installation of assorted digital forensic tools. | Restricted Bidding | Nokah Holdings | 351,321,600 | Satisfactory |
| 13. | UCC/22-23/NCONS/002 | Provision of services for sensitization on regulation of interception of communications regulations 2023 (Lot 2). | RFP | Treax Holdings Ltd | 198,950,000 | Satisfactory |
| 14. | UCC/SUPLS/24-25/00117 | Supply and delivery of ICT and assistive technology equipment for People with Disabilities. | Open Bidding | Samanga Solutions Limited | 987,724,292 | Satisfactory |
| | **TOTAL** | | | | **10,573,765,681** | |

## 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 a risk for the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management.<br><br>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 | **Planning:** Lack of initiation of | This implies committing the Entity without funds thereby |

| RISK | DESCRIPTION | AREA | IMPLICATION |
|---|---|---|---|
| | weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority. | procurements and confirmation of funds. | causing domestic arrears. |
| | | **Bidding Process:** Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms, and splitting procurement requirements. | This implies a lack of efficiency, standardization, and avoiding competition. |
| | | **Procurement Structures:** Lack of procurement structures | This implies a lack of independence of functions and powers and interference in the procurement process. |
| | | **Record Keeping:** Missing Contracts Committee records and incomplete contract management records. | This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process. |
| | | **Contract and Contract Management:** Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders. | This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal. |
| | | Failure by the Entity to incorporate in the solicitation document aspects of | |

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