



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

**PROCUREMENT AND DISPOSAL AUDIT REPORT
FOR FINANCIAL YEAR 2024/2025**

NAKASONGOLA DISTRICT LOCAL GOVERNMENT

JUNE 2026

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ACRONYMS

ESHS :	Environmental, Safety, Health and Social Safeguard
FY :	Financial Year
GCC :	General Conditions of Contract
PDU :	Procurement and Disposal Unit
PPDA Act:	Public Procurement and Disposal of Public Assets Act, Cap. 205
UGX:	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority conducted a procurement and disposal audit of Nakasongola District Local Government for Financial Year 2024/2025 and reviewed 22 sampled procurement transactions.

The overall objective of the audit was to assess and establish the degree of compliance of the Entity's procurement and disposal systems and processes with the provisions of the PPDA Act, Cap. 205 and the PPDA Regulations, 2023 and Regulations, 2014 on Force Account Mechanism, Guidelines 2024 and assess the level of procurement performance over the audit period.

From the findings of the procurement and disposal audit, the performance of Nakasongola District Local Government for the Financial Year 2024/2025 was **Moderately Satisfactory** with an overall weighted average risk rating of **51.55%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter Three of this audit report.

Despite the moderately satisfactory performance, the following key exceptions were noted:

1. Section 10 (1) (a) of the PPDA Act, Cap. 205 provides that; where there is persistent breach of this Act or Regulations or Guidelines made under this Act, the Authority may direct the concerned Procuring and Disposing Entity to take such corrective action as may be necessary in the circumstances, to rectify the breach. The Authority found that out of 34 previous audit recommendations, the Entity did not fully implement 47.06% of the recommendations, comprising of six recommendations not implemented and 10 recommendations partially implemented. The non-implementation and partial implementation of prior audit recommendations undermined the intended improvement of the procurement function and indicates weak internal follow-up and accountability mechanisms within the Entity.
2. The Entity delayed to submit monthly reports for eight months of the financial 2024-2025, by an average of 14 working days, contrary to Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 that requires the Entity to submit to the Authority, for each month, a report on procurement and disposal activities using Form 2 of the Schedule by the 15th day of the following month. This limits transparency and accountability for procurements undertaken in the financial year.
3. Regulation 15 (b) of the PPDA (Evaluation) Regulations, 2023 requires the Evaluation Committees to conduct detailed evaluation of bids that are responsive after the preliminary examination and administrative compliance, in order to determine the technical responsiveness of those bids. The Authority found that the Entity failed to conduct a detailed evaluation specifically regarding the availability of equipment, technical personnel and personnel qualifications to determine technical responsiveness in eight procurements worth UGX 763,590,710, and therefore, exposing the Entity to the risk of award of contracts to bidders with inadequate technical competences to execute the required works.
4. Section 30 (f), (g) and (h) of the PPDA Act, Cap. 205 provides that a Contracts Committee shall be responsible for approving procurement and disposal procedures; ensuring that best practices in relation to procurement and disposal are strictly adhered to by Procuring and Disposing Entities; and ensuring compliance with this Act. In three revenue collection

contracts worth UGX 44,000,000, the Authority found that the Entity used the Request for Quotation method without documented justification; the User Department did not prepare terms of reference for incorporation into the bidding documents; and the bidding documents were inadequate i.e., did not indicate the requirement for key personnel and personnel qualifications as part of the evaluation methodology. Further, details of revenue remittances by the service providers were not maintained on file, Contract Managers were not appointed, and supervision reports were not prepared. These weaknesses undermined transparency, accountability, and effective monitoring of revenue collection performance.

5. Regulation 3 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023 requires the User Department or the appropriate department of a Procuring and Disposing Entity that is responsible for the management of public assets, to initiate a process for disposal of a public asset by making a request for disposal of the public asset to the Accounting Officer. The Authority found that the Entity responsible User Departments did not initiate the disposal of obsolete assets including motor vehicles and motor cycles, which resulted into continued holding of obsolete assets, leading to avoidable storage and maintenance costs, reduced accountability for public assets, and increased risk of loss, misuse, deterioration or vandalism.
6. Regulation 52 of the PPDA (Contracts) Regulations, 2023 requires a Contract Manager to ensure that the provider performs the contract in accordance with the terms and conditions specified in the contract. The Authority found that the Entity did not effectively monitor contractors' compliance with environmental, social, health and safety safeguards in seven procurements worth UGX 581,360,620. Although the Bills of Quantities included ESHS provisions worth UGX 5,814,860, the Entity did not maintain detailed monitoring reports, supported by pictorial evidence, to confirm implementation of the safeguards. This exposed the projects to the risk of environmental degradation, health and safety incidents affecting workers and surrounding communities, and expenditure on ESHS provisions that could not be adequately verified or accounted for.
7. Section 44 (1) of the PPDA Act, Cap. 205 requires the Entity to maintain records on procurement and disposal proceedings. The Authority found that the Entity failed to maintain procurement and contract management records including program for works, commencement letter, bidder's bid, contract, payment records and contract management plans, among others in five procurements worth UGX 457,436,214, and substantial completion certificates, monitoring and inspection reports, in the procurement for design, supply and installation of micro-scale irrigation systems for the 32 farmers worth UGX 647,946,500, which hindered transparency, and accountability in the procurement process.
8. Section 130(5)(e) of the PPDA Act, Cap. 205 requires an Entity applying the Force Account Mechanism to maintain and manage records, equipment and supplies of the works to ensure value for money. The Authority found that, for the routine mechanised maintenance of 6Km Nakasongola–Nabiswera Road worth UGX 62,133,959, the Entity did not maintain key implementation records on file. These included call-off orders, Goods Received Notes (GRNs) for building materials and spare parts, and status reports on progress and completion of the works. The absence of these records weakened the audit trail and limited the Entity's ability to demonstrate transparency, accountability, and value for money in the application of the Force Account Mechanism.

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

1. The Accounting Officer should:
 - (a) task the Internal Auditor to follow up and ensure full implementation of the Authority's audit recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205 and to confirm that the contractor, Nimwe Suppliers Ltd remitted the VAT worth UGX 31,850,838 paid during the FY 2022/2023 when the contractor was not VAT registered;
 - (b) submit the monthly procurement and disposal reports to the Authority by the 15th day of the following month, in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 and through electronic submissions via the E-Reporting Link (<https://ereports.ppda.go.ug/>) as provided in Circular No. 5 of 2025;
 - (c) Through the Board of Surveys, engage the relevant Authorities such as Ministry of Works and Transport for the valuation of the assessed and verified obsolete assets in accordance to Section 28 (1) (h) of the PPDA Act, Cap. 205 for the possibility of disposal in accordance with Regulation 2, 3 and 24 of the PPDA (Disposal of Public Assets) Regulations, 2023;
 - (d) Always task the District Environment Officer and the District Community Development Officer to prepare progress reports on the implementation of ESHS aspects; and should recover the ESHS provision in the bills of quantities paid to the contractors without execution;
 - (e) Task the District Engineer to maintain all records on the implementation of Force Account Mechanism and share copies with the Procurement and Disposal Unit for filing in accordance with Section 130 (5) (e) of the PPDA Act, Cap. 205. Furthermore, the records should be made accessible efficiently whenever various mandated stakeholders require access; and
 - (f) Task the Head of Production to retrieve the missing details, including monitoring and inspection reports with pictorial evidence; Complete payment records to contractors including the final payment vouchers; Substantial completion certificates, and submit to the Procurement and Disposal Unit for archiving on the respective procurement action files in accordance with Section 44 (1) of the PPDA Act, Cap. 205.
2. The Head, Procurement and Disposal Unit should:
 - (a) Liaise with the User Departments and Finance Department to obtain all procurement-related documentation and ensure that complete records are archived on the respective procurement action files, in accordance with Section 44(1) of the PPDA Act, Cap. 205; and
 - (b) Confirm that the terms and conditions contained in the solicitation documents apply to the resulting contract, in accordance with Section 67(2) of the PPDA Act, Cap. 205 and submit any proposed changes to contract terms to the Contracts Committee for approval in accordance with Section 31(1)(a)(iv) of the PPDA Act, Cap. 205.
3. User Departments should prepare and submit the terms of reference to the Procurement and Disposal Unit for incorporation into the bidding documents, in accordance with Section 36(1)(c) of the PPDA Act, Cap. 205.
4. Evaluation Committees should conduct a detailed technical evaluation of bids in line with the criteria stated in the bidding document and in accordance with Regulation 15 of the PPDA (Evaluation) Regulations, 2023.

5. Contract Managers should:

- (a) task the contractors to adherence to environmental, health and social safeguard requirements as part of their contractual obligation stipulated in the contract and in accordance with Regulation 52 of the PPDA (Contracts) Regulations, 2023; and
- (b) Always task contractors to submit work programs as per the terms and conditions of the contract before contract execution in accordance with Regulation 52 (3) (ii) of the PPDA (Contracts) Regulations, 2023.

Nakasongola District Local Government should implement the recommended action plan on pages **49** to **50** of this report.

CHAPTER ONE: INTRODUCTION

1.1. Background

The Public Procurement and Disposal of Public Assets Authority undertook a procurement and disposal audit on the procurement and disposal activities of Nakasongola District Local Government that covered a sample of 22 procurement transactions for works, supplies and services under Financial Year 2024/2025. The audit involved a review of procurement and disposal structures, systems and processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act, Cap. 205 and the PPDA Regulations 2014 and 2023.

1.2. Audit Objectives

The overall objective of the audit was to assess and establish the degree of compliance of Entity's procurement system, process and disposal with the provisions of the PPDA Act, Cap. 205, PPDA Regulations, 2023, PPDA Regulations, 2014 on Force Account Mechanism and PPDA Guidelines, 2024 and the level of procurement performance over the audit period.

The specific objectives of the audit were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations 2014 and 2023 with regard to the performance of the procurement structures and conduct of procurement processes;
2. Assess the degree of compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations 2014 and 2023;
3. Assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process;
4. Assess the performance of the Force Account Mechanism; and
5. Assess the performance of Microscale Irrigation Projects.

1.3. Structure of the Entity

According to Section 28 of the PPDA Act, Cap. 205, the Accounting Officer has the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. The Accounting Officer of Nakasongola District Local Government during the Financial Year under review was Mr. Mr. Aggrey Winston Muramira, the Chief Administrative Officer.

The Permanent Secretary/Secretary to the Treasury of the Ministry of Finance Planning & Economic Development approved the members of the Contracts Committee listed in Table 1 below:

Table 1: Contracts Committee for the FY 2024-2025

No.	Name	Job Title	Position on Committee	Date of Appointment
1.	Mr. Agaba Byamukama	District Health Officer	Chairman	7 th September 2021

2.	Ms. Ruth Nakamoga	Engineering Officer	Member	7 th September 2021
3.	Ms. Jesca Namwanje	District Commercial Officer	Member	7 th February 2024
4.	Mr. Paul Mugerwa	Animal Production Officer	Secretary	7 th February 2024

According to Section 33 of the PPDA Act, Cap. 205, all procurement or disposal activities of the Procuring and Disposing Entity except adjudication and the award of contract were to be managed by the Procurement and Disposal Unit. The Procurement and Disposal Unit was fully staffed during the period under review in accordance with Section 32 of the PPDA Act, Cap. 205 as indicated in Table 2 below:

Table 2: Staff in the Procurement and Disposal Unit

No.	Name	Position	Qualification	Date of appointment
1.	Mr. Sam Niwagasha	Senior Procurement Officer	• Master's and Bachelor's degree Procurement and Supply Chain Management	10 th May 2021
2.	Mr. Sam Maxwell Semambo	Procurement Officer	Bachelor Degree of Procurement and Logistics Management	17 th March 2025

1.4. Procurement and disposal audit scope

The audit involved a review of the procurement and disposal process, general compliance issues and contract implementation of 22 procurement transactions under Financial Year 2024/2025 (*Appendix 1*). The sample was selected based on stratified random sampling using Contracts Committee minutes and monthly procurement and disposal reports and the size was assessed as representative of the population of all transactions. The analysis of the population and sample is detailed in Table 3 below:

Table 3: Distribution of the transaction population and sample FY 2024-2025

No.	POPULATION			SAMPLE		PERCENTAGE	
	Procurement method	Value (UGX)	No	Value (UGX)	No.	No	Value
1.	Open Bidding	1,024,551,712	1	0	0	0.0	0.0
2.	Restricted Bidding	0	0	0	0	0.0	0.0
3.	Request for Quotation	2,288,256,425	40	1,837,422,537	22	55.5	80.3
4.	Direct Procurement	0	0	0	0	0.0	0.0
5.	Micro Procurement	0	0	0	0	0.0	0.0
TOTAL		3,312,808,137	41	1,837,422,537	22	53.7	55.5
<i>Source: Quarterly and Monthly reports submitted to the Authority</i>							

Note: A contract Audit was conducted on the procurement for rehabilitation of 10.45Km of Community Access Roads (CARs) in Kalungi Sub-County, Nakasongola District under National Oilseeds Project (NOSP) Batch A Community Access Roads (CARs) worth UGX 1,024,551,712 with Strucon Limited, under Open Bidding. This was prepared as a separate report thus excluded in the analysis of the population and sample in Table 1 above.

1.5. Audit Methodology

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

During the audit, the auditors held interviews with the staff from the Procurement and Disposal Unit (PDU), Contracts Committee, Internal Audit and User Departments where necessary, for obtaining crucial qualitative information about the internal control system and processes in place.

The audit commenced on 29th September 2025 and a debrief meeting to discuss preliminary findings was held with the Entity management and staff on 1st October 2025 before the audit team could embark on preparation of the management letter. The management letter was sent to the Entity on 9th March 2026 with a request to submit a Management Response by 14th March 2026 which was submitted on 18th March 2026. The exit meeting was held on 18th March 2026 at PPDA Head Office in Kampala.

On completion of data collection and before writing the report, the Audit Manager reviewed the working papers for completeness. The working papers contained chronology of findings on each of the sampled transactions. The audit report presents the key findings and conclusion arising from the audit.

CHAPTER TWO: FINDINGS AND RECOMMENDATIONS

2.1 COMPLIANCE WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP. 205 AND PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS REGULATIONS 2014 AND 2023 WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT AND DISPOSAL PROCESSES

2.1.1 Failure to fully constitute the Contracts Committee Membership

The Authority found that, during the period under review, the Contracts Committee was not fully constituted, having only four members, contrary to Section 29(1) and (2) of the PPDA Act, Cap. 205 and the PPDA (Amendment of Schedule 4) Instrument, 2023. In addition, the terms of office of the Chairperson and Ms. Ruth Nakamoga, a member of the Contracts Committee, were due to expire by the end of FY 2024/2025.

The Authority further found that the Contracts Committee remained inadequately constituted in the current FY 2025/2026, with only four members serving on the Committee. The membership of the Contracts Committee for FY 2024/2025 and FY 2025/2026 is presented in Tables 4 and 5 below.

Table 4: Contracts Committee Members for FY 2024/2025

No.	Name	Job Title	Position on Committee	Date of Appointment
1.	Mr. Agaba Byamukama	District Health Officer	Chairman	7 th September 2021
2.	Ms. Ruth Nakamoga	Engineering Officer	Member	7 th September 2021
3.	Ms. Jesca Namwanje	District Commercial Officer	Member	7 th February 2024
4.	Mr. Paul Mugerwa	Animal Production Officer	Secretary	7 th February 2024

Table 5: Contracts Committee Members for FY 2025/2026

No.	Name	Job Title	Position on Committee	Date of Appointment
1.	Mr. Henry Kaweesi	Senior Agricultural Officer	Chairman	18 th March 2025
2.	Mr. Paul Mugerwa	Animal Husbandry Officer	Secretary	7 th February 2024
3.	Ms. Jesca Namwanje	District Commercial Officer	Member	7 th February 2024
4.	Mr. Geoffrey Sebukera	Town Clerk- Nakasongola Town Council	Member	18 th March 2025

Implications

- Failure to fully constitute a Contracts Committee denied the Procuring and Disposing Entity a balance of skills and experience of persons of proven track record of sound judgment, decision-making and a recognised professional discipline in accordance with Regulation 4 (4) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.
- Failure to raise quorum impacts on timely execution of procurement decisions and therefore risking the Entity to delays in service delivery.

Management Response

Management acknowledged the Authority's observation and promised to make submission to Permanent Secretary/ Secretary to the Treasury.

Recommendation

The Accounting Officer should nominate a member from among the public officers of the Procuring and Disposing Entity, submit to PS/ST for approval and formerly appoint the member using Form 1 of the Schedule to fully constitute the Contracts Committee as provided for under Regulation 4 of the PPDA (Procuring and Disposing) Regulations, 2023.

2.1.2 Failure to fully implement 47.06% of the previous audit recommendations

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

Nakasongola District Local Government was issued an audit report for the Financial Year 2022/2023 on 23rd May 2024. Out of 34 recommendations made, 18 recommendations (52.94%) were implemented, while 10 recommendations (29.41%) were partially implemented and six recommendations (17.65%) were not implemented as indicated in Table 6 below:

Table 6: Implementation of Previous Audit Recommendations

No.	Recommended Action	Implementation Status	Management Responses
1.	The Accounting Officer should put in place a strong internal mechanism and a dedicated team of staff for implementation of audit recommendations	Partially implemented	<i>A team of five members was constituted to follow up the PPDA Audit recommendations</i> Authority's comment: The Authority noted the Entity's response and the appointment made on 17 th March 2026. However, the Entity did not provide evidence of a team appointed to follow up implementation of the previous audit recommendations, nor was an implementation status report for the FY 2022/2023 audit recommendations availed for review.
2.	The Accounting Officer should ensure that procurement and disposal reports are submitted to the Authority by the 15 th day of	Partially implemented	<i>Management acknowledged the Authority's observation and explained that the Head, Procurement had been instructed to comply</i>

	the following month in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulation, 2023		
3.	The Accounting Officer should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance	Partially implemented	<i>Management acknowledged the Authority's observation and promised to comply.</i>
4.	The Accounting Officer should task the Head PDU to ensure that all missing records are on the procurement action files in accordance with the Guideline 10/2024 of the PPDA (Procurement and Disposal Records to be Kept by the Procuring and Disposing Entity) Guidelines, 5 th February 2024	Partially implemented	<i>Management acknowledged the Authority's observation and explained that the Head, Procurement had been instructed to comply</i>
5.	The Accounting Officer should establish the possible causes of the low bidder response and devise mechanisms of increasing competition in the Entity's procurement processes to achieve value for money	Not implemented	<i>A register was put in place where bidders register and acknowledge receipt if the invitation to bid</i> Authority's comment: Noted the Entity's response; however, this did not address the cause of low bidder participation.
6.	The Accounting Officer should recover or refund the UGX 31,850,838 VAT paid to Nimwe Suppliers Ltd a none VAT registered provider	Not implemented	<i>The Contractor, Nimwe Suppliers Ltd submitted a VAT Registration Certificate</i> Authority's comment: Noted the Entity's response; However, the company registered for VAT on 1st October 2023 after the financial year of the audit
7.	The Accounting Officer should ensure that the Force	Partially implemented	<i>Management acknowledged the Authority's observation and</i>

	Account Mechanism is implemented and approved with justification in accordance to Section 95A of the PPDA Act, 2003		<i>promised to comply.</i>
8.	The Contracts Committee should critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies in accordance with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023	Not implemented	<i>Management acknowledged the Authority's observation and promised to comply in the subsequent years.</i>
9.	The Contracts Committee should ensure that the Evaluation Committee, includes a person with technical skills and experience relevant for the evaluation of the procurement requirement in accordance with Regulation 2 of the PPDA (Evaluation) Regulations, 2023	Partially implemented	<i>Management acknowledged the Authority's observation and promised to comply.</i>
10.	The Contracts Committee should desist from approving evaluation recommendations not in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2023	Not implemented	<i>Management acknowledged the Authority's observation and promised to comply.</i>
11.	The Head Procurement and Disposal Unit should desist from use of Specification by brand in the procurement of works, supplies and services in accordance with Regulation 38 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023	Not implemented	<i>Management explained that brand names were not considered during the preparation of statements of requirements for supplies, works and services</i> Authority's comment: Noted the Entity's response; however, this was recurring as indicated in Table 10 of this report

12.	The Head Procurement and Disposal Unit should prepare comprehensive bidding documents capturing all required components in line with Regulations 42-45 of the PPDA (Rules and Methods of Procurement for Supplies, Works and Non-consultancy services) Regulations, 2023	Partially Implemented	<i>Management acknowledged the Authority's observation and promised to comply.</i>
13.	The Head Procurement and Disposal Unit should guide Evaluation Committees and ensure strict adherence to the criteria set out in the solicitation document in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2023.	Partially Implemented	<i>Management acknowledged the Authority's observation and promised to comply.</i>
14.	The Evaluation Committee should conduct a detailed evaluation of a bid that passes the preliminary examination in accordance with Regulation 19 of the PPDA (Evaluation) Regulations, 2023	Partially Implemented	<i>Management acknowledged the Authority's observation and promised to comply.</i>
15.	The Contract Manager should ensure that all contract management records are kept and archived and copies given to key stakeholders including the PDU as required in accordance with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023	Not implemented	<i>Management acknowledged the Authority's observation and requested for continuous capacity enhancement from Authority</i>
16.	The Contract Manager should ensure management of the obligations and duties specified in the contract and make certain that the Contractor performs to the contract terms and conditions in accordance with Regulation 52 (1) of the PPDA (Contracts) Regulations, 2023	Partially Implemented	<i>Management acknowledged the Authority's observation and promised to comply.</i>

Implication

Failure to fully implement audit recommendations impacted on performance improvement of the procurement function and portrayed a weak implementation mechanism by the Entity.

Recommendation

The Accounting Officer should:

- i. Task the Internal Auditor to follow up and ensure full implementation of the Authority's audit recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205; and
- ii. Follow-up and confirm that the contractor, Nimwe Suppliers Ltd made payments worth UGX 31,850,838 of VAT to URA that was received from the Entity during the FY 2022/2023, or otherwise pays the outstanding VAT, since the contractor registered for VAT on 1st October 2023 after the financial year of the transaction.

2.1.3 Failure to implement 23.74% of the procurement plan

Section 60 (7) of the PPDA Act, Cap. 205 provides that *"a Procuring and Disposing Entity shall, on a quarterly basis and in any other case, wherever necessary, review and update its procurement plan"*.

A review of the procurement plan and quarterly procurement reports revealed that the Entity implemented procurements worth UGX 3,312,808,137 (76.26%) out of the planned procurements worth UGX 4,344,370,114 leaving procurements worth UGX 1,031,561,977 (23.74%) unimplemented as indicated in Table 7 below:

Table 7: Analysis of procurement spend

Total procurement plan value inclusive VAT (UGX)	4,344,370,114
Total procurement spend value inclusive VAT (UGX)	3,312,808,137
Implementation variance (UGX)	1,031,561,977
Implementation Rate (%)	76.26
Implementation variance (%)	23.74

Some of the planned procurements that were not implemented are as indicated in Table 8 below:

Table 8: Unimplemented planned procurement

No.	Subject of Procurement	Planned value (UGX)	Response
1.	Building and hardware materials	245,385,000	<i>This was procured under framework contract arrangement through call-off orders/LPOS</i> Authority's comment: Noted the Entity's response; however, no records were provided for verification.
2.	Supply of 450 three-seater wooden desks to the following schools: Kikooge, Burwandi, Kakooze C/U,	110,400,000	<i>After developing BOQs for all Education department projects funds, procurement for three-seater desks was scaled down from 450 desks to 81</i>

No.	Subject of Procurement	Planned value (UGX)	Response
	Bamugolodde, Nabwita, Wanzogi, Nezikokolima, Kamirampango, Kyambogo, Buruli, Kisalirizi, Nakayonza, Migeera UMEA, Ninga, Nakatoogo, Zengebe and Moone Primary Schools		<i>desks. However, there was an omission of updating the procurement plan.</i> Authority's comment: two procurement requisitions using Form 5 were initiated for the procurement of 55 desks worth UGX 12,650,000 and 48 desks worth UGX 12,000,000. However, there were no records on file to confirm implementation of the procurements, and the procurements were not reflected in the Entity's monthly procurement reports.
3.	RTK GNSS for Natural Resources Department	50,000,000	<i>This was procured under direct procurement method</i> Authority's comment: Noted the Entity's response and the letter issued to Kaco Systems Ltd for the supply of a Survey and Mapping Machine (GNSS) for the Natural Resources Department, procured using the Direct Procurement Method under Contracts Committee Minute No. 123/CC/6/25(i). However, the Entity did not provide records to confirm implementation of the procurement, and the transaction was not reflected in the monthly procurement reports.
4.	Consultancy services for design of Bamugolodde water system	36,000,000	<i>The project was directly implemented in partnership with Ministry of water and Environment</i> Authority's comment: Noted the Entity's response; however, there was no Memorandum of Understanding between the Entity and Ministry of Water and Environment and details on implementation.
5.	Concrete Pillars for Natural Resources Department	20,000,000	<i>The project was planned for but funds were never realised. However, it has been rolled over to FY 2025/2026</i>
6.	Meals	16,000,000	<i>This was procured under framework contract arrangement through call-off</i>

No.	Subject of Procurement	Planned value (UGX)	Response
			<i>orders/LPOs</i> Authority's comment: Noted the Entity's response. However, no supporting records were provided for verification, and the procurement was not reflected in the monthly procurement reports.
7.	Construction of honey bee forage planting materials	6,104,214	<i>The honey bee forage planting materials had been planned at UGX 3000000 and was implemented</i> Authority's comment: Noted the Entity's response. However, no supporting records were provided for verification, and the procurement was not reflected in the monthly procurement reports.
8.	Maintenance of District Generator	4,000,000	<i>This was procured under framework contract arrangement through call-off orders/LPO</i> Authority's comment: Noted the Entity's response. However, no supporting records were provided for verification, and the procurement was not reflected in the monthly procurement reports.
9.	Supply of a water tank 5000ltrs	2,000,000	<i>This was a project at Kalungi sub-county though was not implemented due to funds unavailability</i>
10.	Protective gear and hand tools	1,200,000	<i>This was procured under framework contract arrangement through call-off orders/LPOs</i> Authority's comment: Noted the Entity's response. However, no supporting records were provided for verification, and the procurement was not reflected in the monthly procurement reports.
11.	Sign posts and visibility signs	1,000,000	<i>This was procured under framework contract arrangement through call-off orders/LPOs</i>

No.	Subject of Procurement	Planned value (UGX)	Response
			Authority's comment: Noted the Entity's response. However, no supporting records were provided for verification, and the procurement was not reflected in the monthly procurement reports
Total		492,089,214	

Implication

This undermined effectiveness of procurement planning and service delivery, since the Entity did not adequately review and update the procurement plan to align planned activities with available funding and implementation realities.

Recommendation

The Accounting Officer should regularly review the implementation of the planned procurements by updating the procurement plan to incorporate approved changes with available funding and in accordance with Section 60 (7) of the PPDA Act, Cap. 205.

2.1.4 Procurements outside the approved procurement plan

Section 60(10) of the PPDA Act, Cap. 205 provides that “*procurement shall not be carried out outside the procurement plan except in cases of emergency*”.

The Authority found that four (4) procurements valued at UGX 281,261,382 were conducted outside the procurement plan, as indicated in Table 9 below.

Table 9: Procurements outside the Procurement plan

No.	Subject of Procurement	Planned value (UGX)
1.	Supply of three-seater wooden desks to Education Department and Nabiswera S/C	38,384,000
2.	Supply and Delivery of ICT equipment to Nakitoma Seed	159,184,382
3.	Supply and Delivery of Science equipment and medical reagents to Nakitoma Seed Secondary School	52,653,000
4.	Construction of Micro Scale Irrigation demonstration site on Mr. Lutwama Richard under Production Department	31,040,000
Total		281,261,382

Implication

Unplanned procurements exposed the Entity to the risk of misappropriation of funds, which could affect other activities in the procurement plan that were prioritised.

Management response

Management acknowledged the Authority's observation and explained that the Head, Procurement and Disposal Unit had been notified to comply.

Recommendations

1. The Accounting Officer should task the Head, Procurement and Disposal Unit to update the procurement plan at any time during the financial year, where deemed necessary, in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023.
2. The Contracts Committee should in line with Section 30 (d) of the PPDA Act Cap. 205 desist from approving procurements outside the plan.

2.1.5 Failure to adhere to reporting timelines

Regulation 15(1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 requires a Procuring and Disposing Entity to submit to the Authority, for each month, a report on procurement and disposal activities using Form 2 of the Schedule by the 15th day of the following month.

The Authority found that the Entity delayed to submit its monthly reports on procurement and disposal for eight months, by an average of 14 working days, as indicated in Table 10 below:

Table 10: Details of submission of monthly reports

No.	Month	Date received by the Authority	No of working days delayed
1.	July, 2024	2 nd September 2024	12
2.	August, 2024	4 th October 2024	15
3.	September, 2024	8 th November 2024	18
4.	November 2024	24 th January 2024	27
5.	December 2024	24 th January 2024	7
6.	February 2025	28 th March 2025	10
7.	April 2025	10 th June 2025	17
8.	May 2025	23 rd June 2025	6
Average number of days delayed			14

Implication

Failure to submit procurement monthly reports to the Authority and other relevant agencies facilitates weak oversight and accountability in the procurement function and may further lead to delayed detection of procurement and contract risks and reduced transparency and stakeholder confidence.

Management Response

Management acknowledged the Authority's observation and committed to improve.

Recommendation

The Accounting Officer should submit the monthly procurement and disposal reports to the Authority by the 15th day of the following month, in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 and through electronic submissions via the E- Reporting Link (<https://ereports.ppda.go.ug/>) as provided in Circular No. 5 of 2025.

2.1.6 Specification by brand

Regulation 38(1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 provides 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”.

The Authority found that in two (2) procurements valued at UGX 69,913,078, the Entity used brand names in the specification of requirements, with some specifications tailored to a specific manufacturer, as indicated in Table 11 below:

Table 11: Procurements specified by brand

No.	Subject of Procurement	Value (UGX)	PPDA Finding
1.	Supply of desktop computer, scanner and printer to Statutory Bodies Department and photocopier with printer and scanner for Administration Department	23,560,000	Indicated brand names as Canon Canoscan lide scanner, HP Colour Laserjet pro multifunction m479 fdw wireless laser printer, Dell Vostro 3888 and HP 15 Intel
2.	Supply of Motorized Forage Chopper, Dairy Breeding Bulls and Medical Refrigerator for Production Department	46,353,078	Form 5 had handwritten specifications for electrical medical refrigerator, were pre-determined and specific to a particular manufacturer i.e., JINAN BIOBASE BIOTECH CO. LTD whose contact was +86-531-813-07661, Sr no.: BPR5V29825241060C and model-BPR-5V298
Total		69,913,078	

Implication

Referring to specific brands while developing specifications reduces competition and promotes unfairness in the procurement process and may deter the Entity from accessing new or better technologies and innovations.

Management response

Management acknowledged the Authority's observation and tasked the Head, Procurement and Disposal Unit not to include brand names in the bidding document.

Recommendations

The Authority notes the Entity's response and therefore recommends that; The Head Procurement and Disposal Unit should:

- i) Desist from use of specification by brand or manufacturer in the procurement of works, supplies and services in accordance with Regulation 38 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023;
- ii) Where there is no other sufficiently precise or intelligible way of characterising a requirement except by the use of a reference in sub regulation (1), the description should be used, followed by the words “or equivalent”, and should only serve as a benchmark during the evaluation process in line with Regulation 38 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023; and

- iii) Prepare specifications that are complete, precise and unambiguous, using generic requirements to an appropriate level of detail or a common specification standard, in accordance with Regulations 35 (2) (d) and 35 (2) (i) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.7 Failure to hold a pre-bid meeting

Regulations 60(5) and 60(6) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 require that minutes of a pre-bid meeting be recorded using Form 10 in Schedule 1 and copies of the minutes be provided to all bidders who purchased or were issued bidding documents, and further provide that a pre-bid meeting shall be managed by the Procurement and Disposal Unit with representation from the User Department.

The Authority found that Addendum No. 1 published in the New Vision of Wednesday, 15th January 2025, indicated that a pre-bid meeting was to be conducted on 21st January 2025; however, there were no records of pre-bid minutes or attendance for the procurement for the supply and delivery of science equipment and chemical reagents to Nakitooma Seed Secondary School valued at UGX 52,653,000.

Implication

Failure to hold pre-bid meetings denies potential bidders an opportunity to seek clarification on details of bidding document which increases the risk of submission of non-responsive bids.

Management Response

Management acknowledged the Authority's observation and explained that the Head, Procurement and Disposal Unit was reminded to always keep records of pre-bid meeting accordingly.

Recommendation

The Head, Procurement and Disposal Unit should hold pre-bid meetings as required in the bid notice, and keep records in line with the activity and in accordance with Regulation 60 (5) and Regulation 60 (6) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.8 Irregularities in the bidding process

Regulation 56 (1) (e) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 provides that *“the minimum bidding period in respect of each procurement method is five working days for the quotation method”*;

Regulation 69 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 provides that; *“a bid that is brought to the location of submission of bids after the closing date for submission or which is submitted after closing date shall not be received by the Procuring and Disposing Entity but shall be labelled “LATE”, and returned unopened to the bidder or destroyed, where the bid is not labelled with the name of the bidder”*; and

Regulation 75 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 provides that; *“the public opening of bids shall be*

managed by the Procurement and Disposal Unit and shall be witnessed by a member of the Contracts Committee or a person authorised by the user department’.

The Authority found irregularities during bidding in 8 procurements worth UGX 586,197,153 as detailed in Table 12 below:

Table 12: Irregularities observed during bidding

No.	Subject of Procurement	Value (UGX)	Irregularity	Management Response
1.	Supply of Motorised Forage Chopper, Dairy Breeding Bulls and Medical Refrigerator for Production Department	46,353,078	Irregularities in the bid notice: The bid notice was signed for display by the Accounting Officer on 17 th December 2024 i.e., 13 calendar days before issue date of 30 th December 2024 as indicated in the procurement schedule; and, the closing date was 3 rd January 2025, a display of four working days, contrary to Regulation 56 (1) (e) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023	<i>Management acknowledged the Authority's observation and explained that it was an oversight of not taking into account of the public holiday of 1st January, 2025</i>
2.	Drilling of 5 pump Boreholes at Selected sites in Nakasongola District	128,498,460	Late submission of bid. The best evaluated bidder, Icon projects Ltd submitted its bid on 2 nd October 2024 (in the presence of Paul Mugerwa- Secretary Contracts Committee) after 1 st October 2024, the bid closing date.	<i>Management acknowledged the Authority's observation and explained that it was an oversight in the recording the dates</i>
3.	Phase 1 construction	50,013,073	• There was no	<i>Management</i>

No.	Subject of Procurement	Value (UGX)	Irregularity	Management Response
	of Bamugolodde Piped Water System		Contracts Committee or User Department representation at bid opening Unrealistic timelines with records of issue, receipt and bid opening indicating 25th April 2025 as the date of issue, receipt and bid opening	<i>acknowledged Authority's observation and explained that the Head, Procurement was instructed to comply.</i>
4.	Renovation of 6 Classrooms at Nakatoogo Primary School	104,237,660	There was no Contracts Committee or User Department representation at bid opening	<i>Management acknowledged Authority's observation and explained that the Head, Procurement was instructed to comply.</i>
5.	Supply and Delivery of ICT equipment to Nakitoma Seed	159,184,382		
6.	Supply and delivery of Science Equipment and chemical reagents to Nakitoma Seed Secondary School	52,653,000		
7.	Supply Of Monkey traps and improved cassava planting material to Production Department.	21,697,500		
8.	Supply of desktop computer, scanner and printer to Statutory Bodies Department and photocopier with printer and scanner for Administration Department	23,560,000		
Total		586,197,153		

Implications

- Display of the Bid Notice below the minimum bidding period denies bidders sufficient time to prepare responsive bids.

- Failure to have a Contracts Committee representative or User Department representative present during the bidding process undermines transparency and constitutes a procedural breach.
- Missing records and incomplete documentation relating to a procurement or disposal activity weakens audit trail and cast doubt on the transparency and accountability of the process.

Recommendations

1. The Accounting Officer should provide a minimum bidding period of five working days in respect of each procurement under the quotation method in accordance with Regulation 56 (1) (e) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
2. The Head Procurement and Disposal Unit should:
 - a) Open bids with a member of the Contracts Committee or a person authorised by the User Department as a witness in accordance with Regulation 75 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023; and
 - b) Not receive bids submitted after closing date for submission in accordance with Regulation 69 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.9 Irregularities at evaluation

i) Failure to include a technical person on Evaluation Committee

Regulation 2(1) of the PPDA (Evaluation) Regulations, 2023 provides that “*a person appointed as a member of an Evaluation Committee shall have the technical skills and experience relevant to the evaluation of the procurement requirement*”.

In the procurement for the supply of a desktop computer, scanner and printer for the Statutory Bodies Department and a photocopier with printer and scanner for the Administration Department, valued at UGX 23,560,000, the Authority found that the Evaluation Committee did not include an ICT technical person.

Implication

This increases the risk of award to bidders who do not meet the technical requirements and hence User dissatisfaction.

Management Response

Management noted the Authority’s observation and explained that the evaluation was conducted with Mr. Charles Kakooza, the Assistant Engineering Officer Mechanical as a technical person acting as the District IT officer.

Authority’s comment: Noted the Entity’s response; however, there was no copy of letter of assignment of duties by the Accounting Officer, with relevant IT qualifications for verification.

Recommendation

The Contracts Committee should approve an Evaluation Committees that include a member with technical skills and experience relevant to the procurement requirement, in accordance with Regulation 2(l) and Regulation 2(2)(a) of the PPDA (Evaluation) Regulations, 2023.

ii) Failure to conduct detailed technical evaluation

Regulation 15 (b) of the PPDA (Evaluation) Regulations, 2023 requires a detailed evaluation of bids that are responsive after the preliminary examination and administrative compliance, in order to determine the technical responsiveness of those bids.

The Authority found that, in eight (8) procurements valued at UGX 763,590,710, the Entity did not conduct a detailed evaluation specifically regarding the availability of equipment, technical personnel, and personnel qualifications to determine technical responsiveness. The procurements are as indicated in Table 13 below.

Table 13: Procurements without detailed technical evaluation

No.	Subject of procurement	Value (UGX)
1.	Construction of 4 Stance VIP Latrine at Nakasongola District Sports Centre in Wabinyonyi	26,560,620
2.	Construction of Emergency Unit Phase IV and 4 Stance VIP Latrine at Nakasongola HC IV	245,296,254
3.	Supply and Delivery of ICT equipment to Nakitoma Seed Secondary School	159,184,382
4.	Supply of Motorised Forage Chopper, Dairy Breeding Bulls and Medical Refrigerator for Production Department	46,353,078
5.	Drilling of 5 pump Boreholes at Selected sites in Nakasongola District	128,498,460
6.	Construction of 5 Stance VIP Latrine at Wampiti Primary School	29,900,256
7.	Supply of desktop computer, scanner and printer to Statutory Bodies Department and photocopier with printer and scanner for Administration Department	23,560,000
8.	Renovation of 6 Classrooms at Nakatoogo Primary School	104,237,660
Total		763,590,710

Implication

Failure to conduct a detailed technical evaluation exposed the Entity to the risk of awarding contracts to bidders with inadequate technical competences to execute the required works.

Management Response

Management noted the Authority's observation and explained that Quotation Method was used, which required comparison of prices from a number of pre-qualified providers.

Authority's comment: Noted the Entity's response; however, under the quotation method, a technical compliance selection methodology was used (as stated in evaluation reports), which requires a detailed evaluation.

Recommendation

The Evaluation Committee should conduct a detailed technical evaluation of bids in line with the criteria stated in the bidding document and in accordance with Regulation 15 of the PPDA (Evaluation) Regulations, 2023.

2.1.10 Inadequate display period for the Best Evaluated Bidder Notice

Regulation 3 (1) of the PPDA (Contracts) Regulations, 2023 provides that; “a Procuring and Disposing Entity shall, within five working days after the award decision of the Contracts Committee, display a notice of best evaluated bidder on the notice board of the Procuring and Disposing Entity for ten working days”.

The Authority found that, for four procurements valued at UGX 189,489,030, the Entity displayed the Best Evaluated Bidder Notice for only six (6) working days, as indicated in Table 14 below.

Table 14: Procurements with inadequate display period for the Best Evaluated Bidder Notice

No.	Subject of procurement	Value (UGX)
1.	Renovation of a 4-classroom block with office at Kyakadoko Primary School	59,608,290
2.	Supply of 159 Three-Seater Wooden Desks under Education Department and Nabiswera Sub County	38,384,000
3.	Renovation of a 4-classroom block at Kamunina Primary School	61,736,302
4.	Phase 4 fencing of District Headquarters	29,760,438
Total		189,489,030

Implication

Displaying the Best Evaluated Bidder Notice for an insufficient period denied the bidders opportunity to lodge Administrative Reviews in the event that they are dissatisfied with the outcome of the evaluation process results.

Management Response

Management noted the Authority's observation and explained that procurements 2 and 4 in Table 14 above were displayed for 10 days as required.

Authority's comment: Noted the Entity's response however, no documentation was provided for verification.

Recommendation

The Head, Procurement and Disposal Unit should display Best Evaluated Bidder Notices for ten working days, as required under Regulation 3(1) of the PPDA (Contracts) Regulations, 2023.

2.1.11 Low bidder participation

Sections 48 and 49 of the PPDA Act, Cap. 205 requires that all procurement and disposal be conducted in a manner that promotes transparency, accountability, fairness, maximise competition and achieve value for money.

The Authority found reduced competition under the quotation method in seven procurements valued at UGX 600,776,812. Although the Entity had shortlisted six bidders with Contracts Committee approval, in accordance with Regulation 20(1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, the bidding process did not achieve adequate competition. In two cases, quotation documents were issued to fewer than three bidders, while across the seven procurements, the Entity received, on average, fewer than two bids. This limited competition undermined the principles of transparency, fairness, and value for money. The affected procurements are presented in Table 15 below.

Table 15: Procurements with a low bidder participation after invitation of six bidders

No.	Subject of procurement	Method of Procurement	Value (UGX)	No. of SBD issued	No. of bids received
1.	Phase 4 Fencing of district Headquarters	Quotation method	29,760,438	2	1
2.	Supply of 159 Three-Seater Wooden Desks under Education Department and Nabiswera S/C.	Quotation method	38,384,000	1	1
3.	Construction of Micro Scale Irrigation demonstration site on Mr. Lutwama Richard under Production Department	Quotation method	31,040,000	6	1
4.	Construction of Emergency Unit Phase IV and 4 Stance VIP Latrine at Nakasongola HC IV	Quotation method	245,296,254	6	2
5.	Renovation of 6 Classrooms at Nakatoogo Primary School	Quotation method	104,237,660	6	1
6.	Drilling of 5 pump Boreholes at Selected sites in Nakasongola District	Quotation method	128,498,460	6	1
7.	Supply of desktop computer, scanner and printer to Statutory Bodies Department and photocopier with printer and scanner for Administration Department	Quotation method	23,560,000	6	1
Total			600,776,812		

Implication

Low bidder participation hindered competition in the procurement process and exposed the entity to the risk of not achieving of value for money.

Management Response

Management acknowledged the Authority's observation and committed to carry out an appraisal, through a procurement performance review meeting, with all service providers and concerned stakeholders during 4th quarter of the FY 2025/2026

Recommendations

The Accounting Officer should:

1. Direct the Head, Procurement and Disposal Unit to strengthen competition under the quotation method by:
 - a) Issuing RFQs to all providers on the approved shortlist and confirming their capacity/availability before invitation in accordance with Regulations 20 (1) and 31 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023;
 - b) Allowing adequate response time and ensuring requirements are clear and non-restrictive in accordance with Regulations 31 (2) and 56 (1) (e) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023; and
 - c) Where fewer than six bids are received, documenting the reasons and re-inviting or applying an alternative method where appropriate, to comply with Sections 48 and 49 of the PPDA Act, Cap. 205 and achieve value for money.
2. Share a detailed report with the Authority after conducting a supplier appraisal to ascertain why providers, do not want to do business with the Entity and this should include the proposed strategies to maximize competition in accordance with Section 48 and 49 of the PPDA Act, Cap. 205.

2.1.12 Irregularities in the procurement of Revenue Centres

Section 30 (f), (g) and (h) of the PPDA Act, Cap. 205 provides that “a Contracts Committee shall be responsible for approving procurement and disposal procedures; ensuring that best practices in relation to procurement and disposal are strictly adhered to by Procuring and Disposing Entities; and ensuring compliance with this Act”.

The Authority reviewed three procurements worth UGX 44,000,000 for the management of revenue centres indicated in Table 16 below:

Table 16: Procurements for the management of revenues

No.	Subject of Procurement	Service provider	Value (UGX)
1.	Management of Nakasongola Town Council Abattoir	Smart Traders Association	3,600,000
2.	Management of Truck parking district-wide	Zibula atudde Farmers Group	7,200,000
3.	Management of Charcoal Movement Permits District-wide	Zibula atudde Farmers Group	33,200,000
Total			44,000,000

The Authority found the following irregularities:

- i. Use of request for quotation procurement method without justification. The Entity, in its bid notice dated 18th September 2024 indicated request for quotation (RFQ) as the procurement method to be used in the procurement for the management of revenues without justification. during the financial year under review.
- ii. Missing Documentation: there were no terms of reference from User Department and therefore not incorporated in solicitation documents;

- iii. Inadequate evaluation criteria: The bidding documents did not provide for the personnel and their qualification. In addition, waste management plan was not a requirement for the management of Nakasongola Town Council Abattoir which could impact on health and safety aspects;
- iv. Missing Remittance Records: No details of revenue remittances by the service provider for FY 2024-25;
- v. Appointment of Contract Managers: Contract Managers were not appointed by the Accounting Officer;
- vi. Lack of Supervision: Supervision reports during the period of contract;
- vii. Low Bidder Participation: One bid was received for each revenue centre, suggesting limited competition; and
- viii. Inadequate contract with no statement of requirements; and with the contract not signed by the Accounting Officer and respective User Departments (Lower Local Government)

Implication

- The use of request for quotation procurement method hindered competition in the procurement process thus exposing the Entity to the risk of not achieving economy in the procurement process.
- Failure to keep documentation relating to a procurement or disposal activity hinders transparency and accountability in the procurement process.

Management Response

Management acknowledged the Authority's observation and promised for improvement in the subsequent Financial Years

Recommendations

1. The Accounting Officer should:
 - i. Establish the possible causes of the low bidder response for the revenue sources and implement measures to increase competition in the Entity's procurement processes in order to achieve value for money;
 - ii. Apply a suitable procurement method in line with the conditions specified in the Regulations, in accordance with Section 85 of the PPDA Act, Cap. 205; and
 - iii. Confirm that each contract is complete with the statement of requirements and the successful bidder's bid details, and that all parties initial all pages of the contract and sign the signature page, in accordance with Regulation 9(3) of the PPDA (Contracts) Regulations, 2023.
2. The Head of the Procurement and Disposal Unit should maintain all documentation relating to each procurement on the respective procurement action file, in accordance with Section 44(1) of the PPDA Act, Cap. 205.
3. The User Department should:
 - i. Prepare and submit the terms of reference to the Procurement and Disposal Unit for incorporation into the bidding documents, in accordance with Section 36(1)(c) of the PPDA Act, Cap. 205; and
 - ii. Nominate contract managers for each revenue source for appointment by the Accounting Officer in accordance with Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023.

4. Contract Supervisors should:

- i. Submit copies of contract management records and payment documentation to the Procurement and Disposal Unit for filing, in accordance with Regulation 52(3)(a)(vii) of the PPDA (Contracts) Regulations, 2023; and
- ii. Appraise the performance of the provider, report on the performance of the provider and submit monthly reports on the progress of the contract to the Accounting Officer and Procurement and Disposal Unit in accordance with Regulation 52 (3) (f) and (g) of the PPDA (Contracts) Regulations, 2023.

2.2 COMPLIANCE OF THE ENTITY' DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, CAP. 205 AND PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS REGULATIONS, 2023

2.2.1 Failure to dispose of obsolete items recommended for disposal

Regulation 3 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023 provides that “a User Department or the appropriate department of a Procuring and Disposing Entity that is responsible for the management of public assets, shall initiate a process for disposal of a public asset by making a request for disposal of the public asset to the Accounting Officer”.

The Authority found that the Entity did not have the Board of Survey report for the Financial Year 2023/2024, contrary to Regulations 2 (1) and 2 (2) of the PPDA (Disposal) Regulations, 2023 that requires each financial year that an Entity reviews and identifies the public assets to be disposed of in the following financial year using the board of survey. However, in the board of survey report for 2024/2025, obsolete assets were identified for disposal some of which are as indicated in Table 17 below:

Table 17: Items recommended for disposal but not disposed of.

No.	Asset Description	Unique identifier (Tag /Registration Number)
1.	Motor Cycle LG 0020 87	Cycle LG 0020 87
2.	Motor Cycle LG 0030 87	Cycle LG 0030 87
3.	Vehicle Nissan Hard Body UG 0970 R	UG 0970 R
4.	Tractor Massey Ferguson –UR 1761	UR 1761
5.	Vehicle Nissan Hard Body LG0025 37	LG0025 37
6.	Motor cycle TVS LG 0029 37	TVS LG 0029 37
7.	Motor cycle TVS LG 0030 37	LG 0030 37
8.	Motor cycle TVS LG 0031 37	TVS LG 0031 37
9.	Motor cycle Yamaha AG LG 0053 37	AG LG 0053 37
10.	Motor cycle Yamaha YBR LG 0054 37	YBR LG 0054 37
11.	Vehicle JMC LG 0003 87	JMC LG 0003 87
12.	Vehicle Hard body UG 1883 M	UG 1883M

During physical verification at Nakasongola Town Council, obsolete assets due for disposal were identified as shown in Figure 1 below:

Figure 1: Obsolete items parked at Nakasongola Town Council



Some of the obsolete items parked at Nakasongola Town Council as at 1st October 2025

Implication

This resulted in continued holding of obsolete assets, leading to avoidable storage and maintenance costs, reduced accountability for public assets, and increased risk of loss, misuse, deterioration or vandalism.

Management Response

Management acknowledged the Authority's observation and explained that after submitting the Board of Survey report for 2024/2025, the Entity was in the process of initiation.

Authority's comment: Noted the Entity's response; however, there was no copy of submission of a Disposal Plan and correspondence on assessment/valuation of the assets.

Recommendations

The Accounting Officer:

1. The Board of Surveys should conduct an assessment and cause verification of the assets in accordance to Section 28 (1) (h) of the PPDA Act, Cap. 205 for the possibility of disposal in accordance with Regulation 2, Regulation 3 and Regulation 24 of the PPDA (Disposal of Public Assets) Regulations, 2023; and
2. Should engage the relevant Authorities such as Ministry of Works and Transport for the valuation of the obsolete assets due for disposal and use the appropriate disposal methods in accordance with Regulation 24 of the PPDA (Disposal) Regulations, 2023.

2.3 EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION INCLUDING THE APPLICATION OF ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY (ESHS) REQUIREMENTS IN THE PROCUREMENT PROCESS

2.3.1 Non-adherence to the Environmental, Social, Health, Safety Safeguards

Regulation 52 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”.

The Authority found that the District Environment Officer and the District Community Development Officer did not monitor and prepare reports on the implementation of the Environmental, Health and Social safeguards (ESHS), despite a total provision of UGX 5,814,860 being included in the Bills of Quantities for seven contracts valued at UGX 581,360,620, as indicated in Table 18 below:

Table 18: Procurements without ESHS reports

No.	Subject of procurement	Value (UGX)	PPDA Finding
1.	Construction of 4 Stance VIP Latrine at Nakasongola District Sports Centre in Wabinyonyi	26,560,620	No detailed report on the implementation of the following ESHS aspects worth UGX 262,000 provided for in the contractor's bill of quantities: • Supply and planting 10 approved local tree seedlings; • Provision for anti-termite treatment as directed by Environment Officer; safety, health and welfare of workers as directed by the CDO, carrying out sensitization about HIV/AIDS, STI and Covid 19 as directed by the Environment Officer; and • Restoration of the site after works are complete as directed by environment officer. Management Response: <i>The grass that was planted did not survive the harsh dry spell</i> Authority's comment: Noted the Entity's response. However, no pictorial evidence was provided to confirm the grass planting undertaken. In addition, tree planting was not reflected as an activity in the Environment and Social Management and Monitoring Report for capital projects under the Education and Sports Department, dated 16th May 2025.
2.	Construction of Emergency Unit Phase IV and 4 Stance VIP Latrine at Nakasongola	245,296,254	No detailed report on the implementation of the following ESHS aspects worth UGX 2,001,500 provided for in the contractor's bill of quantities: • Supply and planting 5 approved local tree seedlings; Provision for anti-termite treatment as directed by Environment Officer; safety, health

No.	Subject of procurement	Value (UGX)	PPDA Finding
	HC IV		and welfare of workers as directed by the CDO • Carrying out sensitization about HIV/AIDS, STI and Covid 19 as directed by the Environment Officer; and • Restoration of the site after works are complete as directed by Environment Officer. <u>Management Response:</u> The contractor complied in all areas except that the paspalum grass did not survive the dry spell. <u>Authority's comment:</u> Noted the Entity's response. However, no pictorial evidence was provided to confirm the reported grass planting. In addition, the above environmental mitigation measures, including tree planting, were not addressed in the Environment and Social Management and Monitoring Report for capital projects under the Water and Health Departments, dated 24th January 2025.
3.	Drilling of 5 pump Boreholes at Selected sites in Nakasongola District	128,498,460	No detailed report on the implementation of the following ESHS aspects worth UGX 969,960 provided for in the contractor's bill of quantities: • 20 tree seedlings of Neem tree in the catchment area; and • Planting of paspalum around the water point <u>Management Response:</u> The contractor complied in all areas except that the paspalum grass did not survive the dry spell. <u>Authority's comment:</u> Noted the Entity's response. However, no pictorial evidence was provided to confirm the reported grass planting. Further, the environmental mitigation measures highlighted above, including tree planting, were not addressed in the Environment and Social Management and Monitoring Report for capital projects under the Water and Health Departments, dated 24th January 2025
4.	Construction of 5 Stance VIP Latrine at Wampiti Primary School	29,900,256	No detailed report on the implementation of the following ESHS aspects worth UGX 1,200,000 provided for in the contractor's bill of quantities: • Supply and planting 30 approved local tree seedlings; • Provision for anti-termite treatment as directed by environment Officer;

No.	Subject of procurement	Value (UGX)	PPDA Finding
			• Safety, health and welfare of workers as directed by the CDO; • Carrying out sensitization about HIV/AIDS, STI and Covid 19 as directed by the Environment Officer; and • Restoration of the site after works are complete as directed by environment officer. <u>Management Response:</u> <i>The grass that was planted did not survive the harsh dry spell</i> Authority's comment: Noted the Entity's response. However, no pictorial evidence was provided to confirm the reported grass planting. In addition, tree planting was not addressed in the Environment and Social Management and Monitoring Report for capital projects under the Education and Sports Department, dated 16th May 2025.
5.	Renovation of a 4-classroom block at Kyakadoko Primary School	59,608,290	No detailed report on the implementation of the ESHS aspects worth UGX 900,000 provided for in the contractor's bill of quantities which included supplying and planting 30 approved local tree seedlings as directed by the Environment officer <u>Management Response:</u> <i>The grass that was planted did not survive the harsh dry spell</i> Authority's comment: Noted the Entity's response; however, there was no pictorial evidence of grass planting and tree planting was not considered in the Environment and Social Management and Monitoring Report for capital projects in Education and Sports Dept of 16th May 2025
6.	Renovation of a 4-classroom block at Kamunina Primary School	61,736,302	No detailed report on the implementation of the ESHS aspects worth UGX 780,000 provided for in the contractor's bill of quantities which included supplying and planting 30 approved local tree seedlings as directed by the Environment officer <u>Management Response:</u> <i>The grass that was planted did not survive the harsh dry spell</i> Authority's comment: Noted the Entity's response; however, there was no pictorial evidence of grass planting and tree planting was not considered in the

No.	Subject of procurement	Value (UGX)	PPDA Finding
			Environment and Social Management and Monitoring Report for capital projects in Education and Sports Dept of 16 th May 2025
7.	Phase 4 Fencing of District Headquarters	29,760,438	No detailed report on the implementation of the following ESHS aspects worth UGX 481,400 provided for in the contractor's bill of quantities: • Allow for supplying and planting approved local tree seedlings by the environment officer; and • Supply and plant lukoni cuttings/80 seedlings at a spacing of 50mm Management Response: <i>The contractor planted 30 assorted tree species in addition to other mitigation measures, he implemented.</i> Authority's comment: Noted the Entity's response. However, no pictorial evidence was provided to confirm the reported tree planting and Lukoni cuttings in the Environment and Social Management and Monitoring Report for Phase IV Fencing of the District Headquarters and Community Access Roads under NOSP, dated 22nd April 2025.
Total		581,360,620	

Implication

This exposed the project to risk of environmental degradation and endangering lives of workers and the communities, and unaccounted for expenditure.

Recommendations

1. The Contract Managers should task the contractors to adherence to environmental, health and social safeguard measures as part of their contractual obligation stipulated in the contract and in accordance with Regulation 52 of the PPDA (Contracts) Regulations, 2023.
2. The Accounting Officer should:
 - a) Always task the District Environment Officer and the District Community Development Officer to prepare progress reports on the implementation of ESHS aspects; and
 - b) Recover from the contractors or refund total provision of UGX 5,814,860 in the bills of quantities of the contract for implementation of ESHS, that was paid to the contractors for the failure to meet their contractual obligations for the contract in Table 17 above.

2.3.2 Lack of Contract Management Records

Section 44(1) of the PPDA Act, Cap. 205 provides 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 Authority found that the Procurement and Disposal Unit did not maintain contract management records on the procurement action files for five contracts valued at UGX 457,436,214, as indicated in Table 19 below.

Table 19: Procurements with missing contract management records

No.	Subject of procurement	Value (UGX)	Missing records
1.	Construction of Emergency Unit Phase IV and 4 Stance VIP Latrine at Nakasongola HC IV	245,296,254	• Commencement letter • Supervision and monitoring reports from the project supervisor as required in the appointment letter • Performance security/ performance securing declaration as required under GCC 19.1 or the performance security as stated under GCC 61.1 of the contract. • Evidence of receipt of unconditional, irrevocable and on-demand insurance bond from contractor in accordance with GCC 60.1 of the contract as a prerequisite for advance payment of 30% of the contract value.
2.	Supply of desktop computer, scanner and printer to Statutory Bodies Department and photocopier with printer and scanner for Administration Department	23,560,000	• The bidder's bid was not on file • Delivery notes, Goods Received notes and verification report
3.	Supply of Monkey traps and improved cassava planting material to Production Department.	21,697,500	• The Contract • Contract management plan (Form 49) • Payment records including interim payment certificates and vouchers
4.	Drilling of 5 pump Boreholes at Selected sites in Nakasongola District	128,498,460	Performance security/ performance securing declaration as required under GCC 19.1 or the performance security as stated under GCC 61.1 of the contract.
5.	Supply of 159 three-Seater Wooden Desks under Education Department and Nabiswera S/C.	38,384,000	Progress reports including verification reports and distribution schedule
Total		457,436,214	

Implications

- Lack of monitoring and supervision reports casted doubt on whether contracts were executed in accordance with contractual requirements and terms and conditions.
- Failure to maintain payment records was a sign of non-transparency and weaknesses in the internal controls that illustrates an ineffective accountability system within the Entity.
- Without a contract management plan the Entity could not effectively manage, monitor and report on contractor performance.

Management Response

Management noted the Authority's observation and explained that most of records were on file, and all User Departments were instructed to task respective contract managers for the projects to comply with the requirement for contract management records.

Authority's comment: Noted the Entity's response however, the records in Table 19 above were not provided for verification

Recommendations

1. The Head, Procurement and Disposal Unit should liaise with User Departments, and Finance Department for copies of all documentation relating to a procurement and archive on the procurement action file in accordance with Section 44 (1) of the PPDA Act, Cap. 205.
2. The Contract Managers should:
 - i. Keep and archive all contract management records and distribute copies to key stakeholders including the Procurement and Disposal Unit as required in accordance with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023; and
 - ii. Prepare Contract Management Plans using Form 49 and forward a copy to the Procurement and Disposal Unit for purposes of monitoring in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.

2.3.3 Inconsistencies in signed Contracts

Section 67(2)(a) of the PPDA Act, Cap. 205 provides that “*solicitation documents shall detail the terms and conditions that shall apply to any resulting contract*”.

The Authority found that, in two contracts valued at UGX 79,117,010, the Entity signed contracts with inconsistencies in the terms and conditions stated in the solicitation documents issued at bidding. The details of the changes are indicated in Table 20 below.

Table 20: Details of changes in terms and conditions of contract

No.	Subject of procurement	Value (UGX)	Authority's findings
1.	Construction of two Masonry tanks to Lwabyata Primary School and Wabinyonyi Seed Seconary School	40,733,010	GCC 9.1 of the signed contract stated that the works consisted of site clearance, excavation and earthworks, superstructure, roof construction, doors and windows installation, ceiling as per the attached BOQs plus instructions by the project supervisor, and yet the procurement for the supply of water tanks.
2.	Supply of 159 three-seater wooden desks	38,384,000	Whereas the SBD stated the description of supplies as desks, GCC 9.1 stated that the

No.	Subject of procurement	Value (UGX)	Authority's findings
	under Education Department and Nabiswera S/C.		works consist of site clearance, excavation and earthworks, superstructure, roof construction, doors and windows installation, ceiling as per the attached BOQs plus instructions by the project supervisor.
	Total	79,117,010	

Implication

Signing contracts with terms and conditions that differ from those stated in the solicitation documents undermines transparency, fairness and equal treatment of bidders, as the final contract may no longer reflect the basis on which competition was conducted.

Management Response

Management acknowledged the Authority's observation and promised to always conduct due diligence in regard to the terms and conditions contained in the solicitation documents applying to the resulting contract accordingly.

Recommendations

The Head, Procurement and Disposal Unit should:

1. Confirm that the terms and conditions contained in the solicitation documents apply to the resulting contract, in accordance with Section 67(2) of the PPDA Act, Cap. 205; and
2. Submit any proposed changes to contract terms to the Contracts Committee for approval in accordance with Section 31(1)(a)(iv) of the PPDA Act, Cap. 205.

2.3.4 Failure by contractors to submit work programs

GCC 36.1 of the Special Conditions of Contract requires the contractor to submit the programme of works within seven days from the date of contract signature.

The Authority found that contractors did not submit work programmes in seven procurements valued at UGX 360,577,230, as indicated in Table 21 below:

Table 21: Procurements without a works program

No.	Subject of procurement	Value (UGX)
1.	Construction of 4 Stance VIP Latrine at Nakasongola District Sports Centre in Wabinyonyi	26,560,620
2.	Renovation of 6 Classrooms at Nakatoogo Primary School	104,237,660
3.	Renovation of a 4-classroom block with office at Kyakadoko Primary School	59,608,290
4.	Renovation of a 2-classroom block at Irima Primary School	40,289,920
5.	Renovation of a 4 Classroom block at Kamunina Primary School	61,736,302
6.	Phase 4 fencing of District Headquarters	29,760,438
7.	Supply of 159 three-seater wooden desks under education department and Nabiswera S/C	38,384,000
Total		360,577,230

Implication

This led to ineffective monitoring of the sequence of tasks, timelines, resource allocation and the implementation of key project milestones.

Management Response

Management noted the Authority's observation and explained that the program for work programs were prepared and submitted by the Contractors.

Authority's comment: Noted the Entity's response. However, it could not be established whether the work programmes were prepared by the contractor, as the documents lacked key authentication details, including the name and signature of the person who prepared the work schedules, the contractor's stamp, and the company letterhead.

Recommendations

Contract managers should:

1. Always task contractors to submit work programs as per the terms and conditions of the contract before contract execution in accordance with Regulation 52 (3) (ii) of the PPDA (Contracts) Regulations, 2023; and
2. Provide for a penalty clause on submission of work programs in the Special Conditions of Contract and invoke the clause for the contractors who fail to comply.

2.3.5 Failure to Engrave Government Property

Section 34(2) of the Public Finance Management Act (PFMA) requires that an electronic or manual asset register, in the prescribed form (TF 26), be maintained for all assets and that all such assets be appropriately marked or engraved to enable easy identification as Government assets.

The Authority found that, in the procurements for the supply and delivery of ICT equipment to Nakitoma Seed Secondary School valued at UGX 159,184,382 and the supply and delivery of science equipment and chemical reagents to Nakitooma Seed Secondary School valued at UGX 52,653,000, most of the supplies were not engraved. Some of the ICT equipment that had not been engraved are shown in Figure 2 below.

Figure 2: Physical status of the ICT equipment at Nakitooma Seed Secondary School



ICT equipment including desktop computers and printers in the computer laboratory and offices not engraved as at 1st October 2025

Implication

The assets could not be identified as the property of the school and ultimately the Government of Uganda.

Management response

Management acknowledged the Authority's observation and explained that some supplies like furniture at Nakitoma seed secondary school have since been engraved and the process of engraving the rest of the supplies including ICT equipment and science equipment was underway

Recommendation

The Accounting Officer should task the District Education Officer to coordinate with the Head Teacher of Nakitoma Seed School to have all the supplies engraved for ease of identification.

2.4 PERFORMANCE OF THE FORCE ACCOUNT MECHANISM

The Authority noted that on 6th November 2025, the Ministry of Works & Transport received a quarter four road maintenance grant progress accountability report for UGX 1,000,000,000 received during the Financial Year 2024/2025. Some of the roads executed are as indicated in Table 22 below:

Table 22: Roads executed using Force Account Mechanism

No.	Activity	Length to be treated (Km)	Cost (UGX)
1.	Routine Mechanised Maintenance of 27.8km Nakasongola -Nabiswera	6	62,133,959
2.	Routine Mechanised Maintenance of 21.3km Kamuniina -Wantabya	7	69,273,300
3.	Routine Mechanised Maintenance of 13.16km Kanyonyi-Mulonzi	13.16	133,345,000
4.	Routine Mechanised Maintenance of 24.16km Namaasa -Itumba	24.16	245,314,000
5.	Routine Mechanised Maintenance of 10.8km Nakasongola-Wajjala	10	101,790,000
6.	Routine Mechanised Maintenance of 23km Kakooge -Kaleire	23	234,140,000
7.	Spot Improvement of Kikangula - Nabiswera Road	4	6,000,000
8.	Spot Improvement of Nabwita-Irimba-Kiwembi Road	3	4,000,000
9.	Equipment repair	N/A	100,000,000
10.	Supervision/ Administration	N/A	45,000,000
Total			1,000,996,000

Source: Nakasongola District Road Maintenance Grant Accountability Report for Quarter Four FY 2024/2025 dated 30th September 2025, and received by MOWT on 6th November 2025

During physical verification, the Authority noted that the 6km Nakasongola-Nabiswera Road was executed using Force Account Mechanism with a site board erected adjacent to Nakasongola HC IV as shown in Figure 3 below:

Figure 3: Site board for mechanised maintenance of Nakasongola-Nabiswera Road (6 km)



Signpost showing details of the road works executed using Force Account as at 1st October 2025

The Authority found the following exceptions:

i. Missing records on implementation of Force Account Mechanism

Section 130 (5) (e) of the PPDA Act, Cap. 205. which provides that, “for the purpose of ensuring value for money in the application of the Force Account Mechanism, the Accounting Officer of a Procuring and Disposing Entity shall maintain and manage the records, equipment and supplies of the works in accordance with the Public Finance Management Act, 2015”.

The Authority found there was no procurement and contract management file for the routine mechanised maintenance of 6Km Nakasongola-Nabiswera Road worth UGX 62,133,959 and subsequently, the following records were missing:

- a) The Call off orders for the following supplies:
 - Fuel worth UGX 30,351,159;
 - Building Materials for works worth UGX 7,120,000, with the corresponding goods received notes (GRN);
 - Spare parts worth UGX 13,110,744 with the corresponding goods received notes (GRN); and
- b) The progress and completion reports with pictorial evidence of execution of the road works.

Implication

Failure to maintain and manage records relating to Force Account Mechanism activities casts doubt on transparency and value for money.

Management Response

Management noted the Authority’s observation and explained that the reports and other relevant procurement records were on file.

Authority's comment: Noted the Entity's response however, the above records were not availed for verification.

Recommendations

The Accounting Officer should task:

- a) The District Engineer to maintain all records on the implementation of Force Account Mechanism and share copies with the Procurement and Disposal Unit for filing in accordance with accordance with Section 130 (5) (e) of the PPDA Act, Cap. 205. Furthermore, the records should be made accessible efficiently whenever various mandated stakeholders require access; and
- b) The Head, Procurement and Disposal Unit to maintain Procurement and Contract Management records for each road works implemented using Force Account Mechanism in accordance with Section 44 (1) of the PPDA Act, Cap. 205.

2.5 PROGRESS AND PERFORMANCE OF THE MICRO-SCALE IRRIGATION PROGRAM IN NAKASONGOLA DISTRICT LOCAL GOVERNMENT

Background

Government of Uganda with support from World Bank's Uganda Intergovernmental Fiscal Transfer Program for Results Additional Financing (UgIFTAF) project received funds to implement Micro Scale Irrigation Schemes to support low-income farmers. The objective was to enhance update of cost-effective micro-irrigation technology so as to improve farmer productivity and standard of living in line with the Ugandan National Irrigation policy and vision 2040.

The Micro-scale Irrigation Program supports farmers to purchase and use individual irrigation equipment through a matching grant scheme, in which the cost of the equipment is co-financed by the farmer and the Government of Uganda. The Government subsidises between 25% and 75% of the total cost of the irrigation equipment (which can be sprinkler, drip and drag hosepipe methods using either solar or petrol energy sources). The level of the subsidy varies according to the choice of the irrigation equipment/ technology selected by the farmer as indicated below:

- For solar-powered irrigation equipment, the maximum Government co-payment is 75% of the total cost of equipment and is capped at UGX 18,000,000.
- For petrol-powered irrigation equipment the maximum Government co-payment is 25% of the total cost of equipment and is capped at UGX 5,000,000.

2.5.1 Failure to provide information on the implementation of the Micro-Irrigation Schemes.

Nakasongola District Local Government initiated the procurement for microscale irrigation equipment at an estimated cost of UGX 629,700,000 (various procurement requisitions of 30 sets of equipment at different estimates) with each set initiated on different dates between 28th August 2024 and 8th October 2024.

The Authority found that there were no records to establish the number of farmers who expressed interest, had irrigation equipment successfully installed and farmers who met their co-funding obligations among others.

The summary of procurement and implementation of the microscale irrigation program in Nakasongola District Local Government in Financial Year 2024/25 is indicated in Table 23 below:

Table 23: Summary and status of the procurement of microscale irrigation equipment

Level	Definition	Nakasongola DLG statistics by Number (FY 2024/25)
'Interested' Farmer	Those farmers who submitted an Expression of Interest (EOI) and met the basic self-assessed criteria	44
'Eligible' Farmer	Those farmers who had a farm visit and were found to meet the eligibility criteria	44
'Approved' Farmer	Those farmers who made the co-payment, provided documentary proof of their land tenure (if possible) and signed an MOU with the Local Government	39

Level	Definition	Nakasongola DLG statistics by Number (FY 2024/25)
“Installation Accepted” Farmer	Those farmers who had the irrigation equipment installed and the Local Government and farmer verified the equipment and installation was as per quotation and standards	32
“Completed” Farmer	Those Farmers where the irrigation equipment supplier was paid by the Local Government and all paperwork is complete	No details provided
Total of microscale irrigation kits installed and completed, including a demo site at Lutwama Richard in FY 2024/2025		28

Implication

Failure to provide records limited access to details on micro-irrigation systems and therefore affecting the audit trail.

Management response

Management noted the Authority’s observation and explained that reports and other relevant information were available for verification.

Authority’s comment: Noted the Entity’s response. However, the Entity did not provide the information on the farmers for whom irrigation equipment suppliers were paid by the Local Government, nor was evidence of the complete supporting paperwork availed for verification.

Recommendation

The Accounting Officer should task the Head of Production to retrieve the missing details and submit to the Procurement and Disposal Unit for archive on the procurement action file in accordance with Section 44 (1) of the PPDA Act, Cap. 205.

2.5.2 Delayed invitation to bid after confirmation of funding

Section 51 of the PPDA Act, Cap. 205 provides that; “*all procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money*”.

The Authority found that the Entity delayed to place an invitation to bid under quotation method following the confirmation of funding by the Accounting Officer for each individual farmer as indicated in Table 24 below:

Table 24: Delayed invitation to bid after confirmation of funding

No.	Farmer	Form 5 Value (UGX)	Confirmation of funding (date)	Bid Invitation (date)	Delay (days)
1.	Kirabo Daniel Rwanyaga	17,900,000	28 th August 2024	17 th January 2025	143
2.	Kalule Godfrey	19,300,000	28 th August 2024	17 th January 2025	143
3.	Sekamate Edward	20,100,000	28 th August 2024	17 th January 2025	143
4.	Kyeyune Stephen	23,300,000	28 th August 2024	17 th January 2025	143
5.	Nuwabiine Enock	18,800,000	8 th October 2024	17 th January 2025	

No.	Farmer	Form 5 Value (UGX)	Confirmation of funding (date)	Bid Invitation (date)	Delay (days)
6.	Butagasa Samuel	18,500,000	28 th August 2024	17 th January 2025	143
7.	Sempijja Lameka	24,600,000	8 th October 2024	17 th January 2025	102
8.	Bamwiine Fred	27,400,000	8 th October 2024	17 th January 2025	102
9.	Kabaseke George Stephen	20,600,000	28 th August 2024	17 th January 2025	143
10.	Nyamudogo Emmaniel	19,500,000	28 th August 2024	17 th January 2025	143
11.	Kibalikoba Amon	25,800,000	28 th August 2024	17 th January 2025	143
12.	Kasirye Samuel	18,300,000	28 th August 2024	17 th January 2025	143
13.	Kakooza Wilson	25,100,000	8 th October 2024	17 th January 2025	102
14.	Sebyala Ivan	19,000,000	8 th October 2024	17 th January 2025	102
15.	Arineitwe Emmanuel	20,300,000	8 th October 2024	17 th January 2025	102
16.	Okumu Yona	9,100,000	8 th October 2024	17 th January 2025	102
17.	Muwanga Adam Kabarokole	21,200,000	8 th October 2024	17 th January 2025	102
18.	Pambala Carlos	9,700,000	28 th August 2024	17 th January 2025	143
19.	Mukristayo Sedrack Lubega	22,700,000	no date	17 th January 2025	Not defined
20.	Ruzingana John	19,300,000	no date	17 th January 2025	Not defined
21.	Lubinga Fred Lubina	18,100,000	no date	17 th January 2025	Not defined
22.	Kayira John	20,900,000	8 th October 2024	17 th January 2025	102
23.	Govule Muzafalu	22,300,000	8 th October 2024	17 th January 2025	102
24.	Rukundo Sam	22,300,000	8 th October 2024	17 th January 2025	102
25.	Kaberuka David	19,300,000	no date	17 th January 2025	Not defined
26.	Katuramu Edward	18,800,000	no date	17 th January 2025	Not defined
27.	Katalekwe Andrew	25,800,000	no date	17 th January 2025	Not defined
28.	Muwanguzi David	19,100,000	no date	17 th January 2025	Not defined
29.	Kagyina Frank	19,700,000	no date	17 th January 2025	Not defined
30.	Mabirizi Fred	19,300,000	8 th October 2024	17 th January 2025	102
31.	Kisakye Editor	23,600,000	8 th October 2024	17 th January 2025	102

Implication

Delayed issuance of invitations to bid after confirmation of funding undermines timely commencement and completion of the procurement process. It may delay delivery of irrigation equipment to the intended farmer beneficiaries, affect implementation of planned agricultural activities, and weaken budget absorption within the financial year.

Management response

Management acknowledged the delays and attributed to delayed communication from the Ministry of Agriculture, Animal industry and Fisheries (MAAIF) in regard to pre-qualified service providers, who were supposed to undertake the works for 2024/2025 FY.

Authority's comment: Noted the Entity's response. However, no supporting correspondence between the Entity and MAAIF regarding the pre-qualified service provider was availed for verification

Recommendation

The Accounting Officer should; after confirmation of funding, task the Head, Procurement and Disposal Unit to make submissions to the Contracts Committee and prepare the bid invitation on time for efficiency in accordance with Section 51 of the PPDA Act, Cap. 205.

2.5.3 Missing records on the Procurement Action Files

The Authority found that the following procurement and contract management records for design, supply and installation of micro-scale irrigation systems were missing from the files for four Lots, contrary to Section 44(1) of the PPDA Act, Cap. 205 which provides that a Procuring and Disposing Entity shall maintain records on its procuring 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:

- i) Monitoring and inspection reports with pictorial evidence;
- ii) Complete payment records to contractors including the final payment vouchers;
- iii) Substantial completion certificates;
- iv) Contract management plan (Form 49); and
- v) Program for the works in accordance with GCC 36.1 of the signed contract which requires the contractor to submit the program for the works within 7 days of the contract signature.

The details of farmers with missing records are as indicated in Table 25 below:

Table 25: Farmers with records missing on the procurement action files for the four Lots

No.	Farmer	Lower Local Government	Contractor	Award Value (UGX)	Payment (UGX)
1.	Kirabo Daniel Rwanyaga	Nabiswera Sub County	Mubanique Co. Ltd	19,960,000	9,481,000
2.	Kalule Godfrey	Wabinyonyi Sub County	Mubanique Co. Ltd	20,310,000	19,294,500
3.	Sekamate Edward	Lwampanga Town Council	Mubanique Co. Ltd	21,010,000	19,959,500
4.	Kyeyune Stephen	Rwabyata Sub County	Mubanique Co. Ltd	22,810,000	21,669,500
5.	Nuwabiine Enock	Kalungi Sub County	Mubanique Co. Ltd	20,310,000	9,647,250
6.	Kabugo James		Mubanique Co. Ltd	20,135,000	8,607,713
7.	Sempijja Lameka	Rwabyata Sub County	Mubanique Co. Ltd	23,510,000	8,933,800

No.	Farmer	Lower Local Government	Contractor	Award Value (UGX)	Payment (UGX)
8.	Sebyala Samson		Mubanique Co. Ltd	21,835,000	10,371,625
9.	Kabaseke George Stephen	Nakitoma Sub County	Techford Contractors & Suppliers Ltd	20,500,000	19,475,000
10.	Nyamudogo Emmaniel	Wabinyonyi Sub County	Techford Contractors & Suppliers Ltd	19,470,000	7,398,600
11.	Kibalikoba Amon	Nakitoma Sub County	Techford Contractors & Suppliers Ltd	22,143,500	18,932,693
12.	Kakumba Daudi		Techford Contractors & Suppliers Ltd	18,280,000	17,366,000
13.	Kakooza Wilson	Nabiswera Sub County	Techford Contractors & Suppliers Ltd	23,722,500	22,536,375
14.	Sebyala Ivan	Kalungi Sub County	Techford Contractors & Suppliers Ltd	18,985,000	9,017,875
15.	Arineitwe Emmanuel	Kakooge Sub County	Techford Contractors & Suppliers Ltd	20,300,000	17,303,918
16.	Okumu Yona	Lwampanga Sub County	Techford Contractors & Suppliers Ltd	8,995,500	7,691,153
17.	Muwanga Adam Kabarokole	Wabinyonyi Sub County	Techford Contractors & Suppliers Ltd	21,200,000	No details
18.	Pambala Carlos	Kakooge Sub County	Mubanique Co. Ltd	13,010,000	12,359,500
19.	Mukristayo Sedrack Lubega	Migera Town Council	Mubanique Co. Ltd	20,710,000	19,674,500
20.	Mugisha Mark Kivuna		Mubanique Co. Ltd	20,010,000	19,009,500
21.	Kiyingi Patrick		Mubanique Co. Ltd	19,835,000	10,363,788
22.	Kayira John	Wabinyonyi Sub County	Mubanique Co. Ltd	20,885,000	9,920,375
23.	Govule Muzafalu	Kakooge Sub County	Mubanique Co. Ltd	20,885,000	9,920,375
24.	Rukundo Sam	Nabiswera Sub County	Mubanique Co. Ltd	22,335,000	10,609,125
25.	Kaberuka David	Wabinyonyi Sub County	Techford Contractors & Suppliers Ltd	19,300,000	No details

No.	Farmer	Lower Local Government	Contractor	Award Value (UGX)	Payment (UGX)
26.	Katuramu Edward	Wabinyonyi Sub County	Techford Contractors & Suppliers Ltd	18,800,000	No details
27.	Katalekwe Andrew	Nabiswera Sub County	Techford Contractors & Suppliers Ltd	25,800,000	No details
28.	Muwanguzi David	Kakooge Sub County	Techford Contractors & Suppliers Ltd	19,100,000	No details
29.	Kagyina Frank	Kakooge Sub County	Techford Contractors & Suppliers Ltd	19,700,000	No details
30.	Mabirizi Fred	Kalungi Sub County	Techford Contractors & Suppliers Ltd	19,300,000	No details
31.	Kisakye Editor	Rwabyata Sub County	Techford Contractors & Suppliers Ltd	23,600,000	No details
32.	Muwanga Aida Kabalokole (Extra)		Techford Contractors & Suppliers Ltd	21,200,000	20,140,000
	Total			647,946,500	

Implications

- Failure to keep documentation relating to a procurement or disposal activity casts doubt on transparency and affects the audit trail.
- The Authority could not ascertain the audit trail on contract monitoring and payments, and subsequently whether value for money was achieved by the Entity.

Management Response

Management noted the Authority's observation and explained that the records in reference had been filed separately with the Accounts Assistant, however, they were now on file.

Authority's comment: Noted the Entity's response; however, the above records in Table 25 were not availed for verification. The Authority further noted that the following seven farmers were replaced with respective farmers without Contracts Committee approvals:

- Butagasa Samuel with Kabugo James
- Bamwiine Fred Sebyala Samson
- Kasirye Samuel with Kakumba Daudi
- Ruzingana John with Mugisha Mark Kivuna
- Lubinga Fred Lubina with Kiyangi Patrick
- Katalekwa Andrew with Kigayaza Patrick Ismail
- Kisakye Editor with Mutegyeki Bernerd

Recommendations

1. The Accounting Officer should task the Head of Production to retrieve the missing details including monitoring and inspection reports with pictorial evidence; complete payment records to contractors including the final payment vouchers; substantial completion certificates, and submit to the Procurement and Disposal Unit for archive on the procurement action file in accordance with Section 44 (1) of the PPDA Act, Cap. 205.
2. Contract Managers should maintain and properly archive all contract management records and submit copies to key stakeholders, including the Procurement and Disposal Unit, in accordance with Regulation 52(3)(a)(vii) of the PPDA (Contracts) Regulations, 2023.
3. The Procurement and Disposal Unit shall maintain all documentation relating to each procurement on the respective procurement action file, in accordance with Section 44(1) of the PPDA Act, Cap. 205.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall Audit Conclusion

The performance of Nakasongola District Local Government for the Financial Year 2024/2025 was **Moderately Satisfactory** with overall weighted average risk rating of **51.55%**.

3.2 Entity's risk assessment

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 26 below:

Table 26: Risk Computation

Risk Category	No.	No. %	Value (UGX)	Value %	Weights	Total Average	
						By No.	By Value
High	4	18.18	21,697,384	1.18	0.6	11	0.71
Medium	15	68.18	1,703,662,223	92.72	0.3	20	27.82
Low	3	13.64	112,062,930	6.10	0.1	1	0.61
Satisfactory	0	-	0	-	0	0	-
Total	22	100	1,837,422,537	100	1	32.73	29.13

$$\text{Weighted Average (By No.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{32.73 \times 100}{60} = 54.55\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{29.13 \times 100}{60} = 48.56\%$$

$$\text{Combined Weighted Average} = \frac{54.55 + 48.56}{2} = 51.55\%$$

Since **51.55%** falls within the **31-70** risk range, the performance of the Entity is rated **Moderately Satisfactory** as detailed in Table 27 below:

Table 27: Risk rating Table

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

Figure 4: Graphical Representation of the Entity's Risk Assessment by Number

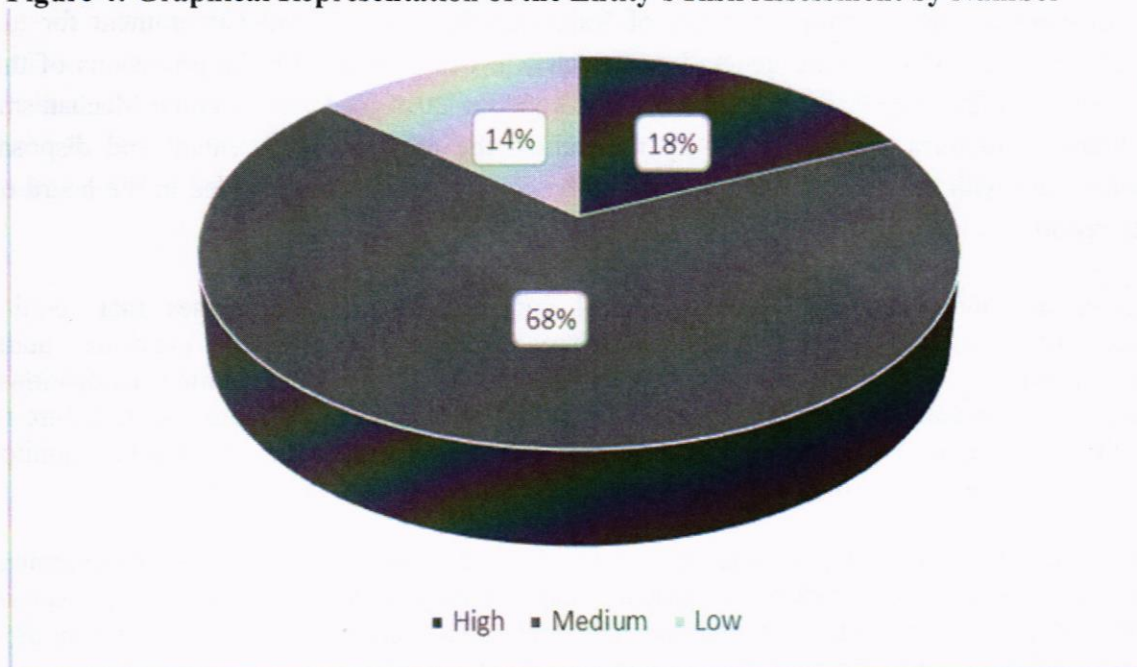
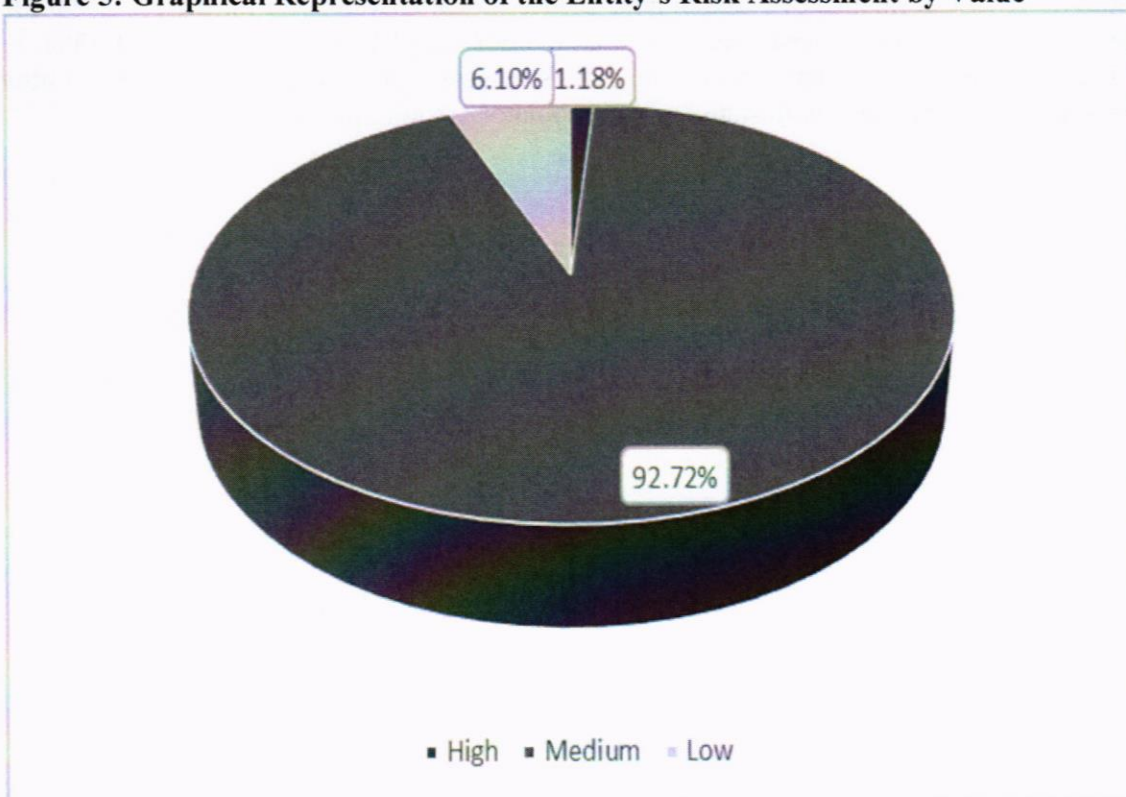


Figure 5: Graphical Representation of the Entity's Risk Assessment by Value



3.3 Audit Opinion/Conclusion

The Procurement and Disposal activities of Nakasongola District Local Government for the Financial Year 2024/2025 were generally conducted in compliance with the provisions of the PPDA Act, Cap. 205, the PPDA Regulations, 2023 and the 2014 for Force Account Mechanism, and PPDA Guidelines, 2024. The Entity maintained the required procurement and disposal structures, and with the disposal activities yet to be conducted as recommended in the board of survey report.

However, the audit identified several control and performance weaknesses that require management attention. These include failure to fully implement previous audit recommendations; delays in monthly reporting; failure to conduct detailed evaluations; irregularities in management of revenue centers; failure to dispose of obsolete assets; failure to maintain procurement, Force Account and contract management records; and failure to monitor contractors' compliance with environmental, social, health and safety safeguards.

While these weaknesses did not materially undermine the overall integrity of the procurement system, they indicate deficiencies in procurement planning, contract management, disposal process and monitoring mechanisms that may adversely affect service delivery, value for money, supplier confidence and achievement of Government policy objectives if not addressed.

Accordingly, the performance of Nakasongola District Local Government for the FY 2024/2025 is assessed as **Moderately Satisfactory**, with an overall weighted average risk of **51.55%**, but requiring targeted management interventions to strengthen procurement efficiency, contract management and compliance with statutory and regulatory requirements.

3.4 Recommended Action Plan

Nakasongola District Local Government should implement the following recommendations in Table 28 below within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 28: Action Plan

Finding	Action/Recommendation	Responsible Officer	Timeline
Failure to fully implement 47.06% of the previous audit recommendations	Internal Auditor to follow up and ensure full implementation of the Authority's audit recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205 and to confirm that the contractor, Nimwe Suppliers Ltd remitted the VAT worth UGX 31,850,838 paid during the FY 2022/2023 when the contractor was not VAT registered.	Accounting Officer/ Internal Auditor	Quarterly
Failure to adhere to reporting timelines	Submit the monthly procurement and disposal reports to the Authority by the 15 th day of the following month, in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 and through electronic submissions via the E-Reporting Link (https://ereports.ppda.go.ug/) as provided in Circular No. 5 of 2025.	Accounting Officer/Head, PDU	Monthly
Failure to dispose of obsolete items recommended for disposal	Through the Board of Surveys, engage the relevant Authorities such as Ministry of Works and Transport for the valuation of the assessed and verified obsolete assets in accordance to Section 28 (1) (h) of the PPDA Act, Cap. 205 for the possibility of disposal in accordance with Regulation 2, 3 and 24 of the PPDA (Disposal of Public Assets) Regulations, 2023.	Accounting Officer	October 2026
Non-adherence to the Environmental, Social, Health, Safety Safeguards	The District Environment Officer and the District Community Development Officer to prepare progress reports on the implementation of ESHS aspects; and should recover the ESHS provision in the bills of quantities paid to the contractors without execution.	Accounting Officer/ Environment Officer & Community Development Officer	Continuous
Missing records on implementation of Force Account Mechanism	The District Engineer to maintain all records on the implementation of Force Account Mechanism and share copies with the Procurement and Disposal Unit for filing in accordance with accordance with Section 130 (5) (e) of the PPDA Act, Cap. 205. Furthermore, the records should be made accessible efficiently whenever various mandated stakeholders require access.	Accounting Officer/ District Engineer	Continuous

Finding	Action/Recommendation	Responsible Officer	Timeline
Non-adherence to the Environmental, Social, Health, Safety Safeguards	Head of Production to retrieve the missing details including monitoring and inspection reports with pictorial evidence; Complete payment records to contractors including the final payment vouchers; Substantial completion certificates, and submit to the Procurement and Disposal Unit for archiving on the respective procurement action files in accordance with Section 44 (1) of the PPDA Act, Cap. 205	Accounting Officer/ Head, Production	July 2026
Lack of Contract Management Records	Liaise with the User Departments and Finance Department to obtain all procurement-related documentation and ensure that complete records are archived on the respective procurement action files, in accordance with Section 44(1) of the PPDA Act, Cap. 205.	Head, PDU/ User Departments	July 2026
Irregularities in the procurement of Revenue Centres	Confirm that the terms and conditions contained in the solicitation documents apply to the resulting contract, in accordance with Section 67(2) of the PPDA Act, Cap. 205 and submit any proposed changes to contract terms to the Contracts Committee for approval in accordance with Section 31(1)(a)(iv) of the PPDA Act, Cap. 205.	Head, PDU	Continuous
Irregularities in the procurement of Revenue Centres	Prepare and submit the terms of reference to the Procurement and Disposal Unit for incorporation into the bidding documents, in accordance with Section 36(1)(c) of the PPDA Act, Cap. 205.	The User Department/ Head, PDU	Continuous
Failure to conduct detailed technical evaluation	Conduct a detailed technical evaluation of bids in line with the criteria stated in the bidding document and in accordance with Regulation 15 of the PPDA (Evaluation) Regulations, 2023	The Evaluation Committees	Continuous
Non-adherence to the Environmental, Social, Health, Safety Safeguards	Contractors to adherence to environmental, health and social safeguard requirements as part of their contractual obligation stipulated in the contract and in accordance with Regulation 52 of the PPDA (Contracts) Regulations, 2023.	The Contract Managers	Continuous
Lack of Contract Management Records	Contractors to submit work programs as per the terms and conditions of the contract before contract execution in accordance with Regulation 52 (3) (ii) of the PPDA (Contracts) Regulations, 2023.	The Contract Managers	Continuous

APPENDIX 1: PROCUREMENT SAMPLE LIST FOR NAKASONGOLA DISTRICT LOCAL GOVERNMENT FOR THE FINANCIAL YEAR 2024/2025

No.	Reference No.	Subject of procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk Rating
1.	Naks903/Wrks/24-25/00008	Construction of Emergency Unit Phase IV and 4 Stance VIP Latrine at Nakasongola HC IV	RFQ	Ambt Services Ltd	245,296,254	Medium
2.	Naks903/Wrks/24-25/00006	Construction of 2 Masonry tanks to Lwabyata Primary School and Wabinyonyi Seed Secondary Schools	RFQ	Perfresserk Investments Ltd	40,733,010	Low
3.	Naks903/Wrks/24-25/00013	Renovation of 4 Classroom block at Kyakadoko Primary School	RFQ	Tat and Jad Investments Ltd	59,578,200	Medium
4.	Naks903/Wrks/24-25/00010	Renovation of 4 Classroom block at Kamunina Primary School	RFQ	Joztee Holdings Ltd	61,736,302	Medium
5.	Naks903/Wrks/24-25/00014	Renovation of 2 Classroom Block at Irima Primary School	RFQ	Bakurubyo General Enterprises Ltd	40,289,920	Low
6.	Naks903/SPLS/24-25/00019	Renovation of 6 Classrooms at Nakatoogo Primary School	RFQ	PK Universal Enterprises Ltd	104,237,660	Medium
7.	Naks903/Wrks/24-25/00002	Construction of 5 Stance VIP Latrine at Wampiti Primary School	RFQ	Rosana Enterprises	29,900,256	Medium
8.	Naks903/Wrks/24-25/00016	Construction of 4 Stance VIP Latrine at Nakasongola District Sports Centre in Wabinyonyi	RFQ	Musekura General Suppliers Ltd	26,560,620	Medium
9.	Naks903/Wrks/24-25/00007	Drilling of 5 pump Boreholes at Selected sites in Nakasongola District	RFQ	Icon Projects Ltd	128,498,460	Medium
10.	Naks903/Wrks/24-25/00009	Phase IV Fencing of the District Headquarters	RFQ	Green tag Services Ltd	29,760,438	Medium
11.	Naks903/Wrks/24-25/00020	Phase 1 Construction of Bamugolodde piped water	RFQ	Nimwe Suppliers Ltd	50,013,073	Medium
12.	Naks903/SPLS/24-25/00011	Supply of three-seater wooden desks to Education Department and Nabiswera S/C	RFQ	Wazon Ventures Ltd	38,384,000	Medium
13.	Naks903/MOE S/SUPLS/24-25/00005 Lot 2	Supply and Delivery of ICT equipment to Nakitoma Seed	RFQ	Ndere Investments Ltd	159,184,382	Medium

No.	Reference No.	Subject of procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk Rating
14.	Naks903/Supls/24-25/00004	Supply of Mass Monkey Capture Traps and Improved Cassava Planting Materials for Production Department	RFQ	Sharleena Auto and General Enterprises Lts	21,697,384	High
15.	Naks903/Supls/24-25/00003	Supply of Motorised Forage Chopper, Dairy Breeding Bulls and Medical Refrigerator for Production Department	RFQ	Rosana Enterprises Ltd	46,353,078	Medium
16.	Naks903/MOE S/SUPLS/24-25/00005 Lot 1	Supply and Delivery of Science equipment and medical reagents to Nakitoma Seed Secondary School	RFQ	A.N Ddamulira Ltd	52,653,000	Medium
17.	Naks903/SPLS/24-25/00006	Supply of desktop computer, scanner and printer to Statutory Bodies Department and photocopier with printer and scanner for Administration Department	RFQ	Nandi Impressions Ltd	23,560,000	Medium
18.	Naks903/Wrks/24-25/00018	Construction of Micro Scale Irrigation demonstration site on Mr. Lutwama Richard under Production Department	RFQ	Techford Contractors and Suppliers Ltd	31,040,000	Low
19.	Naks903/Wrks/24-25/00008 & 00011	Design, Supply and Installation of Micro Scale Irrigation Systems to Farmers in Nakasongola District Lots 1, 2, 3 and 4	RFQ	1. Mubanique Co. Ltd 2. Techford Contractors and Suppliers Ltd	647,946,500	Medium
20.	Naks903/25-25/000001(c)	Management of Nakasongola Town Council Abattoir	RFQ	Smart Traders Association	3,600,000	High
21.	Naks903/25-25/000001(n)	Management of Truck parking district-wide	RFQ	Zibula atudde Farmers Group	7,200,000	High
22.	Naks903/25-25/000001(0)	Management of Charcoal Movement Permits District-wide	RFQ	Zibula atudde Farmers Group	33,200,000	High

APPENDIX 2: CASE BY CASE ANALYSIS

NO.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	Subject: Supply of Mass Monkey Capture Traps and Improved Cassava Planting Materials for Production Department Ref: Naks903/Supls/24-25/00004 Actual: 21,697,384 Method: RFQ Provider: Sharleena Auto and General Enterprises Ltd	• There was no Contracts Committee or User Department representation at bid opening • Introduction of new and additional criteria during bid evaluation • No Contract • No Contract management plan (Form 49) • No Payment records including interim payment certificates and vouchers
2.	Subject: Management of Nakasongola Town Council Abattoir Ref: Naks903/25-25/000001(c) Actual: 3,600,000 Method: RFQ Provider: Smart Traders Association	• Use of request for quotation procurement method without justification • Missing Documentation • Inadequate evaluation criteria • Missing Payment Records • Appointment of Contract Managers • Lack of Supervision • Low Bidder Participation • Inadequate contract with no statement of requirements
3.	Subject: Management of Truck parking district-wide Ref: Naks903/25-25/000001(n) Actual: 7,200,000 Method: RFQ Provider: Zibula atudde Farmers Group	• Use of request for quotation procurement method without justification • Missing Documentation • Inadequate evaluation criteria • Missing Payment Records • Appointment of Contract Managers • Lack of Supervision • Low Bidder Participation • Inadequate contract with no statement of requirements
4.	Subject: Management of Charcoal Movement Permits District-wide Ref: Naks903/25-25/000001(0) Actual: 33,200,000 Method: RFQ Provider: Zibula atudde Farmers Group	• Use of request for quotation procurement method without justification • Missing Documentation • Inadequate evaluation criteria • Missing Payment Records • Appointment of Contract Managers • Lack of Supervision • Low Bidder Participation • Inadequate contract with no statement of

		requirements
NO.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	Subject: Drilling of 5 pump Boreholes at Selected sites in Nakasongola District Ref: Naks903/Wrks/24-25/00007 Actual: 128,498,460 Method: RFQ Provider: Icon Projects Ltd	• The best evaluated bidder, Icon projects Ltd submitted its bid on 2nd October 2024 (in the presence of Paul Mugerwa- Secretary Contracts Committee) after 1st October 2024, the bid closing date • Failure to conduct detailed technical evaluation • Low bidder participation • Non-adherence to the Environmental, Social, Health, Safety Safeguards • No Performance security/ performance securing declaration as required under GCC 19.1 or the performance security as stated under GCC 61.1 of the contract
2.	Subject: Construction of Emergency Unit Phase IV and 4 Stance VIP Latrine at Nakasongola HC IV Ref: Naks903/Wrks/24-25/00008 Actual: 245,296,254 Method: RFQ Provider: Ambt Services Ltd	• Failure to conduct detailed technical evaluation • Non-adherence to the Environmental, Social, Health, Safety Safeguards • No commencement letter • No Supervision and monitoring reports from the project supervisor as required in the appointment letter • No Performance security/ performance securing declaration as required under GCC 19.1 or the performance security as stated under GCC 61.1 of the contract. • No Evidence of receipt of unconditional, irrevocable and on-demand insurance bond from contractor in accordance with GCC 60.1 of the contract as a prerequisite for advance payment of 30% of the contract value
3.	Subject: Construction of 5 Stance VIP Latrine at Wampiti Primary School Ref: Naks903/Wrks/24-25/00002 Actual: 29,900,256 Method: RFQ Provider: Rosana Enterprises	• Failure to conduct detailed technical evaluation • Non-adherence to the Environmental, Social, Health, Safety Safeguards

4.	Subject: Phase IV Fencing of the District Headquarters Ref: Naks903/Wrks/24-25/00009 Actual: 29,760,438 Method: RFQ Provider: Green tag Services Ltd	• The Entity displayed the Best Evaluated Bidder Notice for only six (6) working days instead of 10 days • Low bidder participation • Non-adherence to the Environmental, Social, Health, Safety Safeguards • Failure by contractors to submit work programs
5.	Subject: Phase 1 Construction of Bamugolodde piped water Ref: Naks903/Wrks/24-25/00020 Actual: 50,013,073 Method: RFQ Provider: Nimwe Suppliers Ltd	• There was no Contracts Committee or User Department representation at bid opening • Unrealistic timelines with records of issue, receipt and bid opening indicating 25th April 2025 as the date of issue, receipt and bid opening
6.	Subject: Supply of three-seater wooden desks to Education Department and Nabiswera S/C Ref: Naks903/SPLS/24-25/00011 Actual: 38,384,000 Method: RFQ Provider: Wazon Ventures Ltd	• Procurements outside the approved procurement plan • Best Evaluated Bidder Notice for six working days instead of ten working days • Low bidder participation • No Progress reports • GCC 9.1 stated that the works consist of site clearance, excavation and earthworks, superstructure, roof construction, doors and windows installation, ceiling as per the attached BOQs plus instructions by the project supervisor. And yet the subject of procurement is for supply of desks. • Failure by contractors to submit work programs
7.	Subject: Supply and Delivery of ICT equipment to Nakitoma Seed secondary school Ref: Naks903/MOES/SUPLS/24-25/00005 Lot 2 Actual: 159,184,382 Method: RFQ	• Procurements outside the approved procurement plan • There was no Contracts Committee or User Department representation at bid opening • Failure to conduct detailed technical evaluation • Non-engraved Government Property

	Provider: Ndere Investments Ltd	
8.	Subject: Supply of Motorised Forage Chopper, Dairy Breeding Bulls and Medical Refrigerator for Production Department Ref: Naks903/Supls/24-25/00003 Actual: 46,353,078 Method: RFQ Provider: Rosana Enterprises Ltd	• Specification by brand • The bid notice was signed by the Accounting Officer on 17th December 2024; however, the schedule indicated the date of issue as 30th December 2024 and 3rd January 2025 as the closing date, with the display of four working days, contrary to Regulation 56 (1) (e) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 • Failure to conduct detailed technical evaluation
9.	Subject: Supply and Delivery of Science equipment and medical reagents to Nakitoma Seed Secondary School Ref: Naks903/MOES/SUPLS/24-25/00005 Lot 1 Actual: 52,653,000 Method: RFQ Provider: A.N Ddamulira Ltd	• Procurements outside the approved procurement plan • Failure to hold a pre bid meeting • There was no Contracts Committee or User Department representation at bid opening • Non-engraved Government Property
10.	Subject: Supply of desktop computer, scanner and printer to Statutory Bodies Department and photocopier with printer and scanner for Administration Department Ref: Naks903/SPLS/24-25/00006 Actual: 23,560,000 Method: RFQ Provider: Nandi Impressions Ltd	• Specification by brand • There was no Contracts Committee or User Department representation at bid opening • Failure to include a technical person on Evaluation Committee • Failure to conduct detailed technical evaluation • Low bidder participation • No bidder's bid was not on file • No Delivery notes, Goods Received notes and verification report
11.	Subject: Design, Supply and Installation of Micro Scale Irrigation Systems to Farmers in Nakasongola District Lots 1, 2, 3 and 4	a) Delayed invitation to bid after confirmation of funding b) Missing records on the Procurement Action Files: • Monitoring and inspection reports with

	Ref: Naks903/Wrks/24-25/00008 & 00011 Actual: UGX 647,946,500 Method: RFQ Providers: 3. Mubanique Co. Ltd 4. Techford Contractors and Suppliers Ltd	pictorial evidence; • Complete payment records to contractors including the final payment vouchers; • Substantial completion certificates; • Contract management plan (Form 49); and • Program for the works in accordance with GCC 36.1 of the signed contract which requires the contractor to submit the program for the works within 7 days of the contract signature
12.	Subject: Renovation of 6 Classrooms at Nakatoogo Primary School Ref: Naks903/SPLS/24-25/00019 Actual: 104,237,660 Method: RFQ Provider: PK Universal Enterprises Ltd	• There was no Contracts Committee or User Department representation at bid opening • Failure to conduct detailed technical evaluation • Low bidder participation • Failure by contractors to submit work programs
13.	Subject: Construction of 4 Stance VIP Latrine at Nakasongola District Sports Centre in Wabinyonyi Ref: Naks903/Wrks/24-25/00016 Actual: 26,560,620 Method: RFQ Provider: Musekura General Suppliers Ltd	• Failure to conduct detailed technical • Non-adherence to the Environmental, Social, Health, Safety Safeguards • Failure by contractors to submit work programs
14.	Subject: Renovation of 4 Classroom block at Kyakadoko Primary School Ref: Naks903/Wrks/24-25/00013 Actual: 59,578,200 Method: RFQ Provider: Tat and Jad Investments Ltd	• Best Evaluated Bidder Notice for six working days instead of ten working days • Non-adherence to the Environmental, Social, Health, Safety Safeguards • Failure by contractors to submit work programs

15.	Subject: Renovation of 4 Classroom block at Kamunina Primary School Ref: Naks903/Wrks/24-25/00010 Actual: 61,736,302 Method: RFQ Provider: Joztee Holdings Ltd	• Best Evaluated Bidder Notice for six working days instead of ten working days • Non-adherence to the Environmental, Social, Health, Safety Safeguards • Failure by contractors to submit work programs
NO.	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	Subject: Construction of 2 Masonry tanks to Lwabyata Primary School and Wabinyonyi Seed Secondary Schools Ref: Naks903/Wrks/24-25/00006 Actual: 40,733,010 Method: RFQ Provider: Perfresserk Investments Ltd	GCC 9.1 stated that the works consist of site clearance, excavation and earthworks, superstructure, roof construction, doors and windows installation, ceiling as per the attached BOQs plus instructions by the project supervisor. and yet the works are for supply of water tanks
2.	Subject: Construction of Micro Scale Irrigation demonstration site on Mr. Lutwama Richard under Production Department Ref: Naks903/Wrks/24-25/00018 Actual: 31,040,000 Method: RFQ Provider: Techford Contractors and Suppliers Ltd	• Procurements outside the approved procurement plan • Low bidder participation
3.	Subject: Renovation of 2 Classroom Block at Irima Primary School Actual: 40,289,920 Method: RFQ Provider: Bakurubyo General Enterprises Ltd	Failure by contractors to submit work programs

APPENDIX 3: CASE BY CASE ANALYSIS

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	Planning: Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		Bidding Process: Deviations from standard procedures namely	This implies lack of efficiency, standardisation and avoiding competition.

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	
		Procurement Structures: Lack of procurement structures	This implies 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	Planning: Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.

RISK	DESCRIPTION	AREA	IMPLICATION
	considered desirable to 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.