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

COMPLIANCE INSPECTION REPORT FOR FINANCIAL YEAR 2024/25

MADI OKOLLO DISTRICT LOCAL GOVERNMENT

JULY 2026

TABLE OF CONTENT

LIST OF TABLES

LIST OF FIGURES

ACRONYMS

ESHS	Environmental, Social, Health and Safety
GCC	General Conditions of Contract
HPDU	Head Procurement and Disposal Unit
PDEs	Procuring and Disposing Entities
PDU	Procurement and Disposal Unit
(U)	Uganda
SCC	Special Conditions of Contract
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a procurement and disposal compliance inspection of Madi Okollo District Local Government for the Financial Year 2024/2025 and reviewed 10 sampled procurement and disposal transactions.

The overall objective of the inspection was to assess and establish the degree of compliance of the Entity's procurement and processes with the provisions of the PPDA Act, Cap. 205, the PPDA Regulations,2023, PPDA Guidelines, 2024 and the level of procurement performance over the inspection period.

From the findings of the compliance inspection, the performance of Madi Okollo District Local Government for the FY 2024/2025 was **Moderately Satisfactory** with an overall weighted average risk rating of **55.9%.** This rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the report.

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

1. Failure to implement all the planned procurements worth UGX 2,078,223,098 contrary to Section 60 (7) (8) of the PPDA Act, Cap. 205. This is an indicator of inadequate planning, poor needs assessment and lack of absorption capacity or failure to realize all the funds required to achieve the budget targets;
2. Conducting procurement outside the plan contrary to Section 60 (10) of the PPDA Act, Cap. 205. This was attributed to failure to include all revenue sources and a road rehabilitation in the procurement plan. This creates imbalance in the budget performance against the procurement plan;
3. Failure to fully implement previous audit recommendations for the 2023/2024 contrary to Section 10(1) of the PPDA Act, Cap.205 where 13 recommendations were not implemented and four were partially implemented. This leads to recurrence of inspection findings, increases operational and compliance risks and undermines continuous improvement efforts;
4. Delayed initiation and approval of procurement transactions by the Contracts Committee contrary to Section 51 of the PPDA Act, Cap. 205, hence compromising efficiency. This was attributed to insufficient specifications that the Procurement and Disposal Unit needed to harmonize with the User Department during bid preparation which leads to delayed service delivery.
5. Failure to conduct evaluation of bids in accordance with the evaluation criteria specified in the bidding documents contrary to Regulation 5 (1-2), of the PPDA (Evaluation) Regulations, 2023. This negatively affects the outcome of the evaluation process, and it disadvantages the unsuccessful bidders.
6. Change of contract term in six sampled procurements worthUGX.2,161,408,644 contrary to Regulation 9 (2) of the PPDA (Contracts) Regulations, 2023.This exposed the Entity to legal risks during contract execution due to inconsistencies between the terms in the bidder's bid and the signed contract.
7. Failure by the Entity to plan and dispose assets during the financial year 2024/25 contrary to Regulations 2 (1) and 3 of the PPDA (Disposal of Public Assets) Regulations, 2023. This leads to deterioration and loss of realizable market value through pilferage, wear and tear of the undisposed and unusable assets.
8. Failure to have clear provision regarding ESHS requirement in the statement of requirement in four procurements worth UGX. 1,150,843,685 contrary to Regulation 34 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

In conclusion, the Authority observed that irregularities at evaluation, contract management and failure to plan and disposed obsolete assets that affected the Entity's performance.

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

1. The Accounting Officer should:
   i. Institute quarterly procurement plan reviews to align planned procurements with actual budget and revenue collections. Any significant changes should be formally approved and reflected in updated procurement plans in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023
   ii. Establish audit recommendation register and quarterly monitoring to implement all the Authority's recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205.
   iii. Set up a board of survey to conduct an assessment and valuation of the assets and have them disposed of in accordance with PPDA (Disposal of Public Assets) Regulations, 2023 to avoid further depreciation and attain value for money.

2. The Head, Procurement and Disposal Unit should:
   i. Update the procurement plan on a quarterly basis and have it approved in accordance with Section 60 (7) & (8) of the PPDA Act, Cap. 205, so as to harmonize the procurement plan spend.
   ii. Prepare adequate statements of requirements that are clear, precise and inclusive of ESHS issues with input from subject matters expertise to enable the Procurement and Disposal Unit to prepare quality bidding documents that will attract responsive bidders in accordance with Regulation 34 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
   iii. Prepare and issue to the Evaluation Committee, evaluation forms (e.g., Form 14) with harmonized evaluation criteria in the bidding documents issued to bidders. This should be done in compliance with the requirements of Regulations 5 (1-2), of the PPDA (Evaluation) Regulations, 2023, and it will minimize the Entity's risk to evaluation process related to administrative reviews from unsuccessful bidders.
   iv. Always align contract terms in the signed contract agreements with those specified in the bidding documents in accordance with Regulation 9 (2) of the PPDA (Contracts) Regulations, 2023.

3. The Heads of User Departments should
   i. Task Contract Managers to prepare contract management plans, and project implementation progress reports in accordance with Regulations 50 (3) and 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.
   ii. Task the Contract Managers to prepare and issue project completion certificates and closely supervise and monitor site handovers for completed projects by the providers to the Entity in compliance with Regulation 52 (3) (d) of the PPDA (Contracts) Regulations, 2023.

4. Contract Managers should strictly prepare contract implementation schedules, conduct monthly performance reviews and document all contract monitoring activities to facilitate timely intervention where delays and non-compliance are identified in accordance with Regulation 52(1)(b) of the PPDA(Contracts) Regulations,2023.

Madi Okollo District Local Government is required to execute the specific corrective measures detailed in the Action Plan found on **pages 36-37.**

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a procurement and disposal compliance inspection of Madi Okollo District Local Government for the Financial Year 2024/2025 and reviewed 10 sampled procurement and disposal transactions. The inspection involved a review of procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the PPDA Act, Cap. 205, the PPDA Regulations, 2023 and PPDA Guidelines, 2024.

1.2 Compliance inspection Objectives

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

The specific objectives of the inspection were to:

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

1.3 Structure of the Entity

Madi Okollo District Local Government was created in 2019 as a District Local Government out of Arua District and was formally established by the Ugandan Parliament to take effect on 1st July 2019. Its mission is to promote socio-economic transformation and eradicate poverty by providing efficient, equitable, and sustainable public services to the people of Madi Okollo.

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

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

Table 1: Membership of the Contracts Committee

No	Name	Position on Committee	Date of Appointment
	Mr. Moses Kerchan Onega	Chairperson	1st November,2024
	Mr. Bonny Palakak	Secretary	1st Novemeber,2024
	Mr. Ben Sua Adebo	Member	1st November,2023
	Ms. Nighty Zahara-	Member	30th January,2026
	Mr. Agnes Driwau	Member	30th January,2026

According to Section 33 of the PPDA Act, Cap.205, all procurement or disposal activities of the Procuring and Disposing Entity except adjudication and the award of contract were to be managed by the Procurement and Disposal Unit. The Procurement and Disposal Unit during the Financial under review was headed by Senior Procurement Officer Ms. Hanifa Ezatiru.

Implication
The understaffing of the Procurement and Disposal Unit impacted on the efficiency of the procurement function due to the workload which is not commensurate to the staffing of the Unit thus slowing the procurement activities of the Entity

Management response
The Entity is in the process of recruiting another staff to support in the unit and this will improve efficiency

Recommendation
The Accounting Officer should fill the vacant position of the Procurement Officer in the Procurement and Disposal Unit in accordance with Section 32 of the PPDA Act, Cap.205 to improve on the efficiency of the procurement function.

1.4 Compliance Inspection scope

The inspection involved a review of the procurement and disposal process, general compliance issues and contract implementation of 10 transactions under Financial Year 2024/2025 *(Appendix 1).*

1.5 Compliance Inspection Methodology

On March 4th 2026, the Entity was notified about the inspection exercise. A sample of 10 procurement transactions conducted in the Financial Year 2024/2025 was selected based on stratified random sampling. An inspection launch meeting was held on 11th March 2026 between the inspection team and the Entity's Officials.

Three Officials conducted the exercise under the supervision of the Regional Manager, Gulu Regional office, Northern Region. During the exercise, the team examined records and documents of the sampled procurement transactions. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and processes.

On completion the file review, the inspection team met with the various stakeholders to discuss and obtain clarifications on some of the preliminary findings. A debrief meeting was held on March 20th 2026 between the inspection team and the Entity's Official. A management letter was issued to the Entity for managements response on 19th May 2026 and the Entity's responses to the raised issues were received on 4th June 2026.

On completion of data collection and before writing the report, the Regional Manager reviewed the working papers for completeness. The working papers contained a detailed chronology of findings on each of the sampled transactions. The inspection report presents the key findings and conclusions arising from the inspection.

CHAPTER TWO: FINDINGS OF THE AUTHORITY

2.1 Compliance by the Procuring and Disposing Entity (PDE) with the general provisions of the PPDA Act, Cap. 205, PPDA Regulations, 2023 and PPDA Guidelines 2024.

2.1.1 Inadequate procurement plan implementation rate

Section 60 (2) of the PPDA Act, Cap. 205 states that, "*a Procurement and Disposing Entity shall plan its procurement and disposal in a rational manner and, Section 60 (7) of the PPDA Act, Cap. 205 permits the Entity to review and update its procurement plan on a quarterly basis and in any other case, wherever necessary.*"

A review of the records revealed that the Entity procured items worth UGX. 6,823,972,762 during the FY 2024/25 which amounted to 109% of the planned procurement value of UGX. 6,255,736,244 with a variance of UGX. 568,236,518. This was due to weak procurement planning and monitoring mechanism within the Entity. This is an indicator that the Entity spend funds outside its procurement plan budget which affected the performance of the procurement. as indicated in Table 2 below.

Table 2: Procurement plan implementation rate

Analysis of procurement spent	Values (UGX)
Total procurement plan value inclusive of VAT (UGX)	6,255,736,244
Total procurement spend value inclusive of VAT (UGX)	6,823,972,762
Procurement plan implementation rate (%)	109
Implementation variance (UGX)	(568,236,518)

Implication

Exceeding the planned budget indicates poor planning creates poor prioritization of procurement transactions that may benefit the community.

Management response

No response

Authority's comment

The Entity didn't provide explanation for over spending whether additional funds were received or not.

Recommendations

The Head, Procurement and Disposal Unit should always update the procurement plan and have it approved in accordance with Section 60 (7) & (8) of the PPDA Act, Cap. 205, so as to harmonize the procurement plan spend.

2.1.2 Planned Procurement that were not conducted

Section 60 (7) (8) of the PPDA Act, Cap. 205 provides that "*a Procurement and Disposing Entity shall, on a quarterly basis and in any other case, wherever necessary, review and update its procurement plan and submit to the Secretary to the Treasury/Permanent Secretary, Ministry of Finance, Planning and Economic Development and the Authority*". The Authority found that the Entity did not implement (26) planned procurements worth UGX. 2,078,223,098. This was attributed to the failure to update the procurement plan by the Head Procurement and Disposal unit during the year. The details of the procurements are indicated in Table 3 below:

Table 3: Planned procurements that were not conducted

NO.	Subject of Procurement	Method of Procurement	Estimated Value (UGX)
1.	Fuel, Lubricants and oils	Open Domestic Bidding	227,680,000
2.	Printing, stationary, photocopying and binding	Open Domestic Bidding	52,648,000
3.	maintenance - vehicles, office equipment	Open Domestic Bidding	101,000,000
4.	Welfare and entertainment for planning, stationary, works, finance	Open Domestic Bidding	29,600,000
5.	Procurement of small office equipment	Open Domestic Bidding	14,250,000
6.	ICT communication	Open Domestic Bidding	4,000,000
7.	Advertising	Open Domestic Bidding	5,000,000
8.	Rehabilitation of fifteen boreholes and supply of spare parts	Selective bidding	120,000,000
9.	Construction of drainages and supply of water system at Matiangacia market	Request for Quotation	120,000,000
10.	Civil maintenance of roads	Force on Account	950,000,000
11.	Supply of culverts, cement and assorted roads tools	Request for Quotation	123,115,277
12.	Renovation of OPD in Offaka HC III	Request for Quotation	104,142,000
13.	Payment for supply of furniture and equipment	Request for Quotation	76,000,000
14.	Retention of schools (chanya, Bayia, Katiyi, Adibu P/S	Request for Quotation	12,684,101
15.	Renovation of Roga P/S	Request for Quotation	34,468,173
16.	Procurement of small office equipment (camera, office Table, notive board, file cabinet)	Request for Quotation	7,977,273
17.	Procurement of small office equipment -laptop	Request for Quotation	2,500,000
18.	Procurement of small office equipment laptop, cartains, hand washing facility	Request for Quotation	700,000
19.	procurement of motorcycle	Request for Quotation	6,000,000
20.	supply and installation of solar panels accessories battery duralast	Request for Quotation	10,000,000
21.	Installation of main grid Electricity at Ogoko Health Center II	Request for Quotation	4,000,000
22.	Supply of printer and laptop computer	Request for Quotation	3,200,000
23.	Construction of staff house	Request for Quotation	5,958,274
24.	Supply of sports uniform and printer	Request for Quotation	2,700,000
25.	Road opening	Request for Quotation	5,000,000
26.	Installation of main grid Electricity at Ogoko Health Center II	Request for Quotation	54,600,000

NO.	Subject of Procurement	Method of Procurement	Estimated Value (UGX)
Total			**2,078,223,098**

Implications

Failure to fully implement all planned procurements is an indicator of inadequate planning, poor needs assessment and lack of absorption capacity or failure to realize all the funds required to achieve the budget targets.

Management response

The advice is taken into consideration for implementation however, the variance was due to centrally procured items which were captured in the reports at the time of report submission which wasn't captured in the initial procurement plan of the Entity. Pledge to improve.

Authority comment.

The Entity is advice to update it procurement plan whenever there are new procurement requirements identified.

Recommendation

The Head, Procurement and Disposal Unit and the User Department should always align the Entity's procurement expenditures with the approved procurement plan and the budget so as to harmonize the procurement expenditure with the budget releases. This should be done in accordance with Section 60 (7) & (8) of the PPDA Act, Cap. 205.

2.1.3 Procurement outside the plan

Section 60 (10) of the PPDA Act, Cap. 205 states that, *a procurement shall not be carried out outside the procurement plan except in emergency situations*." The Authority established that the Entity implemented 13 procurements worth UGX. 1,574,223,098 outside the procurement plan caused by failure to include all revenues sources and a road rehabilitation in the procurement plan. This creates imbalance in the budget performance against the procurement plan. The details are indicated in Table 4 below:

Table 4: Procurements outside the plan

No.	Subject of Procurement	Method of Procurement	Estimated value (UGX)
1.	Rehabilitation of 11.9KM of community Access roads in Anyirbu-Offaka Sub – County, Madi Okollo District under batch A.	Open Domestic Bidding	1,556,993, 464
2.	Management of Uleppi market in Uleppi S/C	Open Domestic Bidding	3,750,000
3.	Management of Uleppi Live stock market in Uleppi S/C.	Open Domestic Bidding	500,000
4.	Management of Giligili market in Offaka S/C.	Open Domestic Bidding	1,060,000
5.	Management of Bandili market in Rhino Camp S/C.	Open Domestic Bidding	650,000
6.	Management of Pawor market in Pawor S/C	Open Domestic Bidding	3,450,000

7.	Management of Okollo market in Okollo Town Council	Open Domestic Bidding	1,350,000
8.	Management of Okubani market in Ogoko S/C	Open Domestic Bidding	1,380,000
9.	Management of Kamukamu market in Rigbo S/C	Open Domestic Bidding	1,500,000
10.	Management of Ujupala market in Ewanga S/C	Open Domestic Bidding	555,000
11.	Management of Fundo Landing site in Rigbo S/C	Open Domestic Bidding	390,000
12.	Management of Matangacia market in Rigbo S/C	Open Domestic Bidding	605,000
13.	Management of Matangacia live stock market in Rigbo S/C	Open Domestic Bidding	2,750,000
TOTAL			**1,574,933,464**

Implication
Procuring outside the procurement plan, negatively impacts on the Entity's procurement budget performance thus causing domestic arrears.

Management response
True observation, however, this was because the procurement of Rehabilitation of 11.9KM of community Access roads in Anyirbu- Offaka Sub – County, Madi Okollo District under batch was planned by Ministry of local government and the procurement was done by the same ministry. The Entity only reported the existence of the same subject matter for record purpose since the funds were centrally held up to date and payments are effected from Ministry of local government. For management of revenue sources: there was an over sight during consolidation of the annual procurement and disposal plan to capture. Pledge to improve on this area of concern.

Recommendation
The Accounting Officer should task the Heads of Departments and the Head, PDU to ensure that no procurements are initiated outside the approved procurement plan of the Entity, unless where a procurement activity has been identified with appropriate funding, this should be updated in the procurement plan and submitted to the Contract Committee for approval in accordance with Section 60 (10) of the PPDA Act Cap. 205 and Regulation 4 of the PPDA (Procurement Planning) Regulations 2023

2.1.4 Failure to implement 70.8% of the PPDA audit recommendations for FY 2023/2024
Section 10 (1) (a) of the PPDA Act, Cap. 205, requires a Procuring and Disposing Entity to implement audit recommendations made by the Authority. The Entity was issued with the Procurement and Disposal report for the Financial Year 2023/2024. Thirteen recommendations were not implemented and four were partially implemented as indicated in Table 5 below:

Table 5: Partially implemented and unimplemented audit recommendations for FY 2023/24

Origin	Audit Recommendation	Status of Implementation	Management response
The Accounting Officer should;	1. Engage all stakeholders to develop strategies on implementation of all the Authority's recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap.205	Not implemented	*This anomaly has been noted and pledge to cooperate and comply going forward.*
	2. Liaise and follow-up with the Ministry of Public Service to ensure that the vacant position of the Procurement Officer in the Procurement and Disposal Unit is filled in accordance with Section32 of the PPDA Act. Cap. 205.	Partially implemented	*Wage has been secured Pledge to complete the recruitment process.*
	3. Notify the Permanent Secretary/Secretary to the Treasury and the Authority of any changes made to the Entity's procurement plan and submit the updated and approved plan to the Authority in accordance with Section 60 (8) of the PPDA Act, Cap. 205	Not implemented	*True, however this was updated only that it was not resubmitted but the Entity shall comply going forward.*
	4. Write to the Ministry of Works and Transport requesting for services of a Chief Mechanical Engineer to value the assets due for disposal in accordance with Regulation 24 (2) (a) of the PPDA (Disposal of Public Assets) Regulations, 2023.	Not implemented	*This was due to budget constraints; however, funds have been allocated to dispose for 2026/2027 FY.*
	5. Task the Head Procurement and Disposal Unit in consultation with the User Departments to use the Valuation Report from the Chief Mechanical Engineer to propose an appropriate disposal method(s) to the Contracts Committee for approval in accordance with Regulation 24 (7) of the PPDA (Disposal of Public Assets) Regulations, 2023.	Not implemented	*This was not implemented due to budget constraints pledge dispose in the 2025/2026 FY.*
	6. Dispose of the obsolete assets to avoid further depreciation of the assets and attain value for money in accordance with		

Origin	Audit Recommendation	Status of Implementation	Management response
	Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023. 7. Task the Contract Manager to i. Follow-up with the providers below to submit the warranty covers of three years as per the contractual requirements with immediate effect: • N2M Company Limited for assorted medical equipment at Uleppi Health Centre III; and • Emperor's Hill Life Investments Limited for assorted furniture at Uleppi Health Centre III	Not implemented Not implemented Not implemented	*This was not implemented due to budget constraints pledge dispose in the 2025/2026 FY* *These procurements were done by Ministry of health the providers claim that warranty covers were submitted to MOH, request for copies were futile, however, equipment supplied to date are in good condition. Advice is noted for future projects.*
The Procurement and Disposal Unit should	In consultation with user departments regularly review and update the procurement plan based on the existing circumstances at the Entity in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023.	Not implemented	*Apologies for failure to comply but this is noted for action.*

Origin	Audit Recommendation	Status of Implementation	Management response
The Heads of User Departments	1. In writing inform the Procurement and Disposal Unit to update the procurement plan in the event that there are amendments to the departmental work plans in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023.	Not implemented	*Apologies for failure to comply but this is noted for action.*
	2. In preparation of their annual departmental work plans that inform the Entity's consolidated annual work plan, include expected locally raised revenues to facilitate orderly execution of annual procurement activities in accordance with Regulation 6 (a) of the PPDA (Procurement Planning) Regulations, 2023.	Not implemented	*Apologies for failure to comply but this is noted for action.*
	3. Put in place functional monitoring mechanisms for their work plans and initiate procurements according to the Entity's procurement plan time schedules to promote efficiency in public procurement in accordance with Section 51 of the PPDA Act, Cap.205.	Not implemented	*Apologies for failure to comply but this is noted for action.*
	4. Prevail over Contract Managers to task: i) 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.	Not implemented	*Some provided though not all but pledge to follow up for every projects.*
	ii) Providers to meet all performance or delivery obligations as per the terms and conditions of a contract. in accordance with Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulations, 2023.	Not implemented	*Noted for action and the Entity pledge to implement as recommended for future projects.*
	iii) The contractor (Jagens Technical Services Limited) to renew the Workman's	Not implemented	

Origin	Audit Recommendation	Status of Implementation	Management response
	Compensation Policy and maintain its validity until all the works are completed as per the terms and conditions of contract in accordance with Regulation 52 (3) (a) (ii) of the PPDA (Contracts) Regulations, 2023.		
The Contracts Committee should	Thoroughly review the bidding document before approval and ensure that the set evaluation criteria are neutral, unrestrictive and clearly stated.	Partially implemented	*On areas where there is a gap the Entity will work to improve and comply.*
The Evaluation Committee Members should	Verify the validity, accuracy and authenticity] of documents submitted by bidders during the preliminary evaluation stage as per Regulation 17 (1) of the PPDA (Evaluation) Regulations, 2023.	Partially implemented	
The Internal Audit Unit should	Always verify that the supplies, works and services are properly procured, executed and paid for in accordance with Regulation 27 (a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023	Partially implemented	

Implication

Failure to implement the Authority's recommendations, leads to recurrence of audit findings, increases operational and compliance risks and undermines continuous improvement efforts.

Authority's Comment

The Entity's responses in the table above are noted. The apologies however shall not implement the recommendations, You are therefore advised to expedite the implementation of the audit recommendations.

Recommendation

The finding is maintained due to failure to fully implement the audit recommendations, and the Accounting Officer should establish an audit recommendation register and quarterly monitoring to implement all the Authority's recommendations in accordance with Section 10(1) (a) of the PPDA Act, Cap.205.

2.1.5 Incomplete filling of Procurement requisition Form 5 Part II

Regulations 13 (3), 15 (3), 17 (3) and 20 (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023 provide that the Procurement and Disposal Unit shall make a submission to the Contracts Committee in respect of procurement e.g., under the quotation method using Part II of Form 5 in Schedule 1 for approval of the bidding documents, methods of procurement, bid fee where applicable, and proposed members of the Evaluation Committee. The Authority noted that in three procurements worth UGX. 315,930,660 part II of form 5 were not filled with appropriate reasons, some lacked signatures and dates etc. This was notably caused by the Head, Procurement and Disposal Unit failure to fill the form. The details of the procurements are indicated in Table 6 below:

Table 6: Procurements with incomplete filled requisition Form 5

No	Subject of procurement	Contract Amount (UGX)	Findings
1.	Supply of School three-seater wooden Desk.	26,019,000	The requisition form 5 approved on 4/3/2025 lacked information on justification for approval of method, Evaluation Committee and person involved in the preparation of the bidding document. **Management response** *True observation but the detailed were recorded on different sheet with the justifications for approval and pledge to capture all details as observed on the same form.* **Authority's comment.** Whenever initiating a procurement, the Entity is advice to used standard Form 5 Schedule1as per the PPDA, (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023.
2.	Construction of Phase1 of Bandili piped water supply system.	139,914,960	No part II of form 5 on file. Whereas requisition for the procurement was approved by the Accounting Officer on 1/23/2025, there was no evidence on file to confirm that it was submitted to the Contracts Committee for approval. **Management response** *This was submitted to the Contracts Committee for approval only that it wasn't archived in the action file by the time of compliance audit this has been*

			retrieved and attached for your verification. **Authority's comment.** Whenever initiating a procurement, the Entity is advice to used standard Form 5 Schedule1 as per the PPDA, (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023
3.	Additional works in the play field project of fitting door, windows and finishes on the Pavilion Commercial rooms.	149,996,700	No evidence of requisition Form 5 on file. **Management response** *True observation. By the time of compliance audit this document was taken by engineering department but now it's available for verification.* **Authority's comment.** Whenever initiating a procurement, the Entity is advice to used standard Form 5 Schedule 1 as per the PPDA, (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023.
	Total	**315,930,660**	

Implication.
This shows lack of commitment by the Procurement and Disposal Unit officials leading to inefficiencies in the procurement function which may lead to lengthy procurement processes and lack of procurement records.

Management response
There has been understaffing leading to some of the gaps but this shall be sorted once the unit is fully staffed.

Recommendation.
The Head, Procurement and Disposal Unit should always establish that all requisition form 5 are filled in accordance with Regulation 3 (1), (2) a-d of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023 Schedule 1.

2.1.6 Delay to make submission to the Contracts Committee

Section 51 of the PPDA Act, Cap. 205 states that *"all procurements and disposal shall be conducted in a manner which promotes economy, efficiency, and value for money"*, four procurements worth UGX. 625,866,850 had an average delay of 22 working days between initiation and approval by the Contracts Committee, hence compromising efficiency. The Authority further noted that the Procurement and Disposal Unit was not making formal written submissions to the Contracts Committee contrary to Regulation 11 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023. The delay was attributed to insufficient specifications that the Procurement and Disposal Unit needed to harmonize with the User Department during bid preparation. The details are shown in Table 7 below:

Table 7: Procurements that were delayed to be submitted to Contracts Committee

No	Subject of procurement	Contract Amount (UGX)	Findings
1.	Construction of Service Bay (Mechanical workshop) at District Headquarter.	299,870,950	Delay by Procurement and Disposal Unit to submit the requisition to the Contracts Committee for approval. Form 5 was approved by the Accounting Officer on 8/15/2024 and it was submitted to the Contracts Committee on 9/29/2024 causing a delay of 31 working days.
2.	Borehole, siting, drilling, installation, test pumping and apron construction of six units under by water department.	182,612,900	Delay by the Procurement and Disposal Unit to submit the requisition to the Contracts Committee for approval. Form 5 was approved by Accounting Officer on 3/9/2024 and it was submitted to the Contracts Committee on 9/30/2024, causing a delay of 26 working days.
3.	Construction of two classroom blocks with office at Omuriba Primary School.	143,383,000	Delay to approve the requisition by the Accounting Officer by 10 working days. The requisition was initiated by the User Department on 4/10/24 and it was approved on 10/17/24 by the Accounting Officer.
	Total	**625,866,850**	

Implication

Delayed submission to the Contracts Committee by the Procurement and Disposal Unit leads to delayed service delivery and addressing of challenges in the communities that the procurements are meant to address thus compromising the achievement of value for money.

Management response

These delays were due to incomplete submission of the requisitions for confirmation of funding to Accounting Officer without the bills of quantities/ statement of requirements, and the unit was waiting for the same for onward submission to Contracts committee for approval and also partially time taken to prepare the bidding documents. This will be addressed as recommended.

Recommendation

The Procurement and Disposal Unit should work with the User Department and initiate the procurements with complete statement of requirement to avoid the delays in accordance with Section 61 (l) and 66 of the PPDA Act, Cap.205.

2.1.7 Issuance of bidding documents with irregularities

Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023 mandates the Procurement and Disposal Unit to prepare bidding documents and submitting them to the Contracts Committee for approval. The Authority found that seven procurements conducted worth UGX. 2,617,767,544, the bidding documents issued had several irregularities as a result of Contracts Committee's failure to scrutinize the documents at the time of approval. The details are indicated in Table 8 below:

Table 8: Bidding documents issued with irregularities

No	Subject of procurement	Contract Amount (UGX)	Findings	Management response
1.	Construction of cultural museum and accommodation facility.	599,735,836	The Entity requested for a Performance Security worth UGX. 8,400,000, Contrary to the guidance of the PS/ST through his circular ref. FAD/019/068/01 to the effect that a Performance Securing Declaration may be required in the place of a Performance Security.	*True observation but since this was a donor funded project with conditions attached and had its standard approved documents given to be issued hence the anomaly but shall comply going forward.*
2.	Construction of Service Bay (Mechanical workshop) at District Headquarter.	299,870,950	The Entity issued bidding document with the same expiry period of 5th February 2025 for both the Bid Securing Declaration and the bid validity. This was contrary to Regulation 63 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 that provides for the Bid Securing Declaration expiry of 28 days after bid validity expiry.	*True finding but this was due to an oversight. The entity has taken note of the advice and shall comply as recommended*
3.	Construction of concrete perimeter wall fence with gate house and three gates at headquarter.	569,161,275		
4.	Construction of classroom blocks with office in Roga Primary school	141,896,500	• High percentage charge for Performance Security. In the SCC (GCC 61.1) the Entity specified need for Performance Security of 7% and ES Performance Security of 3%,	*True but by time of contract signing in SCC (GCC 61.1) was amended for Performance Security and ES Performance Security to 3% and 2% respectively though with an over sight instead*

			thus totalling to 10%. This was higher than the threshold of 5% requirement. • Wrongful Performance Security requirement included in the SCC (GCC 61.1). The procurement was sourced through RFQs, as such the Procurement and Disposal Unit should have requested for a Performance Securing Declaration and not Performance Security of 7% and ES Performance Security of 3%. • The BoQs attached to the bidding document did not provide for ESHS as a bidding requirement, as such safety and environmental safeguards were ignored.	*of Performance Securing Declaration. This requirement shall be implemented as advised.* *Annex 6* *True, this was due to the well protected environment within the premises and for safe guard concern, lighting arresters were included in the statement of requirements*
5.	Additional works in the play field project of fitting door, windows and finishes on the Pavilion Commercial rooms.	149,996,700	Performance Security requirement form bidders was tagged to irrevocable / unconditional on demand Bank Guarantee from a recognised bank regulated by Bank of Uganda SCC (GCC 61.3). In the SCC (GCC 61.1) the Entity specified	*True Observation but since this was a donor funded project with conditions attached and had its standard approved documents given to be issued hence the anomaly. Advise taken note of and shall comply.*

			a need for Performance Security of 3% and ES Performance Security of 2%, thus totalling to 5%, yet a Performance Securing Declaration could have been applicable.	
6.	Borehole, siting, drilling, installation, test pumping and apron construction of six units under by the Water Department.	182,612,900	High charge for Performance Security requirement under SCC (GCC 61.1.). The Entity specified a need for Performance Security of 7% and ES Performance Security of 3%. This sums to 10% which was higher than the threshold of 5%.	*True but by time of contract signing in SCC (GCC 61.1) was amended from Performance Security of 7% and ES Performance Security of 3% to performance and ES Securing declaration of 3% and 2% respectively. This shall be corrected in bidding documents as advised. annex 7*
7.	Completion of construction of play field at District Head Quarters.	674,493,383	High charge for Performance Security requirement under SCC (GCC 61.1). The Entity specified a need for Performance Security of 10% and ES Performance Security of 2%. This sums to 12% which was higher than the threshold of 5%.	*True but by time of contract signing in SCC (GCC 61.1) was amended from Performance Security of 7% and ES Performance Security of 3% to performance Security and ES Security of 3% and 2% respectively. This shall be corrected in bidding documents as advised. Evidence attached annex 8* *Performance specification was*

				used to evaluate but The Entity pledges to improve on this and comply as advised.
			Specific detail of the equipment required for the works, like; Water boozer, grader, plate compactors, etc., lacked specification of their; capacity, tonnage, model, year of manufacture, etc., and it was up to the providers to provide details of the proposed equipment. The BoQs attached to the bidding document did not provide for ESHS as a bidding requirement, as such safety and environmental safeguards were ignored.	*True however this was because the project was to complete an existing project which had captured ESHS issues in the first Bills of quantities.*
	Total	**2,617,767,544**		

Implication

Poorly drafted Solicitation documents with restrictive requirement, lack of specific statement of requirements, unclear evaluation criteria and contract terms exposes the Entity to a risk of awarding contracts to incompetent providers while restrictive bidding requirements deter competition.

Authority's Comment

The Entity's responses in the table above are noted, however, acknowledging the anomalies in the bidding documents requires the Head, Procurement and Disposal Unit to keenly analyse the bidding documents before issuance in order to safeguard the interest of the Entity.

Recommendations

1. The Procurement and Disposal Unit should prepare clear and complete bidding documents with detailed specification, clear and unrestrictive evaluation criteria with uniform contract terms, in accordance with Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
2. The Contracts Committee should always scrutinize the bidding documents for completeness, correctness, clarity, and accuracy before approval in accordance with Section 31 (l) (a) (ii) of the PPDA Act, Cap. 205.

2.1.8 Low bidder participation.

Regulation 53 (l) of the PPDA (Procurement of Works, Supplies, and Non-Consultancy Services) Regulations, 2023 states that a shortlist shall have at least six bidders, except for micro procurement which shall have three bidders. The Entity obtained on average two bids in response to their invitation to bid in 2 procurements worth UGX. 743,118,836 as a result of low interest by bidders. The details of the procurement are indicated in the Table 9 below:

Table 9: Procurement with low bidder's participation

No	Subject	Amount	Method of Procurement	Number of invited bidders	Number of bids received
1.	Construction of cultural museum and accommodation facility	599,735,836	Restricted domestic bidding	6	2
2.	Construction of two classroom blocks with office at Omuriba Primary School	143,383,000	Request for quotation	6	2
Total		**743,118,836**			**2**

Implication.

Low competition deprives the Entity of the chance of achieving the best offers in the market in terms of price, quality and timely delivery of the services required.

Management response

Advice noted for consideration and implementation as guided.

Recommendation

The Procurement and Disposal Unit should make written submissions to the Contracts Committee on the shortlists of providers and the reasons for selection of each provider to enable proper scrutiny in accordance with Regulation 53 of the Public Procurement and Disposal of Public Assets (Rules and methods Procurement of Works, Supplies, and Non-Consultancy Services) Regulations, 2023. The Authority's advices that the Entity should further investigate the causes of low bidders' participation in Madi Okollo District.

2.1.9 Irregularities during bids receipt and opening

Regulations 70 and 75 of the PPDA (Rules and methods for Procurement of Works, Supplies, and Non-Consultancy Services) Regulations, 2023, require the Procurement and Disposal Unit to manage receipt, closing and opening of bids. The Authority established that five procurements conducted worth UGX. 1,069,686,375 had irregularities of failure by the Chairperson of the opening session to sign the key pages of the bids opened. Failure by Procurement and Disposal Unit to control bid opening may increase the risk of bid tampering or manipulation and compromise the transparency of the procurement processes. The details are indicated in Table 10 below:

Table 10: Procurement with irregularities at bids receipt and opening

No.	Subject of Procurement	Contract Amount (UGX)	Findings	Management response
1.	Supply of School three-seater wooden Desks.	26,019,000	Issuing of bidding document with a conditional evaluation criteria e.g., upon submission of a ream of paper to Procurement and Disposal Unit with no justification.	*This criterion was clearly stated on the invitation letter to bid instead of paying non-refundable fee to submit reams of papers because the volume of the bid document was small to charge them money. Annex 9* **Authority's comment.** The Authority acknowledges management response and advice that the Head Procurement and Disposal Unit should always make reference to the PPDA, Act. 205 whenever conducting a procurement and disposal.
2.	Construction of concrete perimeter wall fence with gate house and three gates at the Headquarters.	569,161,275	Key pages of the bids were not signed at bid opening by the representative of the Contracts Committee. This exposed them to tampering where individual interests manifest.	*This was an oversight but the representative was available at the time of bid opening evidenced by record of receipt and opening signed by chairperson Contracts Committee. Advice noted for implementation as guided. Annex 10*
3.	Construction of classroom blocks with office in Roga Primary school.	141,896,500	Chairperson of the bid opening process did not endorse and sign key pages of the bids opened like; the bid submission sheet, BoQs, etc.,	*This was an oversight but the representative was available at the time of bid opening evidenced by record of receipt and opening signed by chairperson Contracts Committee. Advice noted for implementation as guided. Annex 11*
4.	Additional works in the play field project of fitting door, windows and finishes on the Pavilion Commercial rooms.	149,996,700	Chairperson of the bid opening process did not endorse and sign key pages of the bids opened like; the bid submission sheet, BoQs, etc.,	*This was an oversight but the representative was available at the time of bid opening evidenced by record of receipt and opening signed by chairperson Contracts Committee. Advice noted for implementation as guided. Annex 11*

5.	Borehole, siting, drilling, installation, test pumping and apron construction of six units under by water department.	182,612,900	The Chairperson bid opening did not endorse and sign key pages of the bid received.	*The representative was available at the time of bid opening evidenced by record of receipt and opening signed. Find the attached for verification annex 12* *This was an oversight but the representative was available at the time of bid opening evidenced by record of receipt and opening signed by chairperson Contracts Committee. Advice taken to be implemented as guided annex 13*
Total		**1,069,686,375**		

Implication
Failure by Procurement and Disposal Unit to control bid opening may increase the risk of bid tampering or manipulation and compromise the transparency of the procurement processes.

Authority's comment.
The Authority acknowledges management response, however, the evidence provided as annextures were for Chairperson Contracts Committee witnessing bids opening but not signing key pages of the bids document.

Recommendation
The Procurement and Disposal Unit should confirm that the key pages that are unique to the bid, such as the bid form, the bid submission sheet and pages containing the financial information are endorsed with the stamp of the Procuring and Disposing Entity and signed or initialled by the Chairperson of the bid opening session in accordance with Regulation 75 (6) of the PPDA (Rules and Methods Procurement of Works, Supplies, and Non-Consultancy Services) Regulations, 2023.

2.1.10 Irregularities identified in the Entity's evaluation process
Regulation 5 (1) (2) states that, "*the evaluation of bids shall be conducted in accordance with the evaluation criteria specified in the bidding documents and that an Evaluation Committee shall not, during an evaluation, make any amendment including any addition to the evaluation criteria stated in the bidding document, and shall not use any other criteria other than the criteria specified in the bidding document.*"
The Authority found, in four procurements worth UGX. 951,750,739, irregularities during the evaluation process such as introduction of new evaluation criteria not stated in the bidding document, persons not nominated/appointed as members of the Evaluation Committee participating in the evaluation exercise and lack of specific details of the equipment required in the criteria. The details are indicated in Table 11 below:

Table 11: Procurements with irregularities at evaluation

No.	Subject of procurement	Contract Amount (UGX)	Findings	Management response
1.	Supply of School three-seater wooden Desk.	26,019,000	• Introduction of new evaluation criteria not stated in the Bidding Document e.g. submission of a ream of paper as evaluation criteria which was not related to the procurement.	*This criteria was clearly stated on the invitation letter to bid instead of paying non-refundable fee to submit reams of papers and was used as eligibility criteria to evaluate. Annex 15.* **Authority's comment.** The Authority acknowledges management response; however, this condition is not provided for in the PPDA, Act.205
2.	Construction of cultural museum and accommodation facility.	599,735,836	• The Evaluation Committee recommended the award of contract to Pacific Waves at UGX. 599,996,700, a price higher than the planned amount of UGX. 570,000,000. • No recommendation for negotiation was made.	*True the Initial plan was at UGX. 570,000,000 but plan was later amended by user department to UGX. 620,000,000 and requisition was made at UGX. 620,000,000 Annex:20 By the time of Evaluation there was sufficient funds for the project.*
3.	Construction of two classroom blocks with office at Omuriba Primary School	143,383,000	• The justification and positions of persons recommended to constitute the Evaluation Committee were not stated. A member should have technical skills and experience	*The justification and positions of persons recommended to constitute the Evaluation Committee were stated attached. Find the attached evidence. Annex 22 Since there is only one staff in the unit she was overwhelmed with other duties.* **Authority's comment.** The Entity is advice to used standard Form 5 Schedule1 as per the PPDA, (Rules and

No.	Subject of procurement	Contract Amount (UGX)	Findings	Management response
			relevant to the procurement. • Failure to nominate and approve a member of the Procurement and Disposal Unit in the Evaluation Committee.	Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023
4.	Borehole, siting, drilling, installation, test pumping and apron construction of six units under by water department.	182,612,900	Specific detail of the equipment required for the works, like; Water boozer, supervision vehicle, borehole installation tool kit, etc., lacked specification of their; capacity, tonnage, model, year of manufacture, etc., and it was up to the providers to provide details of the proposed equipment.	No management response
	Total	**951,750,739**		

Implication

Introduction of new evaluation criteria during evaluation exposes the integrity of the evaluation process thus creating doubt in the evaluation exercise. It also affects the competitiveness of the bidding process and exposes the Entity to engaging bidders with inadequate capacity to objectively implement the projects they are contracted to do.

Management response

The criteria upon which the evaluation were done were issued to the bidders during issue of bid and invitation letters however all recommendations are taken in to consideration.

Recommendations

The Head, Procurement and Disposal Unit should always, prepare and issue to the Evaluation Committee, evaluation forms (e.g., Form 14) with harmonized evaluation criteria as were stated in the bidding documents issued to bidders. This should be done in compliance with the requirements of Regulations 5 (1-2), of the PPDA (Evaluation) Regulations, 2023, and it will minimize the Entity's risk to evaluation process related to administrative reviews from unsuccessful bidders.

2.1.11 Irregularities at contracting

Regulation 9 (2) of the PPDA (Contracts) Regulations, 2023 requires a contract document to be in accordance with the form of contract specified in the bidding document. The Authority found irregularities at contracting in six procurements worth UGX.2,161,408,644, The irregularities included change of contract terms from those in the issued bidding document and the signed contract. This was notably caused by laxity of the Head Procurement and Disposal Unit to align the contract document with the Special Condition of the Contract in the issued bidding document. The details of the procurements are indicated in Table 12 below:

Table 12: Irregularities at contracting

No.	Subject of procurement	Contract Amount (UGX)	Findings	Management response
1.	Construction of concrete perimeter wall fence with gate house and three gates at the Headquarters.	569,161,275	Changing the contract term. Whereas the bidding document issued under SCC (GCC 61.1) stated 2% for the Performance Security for ES at contract signing it is changed to 3% SCC (GCC 61.1)	*True this was typing error but all has been acknowledged for improvement as recommended*
2.	Construction of classroom blocks with office in Roga Primary school.	141,896,500	• Reduction in the intended completion period. In the SCC (GCC 22.1) attached to the contract, the Intended completion date for the whole works was 3 months, yet the SCC (GCC 22.1) in the bidding document it was 4 months. • Reduction in the retention fees. In the SCC (GCC 57.1) attached to the contract, the retention fee was 5%, yet the SCC (GCC 57.1) in the bidding document it was 10%.	
3.	Borehole, siting, drilling, installation, test pumping and apron construction of six units under by water department.	182,612,900	• Change in charge for liquidated damages. In the SCC (GCC 58.1.) in the bidding document issued, liquidated damage was provided for as 5% of the final contract price. This changed to *5000 per day*, and *a maximum of 2% of the final contract prices*	*These amendments were done based on user representative technical guidance on how much they intend to spend but for future transaction the*

			in the SCC (GCC 58.1) attached to the contract agreement. • Change in charge for retention fees. In the SCC (GCC 57.1.) in the bidding document issued, retention fees was provided for as 10%. This changed to 5% in the SCC (GCC 57.1) attached to the contract agreement. • Change in the requirement for Performance Security. In the SCC (GCC 61.1.) in the bidding document, the Performance Security was 7% and 3% ES Performance Security. This changed to Performance Securing Declaration and ES Performance Security of 5% in the SCC (GCC 61.1) attached to the contract agreement.	*Entity has taken note of the recommendations and shall improve* *This is true observation and it was intended to correct the error made in the bidding document at time of contract signing.*
4.	Completion of construction of play field at District Head Quarters.	674,493,383	Change in in requirement for performance Security. In the SCC (GCC 61.1.) in the bidding document, the Performance Security was 10% and 2% ES Performance Security. This changed to Performance Security 7% and ES Performance Security of 3% in the SCC (GCC 61.1) attached to the contract agreement.	*This is true observation and it was intended to correct the error made in the bidding document and since standard documents issued by USMID-AF required Performance Security 7% and ES Performance Security of 3%.*
5.	Construction of two classroom blocks with office at Omuriba Primary School.	143,383,000	The contract document was only initialled by one party.	*True, the Entity shall ensure all parties who are signatory to contracts sign all the all pages*

				of the contract document.
6.	Additional works in the play field project of fitting door, windows and finishes on the Pavilion Commercial rooms.	149,996,700	• BEB notice and contract agreement were signed by Arubaku Kenneth on behalf of Chief Administrative Officer without delegated authority from the Chief Administration Officer. • Agreement signed by Arubaku Kenneth on behalf of Chief Administrative Officer without delegated authority from the Chief Administrative Officer and witnessed by Alounzi Godfrey the District Engineer. • Dropping off the requirements for site investigation report at contract signing. SCC (GCC 14.1) required a bidder to submit a site investigation report, but this was made not applicable in the contract signed with the BEB. • Increment in the scope of works at contract signing, yet no requirement seen for rescoping of works. As presented in the Table below; Electrical works in the rooms and apron construction & finishes works were added to the contractor.	*True however by the time these documents were signed the Chief Administrative officer was out of station for other official duties and delegated the Principle Assistant Secretary to sign documents but not the accounting role. Annex 28.* **Authority's comment.** The said annex 28 is not provided *True all bidders invited and those who submitted did not come for site invitation hence the criteria eliminated for all details of requirements needed as seen on the BoQs therefore by the time of contract document it was paramount to include all statements of requirements on one document hence the changes.*

<table>
<tr>
<td></td>
<td></td>
<td></td>
<td>
<table>
<tr><th>Scope in SCC (GCC 9.1) in the contract agreement</th><th>Scope in SCC (GCC 9.1) in the bidding document</th><th></th></tr>
<tr><td>Partition of rooms.</td><td>Fitting of doors & Windoors</td><td></td></tr>
<tr><td>Doors & windows fitting.</td><td>Terrazzo works on the floor</td><td></td></tr>
<tr><td>Electrical works in the rooms.</td><td>Finishes works both inside and outside.</td><td></td></tr>
<tr><td>Floor & general finishes in all rooms.</td><td></td><td></td></tr>
<tr><td>Apron construction & finishes.</td><td></td><td></td></tr>
</table>

Increment in the intended completion period. In the SCC (GCC 22.1) attached to the contract, the intended completion date for the whole works was two months, yet the SCC (GCC 22.1) in the bidding document it was one month.
Introduction of the need for Performance Security under SCC (GCC 61.1) and tagging it to irrevocable / unconditional on demand Bank Guarantee from a recognized bank regulated by Bank of Uganda SCC (GCC 61.3). In the SCC (GCC 61.1) the Entity specified that the Performance Security would not apply, but in the contract signed it was made applicable at the rates of; 3% for Performance

</td>
<td></td>
</tr>
</table>

			Security and ES Performance Security of 2%, thus totalling to 5%, yet a Performance Securing Declaration could have been applicable.	
	Total	**2,161,408,644**		

Implication
This exposed the Entity to legal risks during contract execution due to inconsistencies between the terms in the bidder's bid and the signed contract

Management response
Advice is noted for action and improvement

Recommendation.
The Head, Procurement and Disposal Unit should always align contract terms in the signed contract agreements with those specified in the bidding documents in accordance with Regulation 9 (2) of the PPDA (Contracts) Regulations, 2023.

2.1.12 Failure to incorporate Solicitor General's advice and signing contract on an expired bid.

Regulation 6 (1) (f) of the Public Procurement and Disposal of Public Assets (Contracts) Regulations, 2023 provides for necessary approvals were applicable from the Attorney General. The Authority found that in two procurements conducted worth UGX. 899,606,786 the Entity failed to adhere to the guidance provided by the Attorney General notably due to the laxity of the Procurement and Disposal Unit to incorporate the advice in the final contract signed. The details of the procurements are shown in Table 13 below:

Table 13: Contracts for which the Entity failed to incorporate Solicitor General's advice and contract signed after bid expired

No	Subject of procurement	Contract Amount (UGX)	Findings	Management response
1.	Construction of Service Bay (Mechanical workshop) at District Headquarters.	299,870,950	• Attorney Generals guidance was not incorporated in the contract agreement signed. Among the other Solicitor General's advice not implemented by the Entity was, under SCC (GCC 60.1) (Advance payment guarantee), amendment should be made to read '*if the provider requests for*	*True this was an over sight. However, the contractor did not request for advance payment hence the clause was not applied during contract execution.*

No	Subject of procurement	Contract Amount (UGX)	Findings	Management response
			advance payment, the advance payment shall be 20% of the contract sum payable upon submission of an irrevocable and unconditional Bank Guarantee from a reputable bank regulated by Bank of Uganda". This advised was not implemented in the signed contract • Delayed clearance of the contract by the Solicitor General. The Accounting Officer submitted the contract for clearance on 12/19/2024 and it was cleared on 2/10/2025 when the bid had expired on 2/5/2025, causing a delay of 31 working days. • Signing contract after expiry of bid validity 2/20/2025. The Accounting Officer requested the contractor to extend the bid validity date on 1/27/2025 since the bid was due to expire on 2/5/2025. The contractor later submitted letter for extension of the bid validity on 2/19/2025 indicating that it	• *The Anomalies were caused by the delays at clearance by solicitor General, however, these inconsistencies have been taken note of and the Entity shall ensure timely follow up of procurement processes for consistency and efficiency.*

No	Subject of procurement	Contract Amount (UGX)	Findings	Management response
			was revised from 5/11/2024 to 5/3/2025.The response date of 2/19/2025 was also after the bid had expired.	
2.	Construction of cultural museum and accommodation facility	599,735,836	The Entity did not take into consideration the advice of Solicitor General on SCC (GCC 61.1 and 61.3) regarding the amendment for the requirement for Performance Security with a Performance Securing Declaration.	*This was USMID-AF world bank funded project which had its conditions attached but shall comply as advised.*
	Total	**899,606,786**		

Implication
Failure by the Entity to amend the clauses in the Special Condition of the contract(s) cleared by the Solicitor General, undermines the strength of the contract and the government's legal position, in case of disputes that arise from breaches of contract terms and conditions.

Authority's comment
The Authority advices that all projects as long as it's above the threshold of UGX.200M the contract must be clear by Solicitor's General irrespective of source of the funds.

Recommendations
The Accounting Officer should always implement the Attorney General's advice thus strengthening the government's legal position on contracts signed that are legally binding, this is in accordance with Regulation 6 (l) of the PPDA (Contracts) Regulations, 2023.

2.1.13 Contract signed on an expired bid
Regulation 6 (1) (c) of the PPDA (Contracts) Regulations, 2023 states that *"a Procuring and Disposing Entity shall not issue a contract, purchase order, or other communication in any form, conveying acceptance of a bid that binds a Procuring and Disposing Entity to a contract with a provider, except where; the period specified in regulation 4 has expired and the bid is valid or the bidder is willing to extend the bid validity with the terms similar to the terms stated in their bid".* The Authority found that the Entity signed a contract agreement for the Construction of a Service Bay (Mechanical Workshop) at the District Headquarters worth UGX. 299,870,950 on an expired bid. This was a result of delay to clear the contract by Solicitor General. The best evaluated bidder's bid expired on 2/5/2025 and the contract was signed on 2/20/2025.

Implication
Contracts signed on expired bid, exposed the Entity to the risk of changes in the contractual terms by the successful bidder, as the bid become invalid, and the Entity left subjective to changes in the contractual terms and conditions from the provider.

Management response

The Anomalies were caused by the delays at clearance by solicitor General however this inconsistency has been taken note of and the Entity shall ensure timely follow up of procurement processes are done.

Recommendation

The Accounting Officer as mandated, should sign contracts with bidders whose bid is valid, as required by Regulations 6 (1) (c) of the PPDA (Contracts) Regulations, 2023 to protect the Entity from being left subjective to changes in the contractual terms and conditions from the provider due to expiry of the bid.

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

2.2.1 Failure to plan and dispose assets during the financial year 2024/25

The Authority established during the audit that:

i. The Entity had no board of survey report for financial year 2024/2025;
ii. The Procurement and Disposal Unit did not prepare the disposal plan of the Entity for the financial year 2024/25; and
iii. The Entity did not dispose of assets in the above period.

Hence, from the above, it was not possible for the audit team to express an opinion on the status of the disposal of assets in the Entity. Photographs of the unserviceable assets due for disposal are in Appendix 4

Implications

The Entity's failure to plan and cause for disposal of obsolete and unusable assets, exposes the same assets to deterioration and loss of realizable market value through pilferage, wear and tear.

Management response

True observation, recommendation noted for action. However, this was due to lack of funding for the activity. The Budget desk has been directed to allocate funds for disposal in the FY2026/2027 to dispose the obsolete items

Recommendations

The Accounting Officer should:

i. Institute a Board of Survey to evaluate and assess the status of the assets of the Entity with a report prepared to guide the disposal process in accordance with Regulation 2 (2) of the PPDA (Disposal of Public Assets) Regulations, 2023;
ii. Based on the Board of Survey report, task the Head, Procurement and Disposal Unit to prepare the disposal plan annually, and submit the same to the Authority, in compliance with Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023
iii. Plan and dispose the obsolete assets in accordance with Regulation 2 of the PPDA (Disposal of Public Assets) regulations, 2023 to avoid further loss in value of the assets due to deterioration and possible pilferage.

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

2.3.1 Anomalies at Contract Management.

Regulation 50 of the PPDA (Contracts) Regulations,2023 mandates, the Accounting Officer to appoint a Contract Manager. Regulation 52 of the PPDA (Contracts) Regulations, 2023 empowers the Contract Manager to manage and ascertain that the provider performs the contract in accordance with the terms and conditions specified in the contract. The Authority found anomalies in contract management in two procurements transaction worth UGX. 857,106,283. The anomalies include failure by the contractor to submit Performance Security and ES Security, contract manager did not prepared contract implementation plan, no hand over reports etc, as detail in Table 14 below.

Table 14: Procurements with anomalies contract management

No.	Subject of procurement	Contract Amount (UGX)	Findings
1.	Borehole, siting, drilling, installation, test pumping and apron construction of six units under by water department	182,612,900	• No contract management plan. • No payment vouchers and receipts. • No Performance Security policy of 3% and ES Performance Security of 2%. **Management response** *True Observations however by the time of audit these documents were archived in separate file but now they are viable for verification. Annex 28* **Authority's comment** The said annex 28 is not provided. The Entity is advice to fill Form 49 contract implementation plan.
2.	Completion of construction of play field at District Head Quarters.	674,493,383	• No insurance policy submitted by the contractor. Minimum insurance cover of 110% for works, plant & materials; with a maximum deductible of 50%, in addition to other similar insurance covers (for personnel injury or death and property) specified under SCC (GCC 18.1) as a bidding requirement. However, no insurance cover policies were submitted by the contractor to the Entity. • Failure by contractor to submit the required Performance Security. In the SCC (GCC 61.1) the Entity specified need for Performance Security of 7% and ES Performance Security of 3%. Yet in the item (g) of the bid submission

			sheet, the contractor committed to submit Performance Security of UGX. 67,449,338. • As built drawings were not submitted by the contractor to the Entity, yet SCC (GCC 67.1) required its submission 30 days from date of practical completion. • Payment vouchers issued by Inde Town |Council were not verified by the I.A, e.g., PV No.03/01/24/25 of UGX.299,098,849 and PV No.04/04/24/25 of UGX.246,707,440. • No handover report for the project
	Total	**857,106,283**	

Implication
The above irregularities are the indicators of weak contract management controls in the Entity.

Management response
These gaps were due to inadequate staffing in the department during the time of contract implementation to follow up all the issues raised. However, going forward the recommendation is noted for improvement in contract Management.

Recommendations

1. Contract Managers should strictly prepare contract implementation schedules, conduct monthly performance reviews and document all contract monitoring activities to facilitate timely intervention where delays and non-compliance are identified in accordance with Regulation 52(1)(b) of the PPDA(Contracts) Regulations,2023.
2. The Head, Procurement and Disposal Unit should ascertain that Contract Managers prepare contract management plans using Form 49 in Schedule 2 and forward a copy of the contract management plan to the Procurement and Disposal Unit for purposes of monitoring in accordance with Regulation 50 (3) of the PPDA (Contract) Regulations 2023.

2.3.2 Failure to have clear provisions regarding Environment, Social, Health and Safety safeguard requirements in the statement of requirements.

Regulation 34 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 states that *a statement of requirements, shall where applicable, be environmentally and socially responsive*. 'The Authority found that in four procurement transactions worth UGX. 1,150,843,685 there were no detail activities for ESHS provided in the BoQs contrary to the above provision. The Environment Officer did not prepare Environmental management plan for the projects. The Procurements details are provided in Table 15 below:

Table 15: Procurements which lack ESHS aspects

No.	Subject of procurement	Contract Amount (UGX)	Exceptions
1.	Construction of Service Bay (Mechanical workshop) at District Headquarters.	299,870,950	• No evidence on file show that environmental screening was done by the Environment Officer and Community Development Officer. • No detail activities for ESHS provided in the BoQs. • Inadequate monitoring and reporting on implementation of ESHS, no progress report with pictorial evidence from Environment Officer and Community Development Officer indicating that the contractors adhered to requirements on ESHS during contract execution.
2.	Construction of Phase1 of Bandili piped water supply system.	139,914,960	
3.	Construction of concrete perimeter wall fence with gate house and three gates at headquarter.	569,161,275	
4.	Construction of classroom blocks with office in Roga Primary school.	141,896,500	
	Total	**1,150,843,685**	

Implication

Lack of Environment, Social, Health and Safety requirements can potentially lead to environmental harm to workers and public health risks, delays in contract implementation and may result into outcomes which do not meet the end user requirements.

Management response

The District Community Development Officer and environment officer was able to supervise some of the construction works though not all projects and provide guidance to the contractors on social safeguards to protect both the workers and community members. However, advice noted for improvement. Find the attached supervision report. Annex 29

Authority's comment.

The Authority acknowledges management response, however, no detailed activities were provided in the BoQs and the solicitation documents issued.

Recommendations

The Accounting Officer should task Heads of User Departments to prepare adequate statements of requirements that are clear, precise and inclusive of ESHS issues with input from subject matters expertise to enable the Procurement and Disposal Unit to prepare better quality bidding documents that will attract many more responsive bidders in accordance with Regulation 34 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.3.3 Weak oversight of the procurement processes by the Internal Audit Unit

Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 mandates the Internal Audit Unit of a Procuring and Disposing Entity to audit the procurement and disposal processes of an Entity. The Authority, found that, in three procurements worth UGX. 1,344,879,334 the Internal Audit Unit did not audit the procurement process. The procurements are presented in Table 16 below.

Table 16: Procurement not audited by the Internal Audit

No.	Subject of procurement	Contract Amount (UGX)	Findings
1.	Construction of concrete perimeter wall fence with gate house and three gates at headquarter.	569,161,275	Failure by the Internal Auditor to audit the procurement process.
2.	Completion of construction of play field at District Head Quarters.	674,493,383	Payment vouchers issued by Inde Town |Council were not verified by the Internal Auditor, e.g., PV No.03/01/24/25 of UGX.299,098,849 and PV No.04/04/24/25 of UGX.246,707,440.
	Total	**1,243,654,658**	

Implication

Weak oversight of the procurement process by the Internal Audit Unit, exposes the procurement process to manipulation at key stages of the procurement and the Entity's failure in achieving value for money

Management response

True observation and advice noted for action however this was due to staffing gap in the department where by the assigned staff was overwhelmed with work but the Entity has now recruited staff in the department and shall be implemented as recommended.

Recommendation

The Internal Audit Unit to always audit the procurement processes for conformity in order for the Entity to achieve efficiency, cost effectiveness and compliance with the laws and policies in its procurement function, in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall Compliance Inspection Conclusion

The performance of Madi Okollo District Local Government for the Financial Year 2024/25 was **Moderately Satisfactory** with overall weighted average risk rating of **55.9%.**

3.2 Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 17 below:

Table 17: Summary of performance of Madi Okollo District Local Government

Risk Rating	No.	%No.	Value (UGX)	%Value	Weights	Total Weighted Score	
						By Number	By Value
High	2	20	899,606,786	30.7	0.6	12	18.42
Medium	5	50	1,718,160,758	58.7	0.3	15	17.61
Low	3	30	309,316,960	10.6	0.1	3	1.06
Satisfactory	0	0	0	0	0	0	0
Total	**10**	**100**	**2,927,084,504**	**100**	**1**	**30**	**37.09**

Weighted Average by number = $\frac{\sum \text{Weighted Score} \times 100}{60} = \frac{30 \times 100}{60} = 50\%$

Weighted Average by Value) = $\frac{\sum \text{Weighted Score} \times 100}{60} = \frac{37.09 \times 100}{60} = 61.81\%$

The average weighted risk rating = $\frac{50+61.81}{2} = 55.9\%$

Since 55.9% falls within the 31-70 risk range, the performance of the Entity is rated Satisfactory as detailed in Table 18 below:

Table 18: The risk rating is as follows:

Risk Rating	Description of the performance
0-30%	Satisfactory
31-70%	Moderately satisfactory
71-100%	Unsatisfactory

GRAPHICAL PRESENTATION OF THE ENTITY'S PERFORMANCE

Figure 1: showing performance by number of contracts

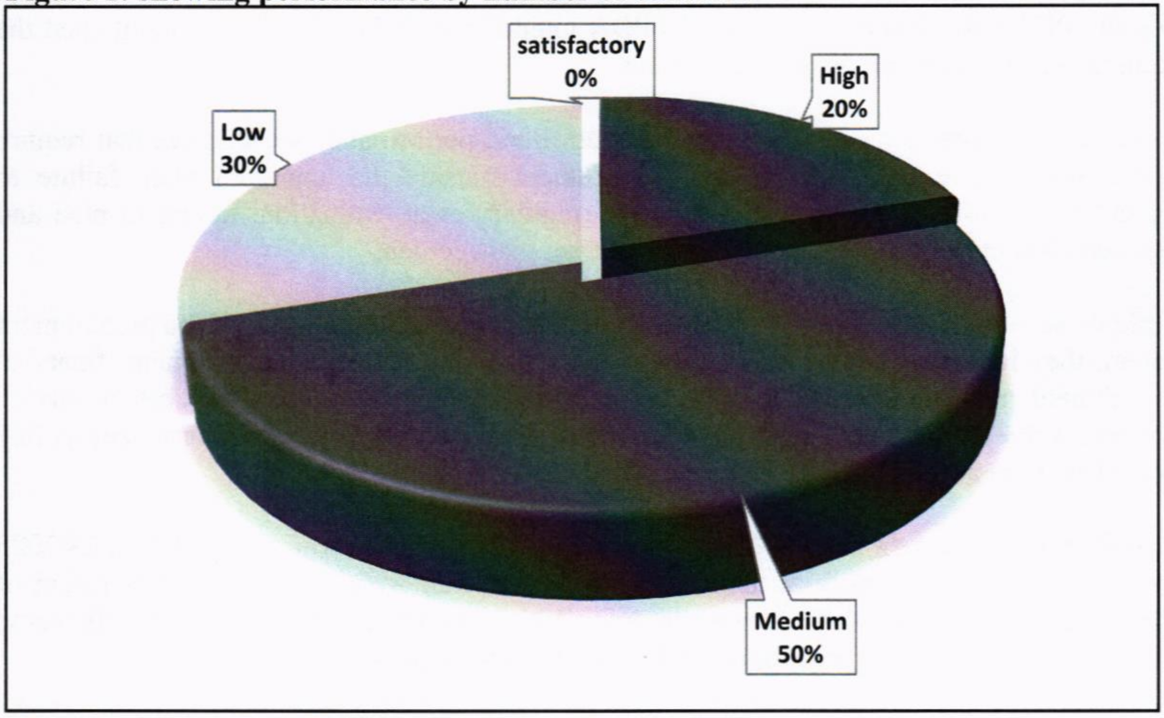
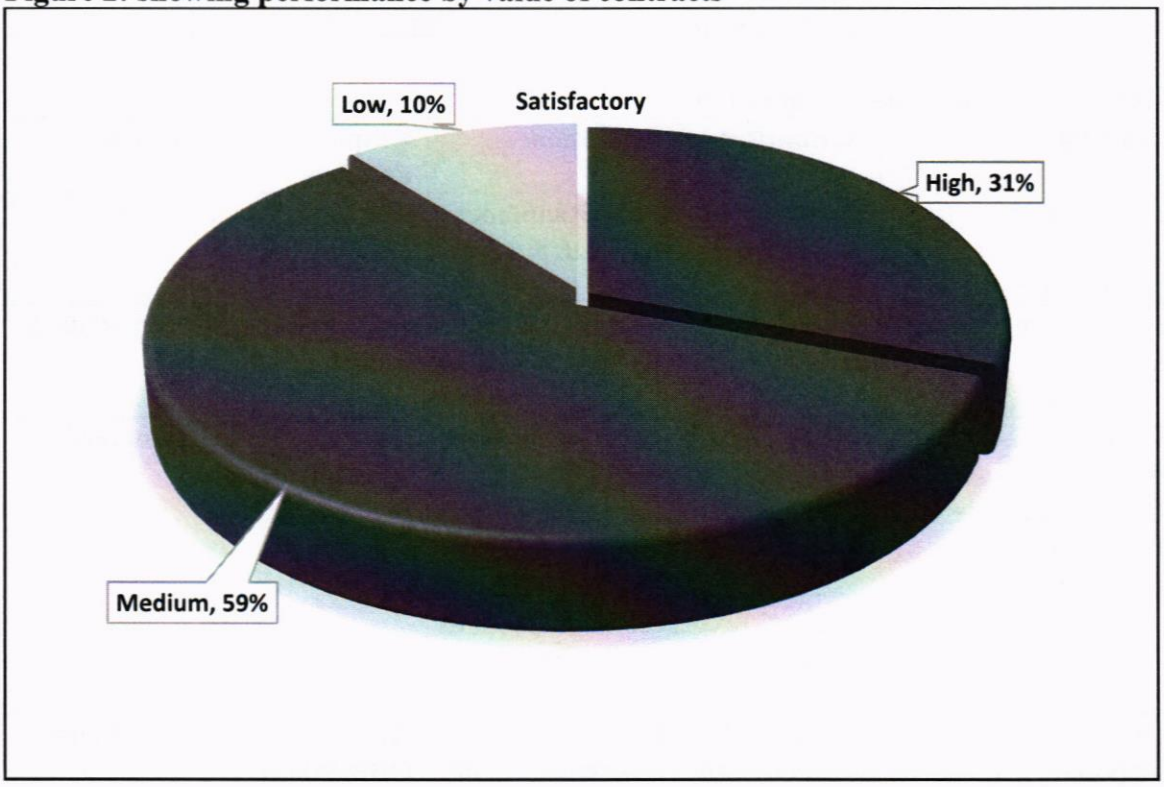


Figure 2: showing performance by value of contracts



3.3 Conclusion

The Procurement and Disposal activities of Madi Okollo district for the Financial Year 2024/2025 were generally conducted in compliance with the provisions of the PPDA Act, Cap. 205, the PPDA Regulations, 2023, and PPDA Guidelines, 2024. The Entity maintained the required procurement and disposal structures.

However, the inspection identified several control and performance weaknesses that require management attention. These include procurement outside the approved plan, failure to implement previous audit recommendations, irregularities at evaluation, failure to plan and disposed obsolete assets, and anomalies at contract management.

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

Accordingly, the performance of Madi Okollo District Local Government for FY 2024/2025 was assessed as **Moderately Satisfactory**, with an overall weighted average risk rating of **55.9%,** but requiring targeted management interventions to strengthen procurement efficiency, contract performance, and compliance with statutory and regulatory requirements.

3.4 Recommendation Action Plan

The Entity should implement the recommendations as indicated in Table 19 below:

Table 19: Recommended action plan

Finding	Action/Recommendation	Responsible Officer	Timeline
Procurement outside the approved procurement plan	Conduct quarterly procurement plan reviews and update plans	Accounting Officer/Head PDU	Quarterly
Failure to implement audit recommendations	Establish audit recommendation register and quarterly monitoring	Accounting Officer	Within 30 days
Failure to have clear provision regarding ESHS requirement in the statement of requirement	User Departments to prepare adequate statements of requirements that are clear, precise and inclusive of ESHS issues with input from subject matters expertise inorder to address concern on ESHS.	User department/ Environment Officer	Continuously
Failure to plan and disposed obsolete assets	Set up a board of survey to conduct an assessment and valuation of the assets and have them disposed off	Accounting Officer/Head PDU	Q1 2025/2026
Introduction of new evaluation criteria	The HPDU should Prepare and issue to the Evaluati Committee, evaluation forms (e. Form 14) with harmonized	The HPDU	Immediately

	evaluation criteria as were stated the bidding documents issued bidders.		
Change of contract terms	The HPDU should align contract terms in the signed contract agreements with those specified in the bidding documents before contract is sign.	The HPDU	Immediately
Failure to prepare contract implementation plan	Ascertain that Contract Managers prepare contract management plans using Form 49 in Schedule 2	The HPDU	Immediately

Appendix 1: Findings and Rating on the individual contracts inspected

No.	High Risk Contracts	Reasons for risk rating
1.	Construction of cultural Museum and Accommodation Facility UGX 599,735,836	• Failure to incorporate Solicitor General guidance into Special Conditions of Contract (SCC). • Failure to implement Environmental, Social, Health, and Safety (ESHS) requirements
2.	Construction of service bay at the District Headquarters. UGX 299,870,950	Failure to incorporate Solicitor General guidance into Special Conditions of Contract (SCC).
No	**Medium Risk Contracts**	**Reasons for risk rating**
1.	Completion of construction of play field at District Head Quarters UGX 674,493,383	• No insurance policy submitted by the contractor. Minimum insurance cover of 110% for works, plant & materials; with a maximum deductible of 50%, in addition to other similar insurance covers (for personnel injury or death and property) specified under SCC (GCC 18.1) as a bidding requirement. However, no insurance cover policies were submitted by the contractor to the Entity. • Failure by contractor to submit the required Performance Security. In the SCC (GCC 61.1) the Entity specified need for Performance Security of 7% and ES Performance Security of 3%. Yet in the item (g) of the bid submission sheet, the contractor committed to submit Performance Security of UGX. 67,449,338. • No contract management plan prepared. • As built drawings were not submitted by the contractor to the Entity, yet SCC (GCC 67.1) required its submission 30 days from date of practical completion. • No payment receipts. • Payment vouchers issued by Inde Town Council were not verified by the I.A, e.g., PV No.03/01/24/25 of UGX.299,098,849 and PV No.04/04/24/25 of UGX.246,707,440. • No handover report for the project

2.	Construction of the District Headquarters with concrete wall fence and gates UGX 569,161,275	• The Entity issued bidding document with the same expiry period of 5th February 2025 for both the Bid Securing Declaration and the bid validity. This was contrary to Regulation 63 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 that provides for the Bid Securing Declaration expiry of 28 days after bid validity expiry. • Key pages of the bids were not signed at bid opening by the representative of the Contracts Committee. This exposed them to tampering where individual interests manifest. • Changing the contract term. Whereas the bidding document issued under SCC (GCC 61.1) stated 2% for the Performance Security for ES at contract signing it is changed to 3% SCC (GCC 61.1) • No detail activities for ESHS provided in the BoQs. • Failure by the Internal Auditor to audit the procurement process.
3.	Borehole, siting, drilling, installation, test pumping and apron construction of six units under by water department UGX 182,612,900	• Change in charge for liquidated damages. In the SCC (GCC 58.1.) in the bidding document issued, liquidated damage was provided for as 5% of the final contract price. This changed to *5000 per day,* and *a maximum of 2% of the final contract prices* in the SCC (GCC 58.1) attached to the contract agreement. • Change in charge for retention fees. In the SCC (GCC 57.1.) in the bidding document issued, retention fees was provided for as 10%. This changed to 5% in the SCC (GCC 57.1) attached to the contract agreement. • Change in the requirement for Performance Security. In the SCC (GCC 61.1.) in the bidding document, the Performance Security was 7% and 3% ES Performance Security. This changed to Performance Securing Declaration and ES Performance Security of 5% in the SCC (GCC 61.1) attached to the contract agreement.
4.	Additional works in the play field project of fitting door, windows and finishes on the Pavilion Commercial rooms UGX 149,996,700	• BEB notice and contract agreement were signed by Arubaku Kenneth on behalf of Chief Administrative Officer without delegated authority from the Chief Administration Officer. • Agreement signed by Arubaku Kenneth on behalf of Chief Administrative Officer without delegated authority from the Chief Administrative Officer and witnessed by Alounzi Godfrey the District Engineer. • Dropping off the requirements for site investigation report at contract signing. SCC (GCC 14.1) required a bidder to submit a site investigation report, but this was made not applicable in the contract signed with the BEB.

<table>
<tr>
<td></td>
<td></td>
<td>

Increment in the scope of works at contract signing, yet no requirement seen for rescoping of works. As presented in the Table below; Electrical works in the rooms and apron construction & finishes works were added to the contractor.

<table>
<tr><th>Scope in SCC (GCC 9.1) in the contract agreement</th><th>Scope in SCC (GCC 9.1) in the bidding document</th></tr>
<tr><td>Partition of rooms.</td><td>Fitting of doors & windoors</td></tr>
<tr><td>Doors & windows fitting.</td><td>Terrazzo works on the floor</td></tr>
<tr><td>Electrical works in the rooms.</td><td>Finishes works both inside and outside.</td></tr>
<tr><td>Floor & general finishes in all rooms.</td><td></td></tr>
<tr><td>Apron construction & finishes.</td><td></td></tr>
</table>

Increment in the intended completion period. In the SCC (GCC 22.1) attached to the contract, the intended completion date for the whole works was two months, yet the SCC (GCC 22.1) in the bidding document it was one month.
Introduction of the need for Performance Security under SCC (GCC 61.1) and tagging it to irrevocable / unconditional on demand Bank Guarantee from a recognized bank regulated by Bank of Uganda SCC (GCC 61.3). In the SCC (GCC 61.1) the Entity specified that the Performance Security would not apply, but in the contract signed it was made applicable at the rates of; 3% for Performance Security and ES Performance Security of 2%, thus totalling to 5%, yet a Performance Securing Declaration could have been applicable.

</td>
</tr>
<tr>
<td>5.</td>
<td>Construction of classroom blocks with office in Roga Primary school
UGX 141,896,500</td>
<td>

High percentage charge for Performance Security. In the SCC (GCC 61.1) the Entity specified need for Performance Security of 7% and ES Performance Security of 3%, thus totalling to 10%. This was higher than the threshold of 5% requirement.
Wrongful Performance Security requirement included in the SCC (GCC 61.1). The procurement was sourced through RFQs, as such the Procurement and Disposal Unit should have requested for a Performance Securing Declaration and not Performance Security of 7% and ES Performance Security of 3%.
The BoQs attached to the bidding document did not provide for ESHS as a bidding requirement, as such safety and environmental safeguards were ignored.
Reduction in the intended completion period. In the SCC (GCC 22.1) attached to the contract, the

</td>
</tr>
</table>

		Intended completion date for the whole works was 3 months, yet the SCC (GCC 22.1) in the bidding document it was 4 months. • Reduction in the retention fees. In the SCC (GCC 57.1) attached to the contract, the retention fee was 5%, yet the SCC (GCC 57.1) in the bidding document it was 10%. • No evidence on file show that environmental screening was done by the Environment Officer and Community Development Officer. • No detail activities for ESHS provided in the BoQs.
No.	**Low Risk Contracts**	**Reasons for risk rating**
1.	Supply of three seater wooden desks for School under Education Department UGX 26,019,000	• The requisition form 5 approved on 4/3/2025 lacked information on justification for approval of method, Evaluation Committee and person involved in the preparation of the bidding document. • Issuing of bidding document without pre disclose evaluation criteria e.g. upon submission of a ream of paper to Procurement and Disposal Unit with no justification. • Introduction of new evaluation criteria not stated in the Bidding Document e.g. submission of a ream of paper as evaluation criteria which was not related to the procurement.
2.	Construction of Phase I Bandili Piped water system UGX 139,914,960	• No part II of form 5 on file. Whereas requisition for the procurement was approved by the Accounting Officer on 1/23/2025, there was no evidence on file to confirm that it was submitted to the Contracts Committee for approval. • No evidence on file show that environmental screening was done by the Environment Officer and Community Development Officer. • No detail activities for ESHS provided in the BoQs.
3	Construction of classroom blocks with office in Omurimba Primary School UGX 143,383,000	• Delay to approve the requisition by the Accounting Officer by 10 working days. The requisition was initiated by the User Department on 4/10/24 and it was approved on 10/17/24 by the Accounting Officer. • Low bidders' participation

APPENDIX 2: SAMPLE LIST INSPECTED FOR MADI OKOLLO DLG FOR FINANCIAL YEAR 2024/2025

No.	Procurement Reference No	Subject of Procurement	Method of Procurement	Provider/ Purchaser	Contract Value (UGX)	Status
1.	MOK885/USMID/Supls/ 24-25/0004	Completion of construction of play field at District Head Quarters.	Open Domestic Bidding	Jagens Technical Services.	674,493,383	Completed
2.	MOK885/wrks/24-25/00010	Construction of cultural Museum and Accommodation Facility.	Request for Quotation	Pacific Waves Communications Ltd Services Limited	599,735,836	Completed
3.	MOK885/wrks/24-25/000	Construction of the District Headquarters with concrete wall fence and gates.	Selective Bidding	Jagens Technical Services.	569,161,275	Completed
4.	MOK885/Supls/24-25/00007	Supply of three seater wooden desks for School under Education Department	Request for Quotation	Toha Abubakar.	26,019,000	Completed
5.	MOK885/wrks/24-25/000	Construction of service bay at the District Headquarters.	Request for Quotation	Eppo Engineering Service Limited.	299,870,950	Completed
6.	MOK885/wrks/24-25/00007	Borehole, siting, drilling, installation, test pumping and apron construction of six units under by water department.	Request for Quotation	M/S Mama Bore Wells Africa Limited.	182,612,900	Completed
7.	MOK885/wrks/24-25/00022	Additional works in the play field project of fitting door, windows and finishes	Request for Quotation	Jagens Technical Services.	149,996,700	Completed

		on the Pavilion Commercial rooms.				
8.	MOK885/wrks/24-25/000	Construction of classroom blocks with office in Omurimba Primary School.	Request for Quotation	Burji Engineering and Associates Ltd	143,383,000	Completed
9.	MOK885/wrks/24-25/000	Construction of classroom blocks with office in Roga Primary school	Request for Quotation	VED Enng (U) Limited	141,896,500	Completed
10.	MOK885/wrks/24-25/00021	Construction of Phase I Bandili Piped water system	Request for Quotation	Nadal Investment Limited	139,914,960	Completed
	TOTAL				**2,927,084,504**	

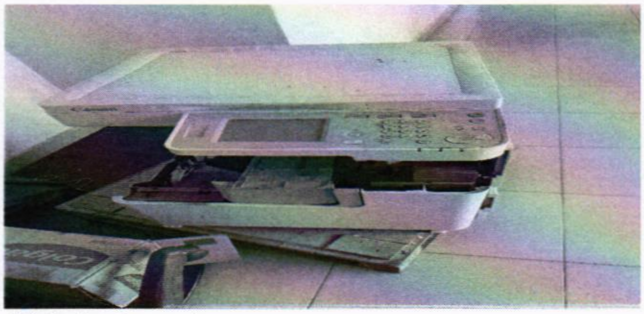
Appendix 3: Risk Rating Criteria

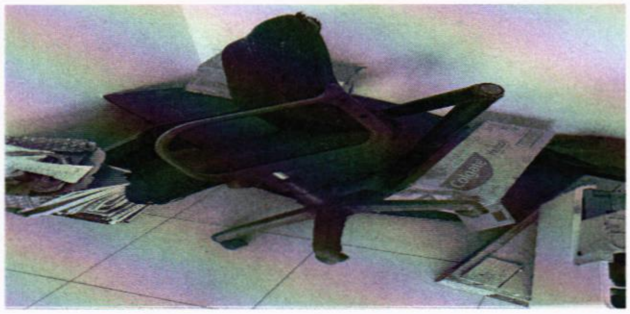
Risk	Description	Area	Implication
High	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry risk for the regulatory system or the Entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established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

Risk	Description	Area	Implication
	normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.	**Record Keeping:** Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
Low	Procurements with weaknesses where resolution within the normal management framework is considered desirable to 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.	**Planning:** Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare 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.

Appendix 4: List of unserviceable assets for FY 2024/2025 - Madi Okollo DLG as at December 2025

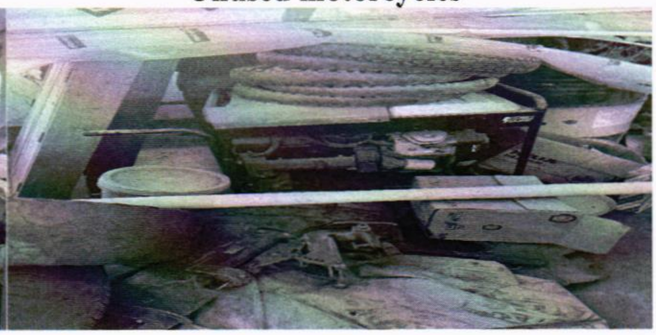




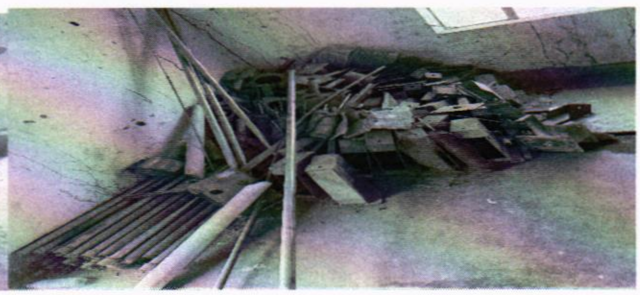
Old photocopier

Unused vehicle

Unused motorcycles



Unused motorcycles



Unused tyres