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

COMPLIANCE INSPECTION REPORT FOR KAMWENGE DISTRICT LOCAL GOVERNMENT FOR THE FINANCIAL YEAR 2023/2024

NOVEMBER 2025

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ACRONYMS

CMS	Contract Monitoring System
CPU	Central Processing Unit
DWDCG	District Water Development Conditional Grant
ESHS	Environmental, Social, Health and Safety
FY	Financial Year
GCC	General Conditions of Contract
GOU	Government of Uganda
IT	Information Technology
Ltd	Limited
MOH	Ministry of Health
SFG	School Facilities Grant
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
RAC	Rwenzori Anti-corruption Coalition
UGX	Uganda Shillings
UPDF	Uganda Peoples Defense Forces
VAT	Value Added Tax
WRKS	Works

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority conducted a procurement and disposal inspection of your Entity, covering three sampled procurement transactions for the Financial Year 2023/2024, and a compliance inspection of three escalated cases by the Rwenzori Anti-corruption Coalition (RAC) on the Contract Monitoring System (CMS).

The overall objective of the procurement and disposal inspection was to assess and establish the degree of compliance of the Kamwenge District Local Government's procurement system and processes with the provisions of the PPDA Act, Cap 205, attendant Regulations, and assess the level of procurement performance over the inspection period.

Based on the findings of the procurement and disposal inspection exercise, the performance of the Kamwenge District Local Government for the Financial Year 2023/24 was **Moderately Satisfactory**, with an overall weighted average risk rating of **50%,** as detailed in Chapter 3 of this report.

The following key exceptions were noted;

1. Failure to fully constitute the Contracts Committee. Section 29 (1) of the PPDA Act, Cap. 205 provides that a Contracts Committee shall be composed of the members specified in Schedule 4 to the Act. Schedule 4 requires the Contracts Committee of a Procuring and Disposing Entity to consist of five members, namely: a chairperson, a secretary, and three other members. During the period under review, the Entity's Contracts Committee was not fully constituted as it consisted of only four members. Failure to fully constitute the Contracts Committee may adversely affect the adjudication of recommendations from the Procurement and Disposal Unit and the award of contracts due to insufficient expertise and experience;

2. Inadequate storage and poor record keeping of past procurement and disposal files. Section 44 (1) of the PPDA Act, Cap. 205 requires the Procurement and Disposal Unit to maintain and archive records of the procurement and disposal process for seven years. However, the Authority observed poor storage of procurement and disposal records whose seven-year retention period had not yet expired. These records were haphazardly stacked on shelves and vulnerable to unauthorised access, compromising their integrity and security. Inadequate storage of procurement and disposal records creates a risk of loss, damage, unauthorised access, and tampering, thus compromising their integrity;

3. Unengraved Physical Assets. Section 6.1.6 of the GOU Asset Management Framework &Guidelines 2020 requires all assets to be engraved/tagged for ease of identification and tracking. The inspection revealed that Kamwenge District Local Government's movable assets were not labelled with unique identification numbers. Unengraved assets may be difficult to track and may be easily stolen;

4. Delay in commencing the works. The Special Conditions of the Contract (GCC 26.1) stated the commencement date as ten (10) working days after contract signature. According to the report dated 30th December 2022 from the Clerk of Works, works commenced 5 months after contract signature, that is, on 15th November 2022. Delayed commencement affects the ability of the contractor to complete the works within the contracted time;

5. Delayed payment of providers. Regulation 42 (1) of the PPDA (Contract) Regulations, 2023 states that, "the period for payment shall be thirty days from certification of invoices, except where this is varied in the special conditions of the contract. However, the final payment certificate for the Construction of a 2-unit teachers' house at Kamwenge Primary School in Kamwenge Town Council under SFG worth UGX 162,541,460 was certified on 25th June 2024, but paid on 27th August 2024, exceeding the mandated 30-day payment period by 16 days. Delayed payments may discourage reputable providers from participating in future procurements, increase procurement costs through risk pricing, expose the Entity to contractual disputes and adversely affects its reputation in the provider market; and

6. Inadequate Disposal Planning. Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023 requires the Accounting Officer in each financial year to cause the public assets of a Procuring and Disposing Entity to be reviewed, to identify the public assets to be disposed of in the following financial year. The inspection revealed that Kamwenge District Local Government did not prepare a disposal plan for the Financial Year 2023/2024, despite having several obsolete assets recommended for disposal by the Board of Survey Report for the Financial Year 2022/2023. The failure by the Entity to prepare a Disposal Plan hinders effective planning and management of the disposal process, resulting in delays in disposing of obsolete assets.

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

1. The Accounting Officer should:
    i. Expedite the appointment of another member to ensure the Contracts Committee is fully constituted with adequate expertise and experience in accordance with Section 29 (1) of the PPDA Act, Cap. 205;
    ii. In the interim, institute controls such as securing procurement records in existing lockable storage facilities, restricting access to authorised personnel, maintaining a file movement register to safeguard documents against loss, damage, unauthorised access, or tampering;
    iii. Engrave all District assets to ease identification in accordance with Section 6.1.6 of the GOU Asset Management Framework &Guidelines 2020;
    iv. Strengthen project planning and readiness assessments before contract award to address critical prerequisites, including site availability, relocation arrangements, and stakeholder coordination, to facilitate timely commencement and completion of projects;
    v. Strengthen cash flow forecasting and commitment controls to ensure Procurements are initiated only where funding is reasonably assured, and providers are paid within the contractual timelines in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023; and

2. The Head Procurement and Disposal Unit should plan for disposal activities in line with Section 33 (f) of the PPDA Act, Cap, 205

A recommended action plan for Kamwenge District Local Government is on page 18 of this report.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection of Kamwenge District Local Government that covered a representative sample of six procurement transactions under the Financial Year 2023/24. The inspection involved a review of procurement structures, procurement, and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act, Cap. 205, and the attendant PPDA Regulations.

1.2 Objective of the compliance inspection

The overall objective of the procurement and disposal inspection was to assess and establish the degree of compliance of the Kamwenge Local Government procurement system and processes with the provisions of the PPDA Act, Cap 205, the attendant PPDA Regulations, and assess the level of procurement performance over the inspection period.

The specific objectives of the inspection were to:

i. Establish the level of compliance of the Entity with the provisions of the PPDA Act, Cap 205, and the attendant PPDA Regulations with regard to the performance of the procurement structures and conduct of the procurement processes;
ii. Assess the degree of compliance of the Entity's disposal processes with the provisions of the PPDA Act, Cap 205, and the attendant PPDA Regulations;
iii. Assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements; and
iv. Establish the status of three escalated cases by the Rwenzori Anti-corruption Coalition (RAC) on the Contract Monitoring System (CMS).

1.3 Structure of the Entity

The key players in the procurement structure at Kamwenge District Local Government include the Chief Administrative Officer, who serves as the Accounting Officer; the Procurement and Disposal Unit; the Contracts Committee; and the User Departments

Section 28 of the PPDA Act, Cap. 205 assigns the Accounting Officer overall responsibility for the successful execution of procurement, disposal, and contract management within the Procuring and Disposing Entity. During the Financial Year 2023/2025, Mr. Turyaheebwa Hanny served as the designated Accounting Officer.

Section 28 (1) (c) of the PPDA Act, Cap. 205 authorises the Accounting Officer to establish a Procurement and Disposal Unit staffed at an appropriate level. The Authority noted that the Entity's Procurement and Disposal Unit was fully staffed with two members, including a Senior Procurement Officer, Mr Muhame Wenger Crispus and a Procurement Officer, Mr Tumuhimbise Edward.

1.4 Scope of the Compliance Inspection

The inspection covered a sample of six procurement transactions worth UGX 2,134,284,344 for the Financial Year 2023/2024. The list of sampled transactions is set out in Annex C.

1.5 Methodology

Kamwenge District Local Government was notified about the upcoming exercise on 3rd March 2025. A sample of six procurement transactions was selected using stratified random sampling, based on the Contracts Committee minutes, the contracts register, CMS, and the monthly procurement and disposal reports.

Two Senior Performance Monitoring Officers conducted the exercise under the supervision of the Regional Manager- Western Region. During the exercise, the team examined records and documents for each of the six sampled procurement transactions and also reviewed the procurement plan for the Financial Year 2023/2024. The team also carried out physical verification of the projects on 13th March 2025.

On completion of data collection, members of the team met with various stakeholders such as the Accounting Officer, Contracts Committee members, Procurement and Disposal Unit staff, and User Department representatives to discuss and get clarifications on some of the preliminary findings. A debrief meeting was held with the Accounting Officer on **14th March 2025** to share the preliminary findings. A management letter was sent to the Entity on **16th July 2025** with a request to submit responses by **25th July 2025.** This was submitted on **16th September 2025.** The inspection report presents the key findings and conclusions arising from the inspection.

1.6. Reporting

Reporting is in a format that identifies the findings by exception, the level of risk and the recommendations. The procurements are rated in four categories according to the weakness identified namely; high risk, medium risk, low risk and satisfactory. The definition of the risk rating is in **Annex B.**

CHAPTER TWO: FINDINGS OF THE AUTHORITY

2.1 COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP 205, AND ATTENDANT PPDA REGULATIONS 2023

2.1.1 Failure to fully constitute the Contracts Committee

Section 29 (1) of the PPDA Act, Cap. 205 provides that a Contracts Committee shall be composed of the members specified in Schedule 4 to the Act. Schedule 4 requires the Contracts Committee of a Procuring and Disposing Entity to consist of five members, namely: a chairperson, a secretary, and three other members. During the period under review, the Entity's Contracts Committee was not fully constituted as it consisted of only four members, as detailed in Table 1 below.

Table 1: List of Contracts Committee members

S/N	Name	Position in the Entity	Committee position
1.	Dr. Mucunguzi William	District Health Officer	Chairperson
2.	Ms. Birungi Kobusinge Annet	Ag. District Engineer	Member
3.	Ms. Twesigye Gillian	Commercial Officer	Member
4.	Mr. Barinaitwe Stephen	Inspector of Schools	Member

Implication

Failure to fully constitute the Contracts Committee may adversely affect the adjudication of recommendations from the Procurement and Disposal Unit and the award of contracts due to insufficient expertise and experience.

Authority's comment

No response was provided

Recommendation

The Accounting Officer should expedite the appointment of another member to ensure the Contracts Committee is fully constituted with adequate expertise and experience in accordance with Section 29 (1) of the PPDA Act, Cap. 205.

2.1.2 Failure to fully implement the previous PPDA audit recommendations

Section 10 of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities to act on the Authority's recommendations. Kamwenge District Local Government did not implement two of the eight audit recommendations for the Financial Year 2022/2023, representing a 25% non-implementation rate as shown in Table 2 below:

Table 2: Implementation of Previous Audit Recommendations

No	Recommendation	Implementation Status
1.	The Accounting Officer should task the User Departments and Sub County Chiefs to show cause as to why disciplinary action should not be taken for failure to report on the micro procurements conducted and ensure that Lower Local Governments and User departments report on all procurement transactions undertaken to the Procurement and Disposal Unit	Not Implemented

No	Recommendation	Implementation Status
	for onward submission to the Contracts Committee and to PPDA in accordance with Regulation 41 (8) of the Local Governments (PPDA) Regulations, 2006.	
2.	The contract supervisors should effectively supervise providers to perform their contractual obligations following the terms and conditions specified in the contract in accordance with Regulation 119 of the Local Government (PPDA) Regulations, 2006.	Not Implemented

Implication
Failure to implement the audit recommendations raises concerns about the Entity's commitment to improving its procurement processes, addressing identified risks, and ensuring accountability.

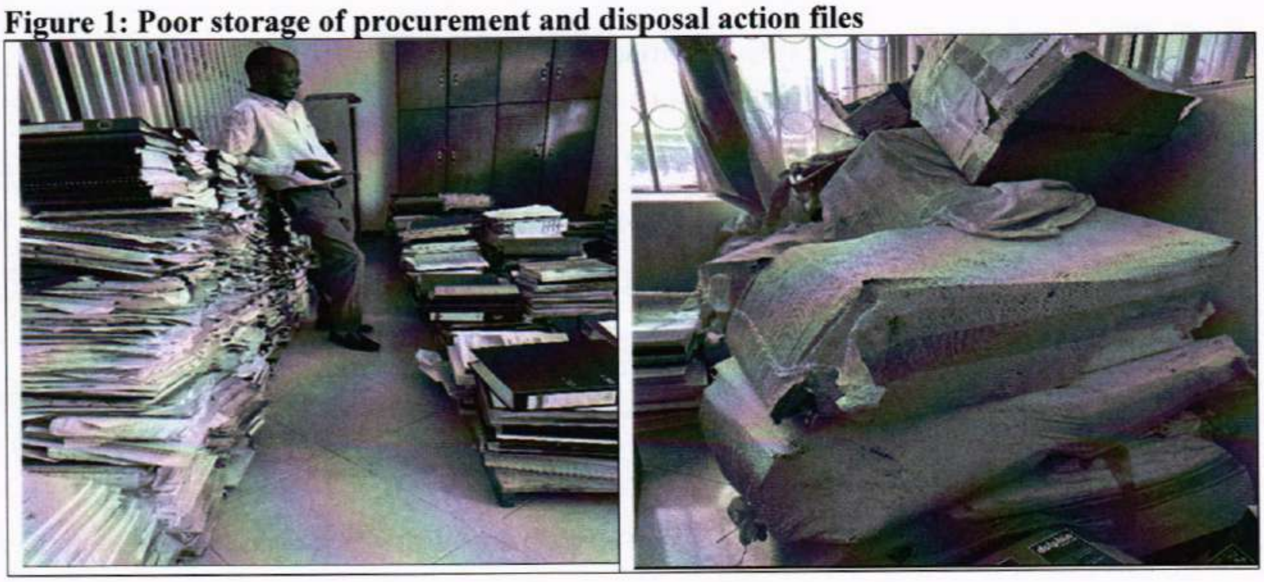
Management Response
Management takes note of the observation.

Recommendation
The Accounting Officer should appoint a task force to oversee the full implementation of the Authority's recommendations to improve the Entity's performance, in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205.

2.1.3 Inadequate storage and poor record keeping of past procurement and disposal files

Section 44 (1) of the PPDA Act, Cap. 205 requires the Procurement and Disposal Unit to maintain and archive records of the procurement and disposal process for seven years. However, the Authority observed poor storage of procurement and disposal records whose seven-year retention period had not yet expired. These records were haphazardly stacked on shelves and vulnerable to unauthorized access compromising their integrity and security as shown in Figure 1 below:

Figure 1: Poor storage of procurement and disposal action files



Implication

Inadequate storage of procurement and disposal records creates a risk of loss, damage, unauthorized access, and tampering, thus compromising their integrity.

Management Response

Management takes note of the observation. However, management intends to procure lockable metallic filing cabinets and wooden filing shelves in the financial year 2026/27 and subsequent financial years to ensure safe custody of procurement and disposal records as provided by the law.

Authority's comment

The Authority noted the Entity's response; however, while the proposed intervention is appropriate, the response is prospective and does not demonstrate the immediate measures being undertaken to safeguard the existing procurement and disposal records pending the acquisition of the storage facilities.

Recommendation

The Accounting Officer should, in the interim, institute controls such as securing procurement records in existing lockable storage facilities, restricting access to authorised personnel, maintaining a file movement register to safeguard documents against loss, damage, unauthorised access, or tampering

2.1.4 Procurement plan implementation rate

Section 60 (2) of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities to plan their procurement and disposal activities rationally. Section 60 (7) of the PPDA Act, Cap. 205 empowers Procuring and Disposing Entities to review and update their procurement plans quarterly and in any other case, wherever necessary. The inspection revealed that Kamwenge District Local Government implemented 94.5% of the procurement plan, and the Authority commends the Accounting Officer for the performance. However, the Entity is urged to ensure full implementation of the Procurement Plan and where changes occur, to update the Procurement Plan accordingly. The details of this performance are indicated in Table 3 below:

Table 3: Procurement plan implementation rate

Total procurement plan value inclusive of VAT (UGX)	6,309,998,000
Total procurement spend value inclusive of VAT (UGX)	5,965,875,685
Procurement Plan Implementation Rate (%)	94.5
Procurement Plan Implementation Variance (UGX)	344,122,315
Non-Implementation Rate (%)	5.5

Source: This information is derived from the updated procurement plan and monthly procurement reports submitted to the Authority

Implication

Procurements worth UGX 344,122,315 were not implemented, which deprived service delivery to the intended beneficiaries commensurate with the value.

Management Response

The Procurement Plan implementation variance was as the result of framework contracts. However, the Entity commits to reviewing and updating Procurement and Disposal plan whenever necessary.

Authority's comment

The Authority noted the Entity's response; however, while framework contract procurements are demand-driven and the quantities may vary from the initial estimates, this does not exempt the Entity from its obligation to maintain an up-to-date Procurement Plan that accurately reflects procurement requirements and spend in a given financial year.

Recommendation

The Accounting Officer should institute quarterly procurement plan reviews to align planned procurements with actual procurements implemented. Any significant changes should be formally approved and reflected in the updated procurement plan in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023.

2.1.5 Unengraved Physical Assets

Section 6.1.6 of the GOU Asset Management Framework &Guidelines 2020 requires all assets to be engraved/tagged for ease of identification and tracking. The inspection revealed that Kamwenge District Local Government's movable assets were not labelled with unique identification numbers as detailed in Table 4 below:

Table 4: Unmarked Assets

Department	Items for engraving	No
Clerk to Council	Filing cabinet	2
	Computer CPU-Dell	1
	Cushioned chair	1
	Office chair	1
Chairman LC V office	Cushioned office chairs	9
	Sofa chair set	4
	Modern table set	1
	Swift chair	1
	Desktop computer	1
	Flags	2
	Wall clock	1
	Office Table	1
	Office chairs	12
	Cup board	1
	Tables	2
Natural Resources	Wireless terminal	3
	Tablet	1
	District Veterinary Officer's laptop computer	1
	Table	1
Administration	All Registry assets	1

Department	Items for engraving	No
	Desktop for IT	1
	Monitor for IT	15
	CPU for IT	1
	Photocopier	1
Education Department	District Education Officer's Laptop	1

Implication

Unengraved assets may be difficult to track and may be easily stolen.

Management Response

Management takes note of the audit finding, we commit to engrave/label all government assets for ease of identification.

Recommendation

The Accounting Officer should engrave all District assets to ease identification in accordance with Section 6.1.6 of the GOU Asset Management Framework &Guidelines 2020.

2.2 COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, CAP 205, AND PPDA REGULATIONS, 2023

Kamwenge District Local Government conducted a disposal process for the items identified by the Board of Survey report for the Financial Year 2022/2023. However, the following observation was made:

2.2.1 Inadequate Disposal Planning

Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023 requires the Accounting Officer in each financial year to cause the public assets of a Procuring and Disposing Entity to be reviewed, to identify the public assets to be disposed of in the following financial year. The inspection revealed that Kamwenge District Local Government did not prepare a disposal plan for the Financial Year 2023/2024, despite having several obsolete assets recommended for disposal by the Board of Survey Report for the Financial Year 2022/2023.

Implication

The failure by the Entity to prepare a Disposal Plan hinders effective planning and management of the disposal process, resulting in delays in disposing of obsolete assets. This may expose the Entity to risks of asset deterioration, loss of value, and failure to achieve optimal returns and value for money from disposed assets.

Management response

The Entity takes notes of audit finding, however, the Entity commenced the process of disposal of obsolete assets by writing to both the Ministry of Works and Transport and the Ministry of Land, Housing and Urban Development for inspection and valuation of assets, respectively, whereas we got response from the Ministry of Works and Transport, the Ministry of Land, Housing and Urban Development has not yet responded. Annex attached.

Authority's comment
The Authority notes the Entity's response. However, this response is not in line with the failure by the Entity to prepare a disposal plan.

Recommendation
The Head Procurement and Disposal Unit should plan for disposal activities in line with Section 33 (f) of the PPDA Act, Cap, 205.

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

2.3.1 Delayed payment of providers
Regulation 42 (1) of the PPDA (Contract) Regulations, 2023 states that, "*the period for payment shall be thirty days from certification of invoices, except where this is varied in the special conditions of the contract.* However, the final payment certificate for the Construction of a 2-unit teachers' house at Kamwenge Primary School in Kamwenge Town Council under SFG worth UGX 162,541,460 was certified on 25th June 2024, but paid on 27th August 2024, exceeding the mandated 30-day payment period by 16 days.

Implication
Delayed payments may discourage reputable providers from participating in future procurements, increase procurement costs through risk pricing, expose the Entity to contractual disputes and adversely affects its reputation in the provider market.

Management Response
Delayed payment of contractor M/s. Vewa Enterprises Limited was due to inadequate funds realised by the Department at the end of the financial year 2023/24, UGX. 87,884,158 was paid in March 2024, whereas the balance was paid in the 1st quarter of the financial year 2024/25.

Recommendation
The Accounting Officer should strengthen cash flow forecasting and commitment controls to ensure Procurements are initiated only where funding is reasonably assured and providers are paid within the contractual timelines in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023.

2.3.2 Non-Compliance with contractual payment structure
Regulation 52(3)(a)(iii) of the PPDA (Contract) Regulations, 2023, requires the Contract Manager to ensure that a Procuring and Disposing Entity fulfils all payment and other contractual obligations in accordance with the terms and conditions of the signed contract.

The contract for the Provision of Consultancy Services for Siting, Drilling and Supervision of 12 Boreholes in Kamwenge District Local Government under the District Water Development Conditional Grant (DWDCG), valued at UGX 40,200,000, provided under Clause 25.1 of the Special Conditions of Contract (SCC) that payments would be made based on milestones that is; 30% of the contract price upon submission of the inception report, 30% of the contract price upon completion of the feasibility study and preliminary designs; and 40% of the contract price upon submission of the draft detailed design. The payment structure required the Entity to make payments progressively upon achievement and acceptance of the specified deliverables. However, the Authority observed that the contractual payment arrangement was not adhered to. The Entity made a lump sum payment of UGX 40,200,000 (100% of the contract price) to Geobot Group Limited on 18th April 2024 upon submission of the draft detailed design, contrary to the agreed milestone-based payment schedule.

The Entity did not provide evidence of an approved contract amendment, variation, or other justification authorizing the change from milestone-based payments to a full upfront settlement of the contract price. Additionally, the Entity did not demonstrate how payment for subsequent contractual obligations, including any required supervision services, was structured and accounted for following the full settlement of the contract amount.

Implication

Failure by the Entity to implement the terms and conditions specified in the contract document is a contractual breach and a risk to the Entity and may led to financial loss in case of underperformance.

Management Response

The payment structure for siting and drilling supervision of 12 No. deep boreholes under DWSCG financial year 2023/24 indicated that the contract was an ad measurement contract as opposed to a lump sum contract as observed in the finding. Annex attached.

Recommendation

The Contract Manager should enforce compliance with the approved contractual payment milestones and terms of the signed contract in accordance with Regulation 52 (3) (a) (iii) of the PPDA (Contract) Regulations, 2023.

2.4 COMPLIANCE INSPECTION INTO THE ESCALATED CASE THROUGH THE CONTRACT MONITORING SYSTEM (CMS)

The Public Procurement and Disposal of Public Assets Authority (PPDA), in collaboration with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), established a framework for citizen engagement in monitoring of government programs through a Contract Monitoring System that provides a safe, centralised way to track and manage reports on ongoing government projects. In this, Civil Society Organisations (CSOs) monitor ongoing government projects in real time and upload their findings on the System. These findings are then reviewed and promptly acted upon by PPDA.

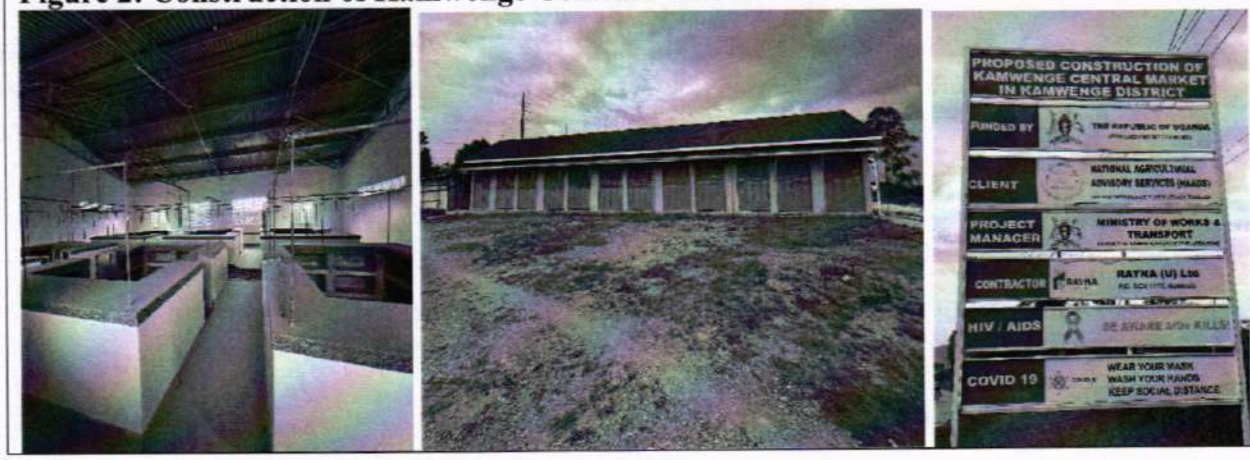
The Authority undertook a compliance inspection into three escalated cases by the Rwenzori Anti-corruption Coalition (RAC) worth UGX 1,645,625,108. Kamwenge District Local Government did not resolve these issues. The main objective of the inspection was to establish interventions to promote effective service delivery in accordance with Section 8 (1)(i) of the PPDA Act, Cap. 205. According to RAC, there was slow progress in the implementation of the projects where the contractors were failing to deliver within the contractual period. The Authority carried out an inspection alongside a visit to the sites on 13th March 2025 and came up with findings as detailed in table 6 below:

2.3.3 Construction of Kamwenge Central Market

Table 5: Contract summary for Construction of Kamwenge Central Market

Contract Reference No.	NAADS/WORKS/21-22/00260 Lot 2
Contract Title	Construction of Kamwenge Central Market
Name of Contractor	Karobwa Engineering Services Limited
Method of procurement	Open National Bidding
Type of Contract	Ad measurement
Contract Price (UGX)	1,262,901,496
Contract Signing Date	13th June 2022
Site handover date	15th November 2023
Original Contract end date	15th April 2024
Contract Period	18 calendar months
Time utilized	26 calendar months
Defects Liability Period	365 days
Project Manager	District Engineer
Progress as of 14th March 2025	Time progress –144% Physical progress - 100% (Estimated) Financial progress – 100%
Payments made	
Payment	1,262,901,496
Total Payments made	**1,262,901,496**

Figure 2: Construction of Kamwenge Central Market



The Authority found the following anomalies from the contract implementation:

2.3.3.1 Delay in commencing the works

The Special Conditions of the Contract (GCC 26.1) stated the commencement date as ten (10) working days after contract signature. According to the report dated 30th December 2022 from the Clerk of Works, works commenced 5 months after contract signature, that is, on 15th November 2022.

Implication
Delayed commencement affects the ability of the contractor to complete the works within the contracted time.

Management Response
Construction of Kamwenge Central Market was undertaken by NAADS in collaboration with Ministry of Works and Transport as project manager and Ministry of Local Government. The District was involved as a beneficiary to nominate a clerk of works and give input in design. District stakeholders participated in site meetings. Upon contract signature, the project management team realized there was need for demolition of existing structures and shifting of vendors to an alternative space. This in turn caused the delay as observed. The project later commenced and was executed to completion.

Authority's comment
The Authority noted the Entity's response, however, the response points to inadequate project preparation and failure to address critical pre-contract requirements, such as site readiness, demolition arrangements, and vendor relocation, before contract commencement.

Recommendation
The Accounting Officer should in future strengthen project planning and readiness assessments before contract award to address critical prerequisites, including site availability, relocation arrangements, and stakeholder coordination, to facilitate timely commencement and completion of projects.

2.4.1.2 Failure to handover the project to the end users
Regulation 52 (3) (d) of the PPDA (Contracts) Regulations, 2023, requires the Contract Manager to manage the handover of the acceptance procedures. The inspection revealed that whereas construction of Kamwenge Central Market was completed on 14^{th} June 2024, all the market stalls and lock ups were locked and still not in use as of 13^{th} March 2025 when the Authority visited the site.

Implication
Delayed handover of projects denies the intended beneficiaries an opportunity to use the space as well as denying them time to identify defects within the defects liability period.

Management Response
The project was constructed in phased manner due to budget shortfall in AGRILED Project the management of NAADS in collaboration with Ministry of Local Government. The 1st phase only covered the scope above and missed construction of stalls which were planned for second phase. After construction, the vendors demanded government to put up stalls before the constructed structures can become operational. The Permanent Secretary Ministry of Local Government was engaged to support the market and offer additional funds to construct stalls which has not been realized yet.

Authority's comment
The Authority noted the Entity's response; however, this indicates that the project was not fully planned and implemented as an operational facility, since the absence of stalls rendered the constructed structures unusable by the intended beneficiaries.

Recommendation
The Accounting Officer should strengthen project completion and handover processes by ensuring that all completed projects are promptly inspected, certified, and formally handed over to the intended users within the stipulated timelines.

2.3.4 Construction of staff house and access road levelling and paving at Rukunyu General Hospital

Table 6: Contract summary for Construction of staff house and access road levelling and paving at Rukunyu General Hospital

Contract Reference No.	MOH/UGIFT/WRKS/21-22/00013/13-28 Lot 24
Contract Title	Construction of staff house and access road levelling and paving at Rukunyu General Hospital
Name of Contractor	UPDF Engineers Brigade
Method of procurement	Direct Procurement
Type of Contract	Lumpsum
Contract Price (UGX)	368,346,052
Contract Signing Date	29th May 2023
Site handover date	30th May 2023
Original Contract end date	30th November 2023
Contract Period	6 calendar months
Time utilized	24 calendar months
Defects Liability Period	6 calendar months
Project Manager	District Engineer
Progress as of 11th March 2025	Time progress – 200% Physical progress - 100% Financial progress – 100%
Payments made	
Payment	368,346,052
Total Payments made	**368,346,052**
Figure 3: Construction of staff house and access road levelling and paving at Rukunyu General Hospital. **Physical Verification pictures:**	

The Authority found the following exceptions during contract implementation:

2.3.4.1 Delayed commencement of the works

Section 51 of the PPDA Act, Cap. 205 states that, "*All procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money.*" The inspection revealed that whereas the implementation agreement was signed between the Ministry of Defence and Veteran Affairs and Kamwenge District Local Government on 29th May 2023, work commenced three months later, on 7th September 2023.

Implication

Delayed commencement affects the ability of the contractor to complete the works within the contracted time and delays service delivery to the intended beneficiaries.

Management Response

Audit finding noted, execution of works by UPDF Engineering Brigade experienced delays in commencing works. However, follow-up was made and works eventually executed. The facilities are complete and in use.

However, as advised the UPDF Engineering Brigade will be tasked to provide early warnings and relevant instructions issued for future projects.

Recommendation

The Accounting Officer should strengthen contract administration by requiring contractors to commence works within the contractual timelines. Where delays in commencement are anticipated, contractors should submit timely early warning notices with adequate justification.

The Entity should promptly issue appropriate instructions and apply the relevant contractual provisions to mitigate delays and facilitate timely delivery of services.

2.3.4.2 Slow progress of works and inadequate contract monitoring

Section 51 of the PPDA Act, Cap. 205, provides that all procurement and disposal shall be conducted in a manner that promotes economy, efficiency, and value for money. The Authority noted that whereas the contract was signed on 29th May 2023 with a completion period of six months up to 30th November 2023, the contractor was still on site as of 20th June 2024, according to the progress reports availed to the Authority during physical verification on 14th March 2025.

Implication

This leads to delayed service delivery to the intended beneficiaries.

Management Response

Management takes note of the finding.

Recommendation

The Contract managers should always task the providers to perform the contract in accordance with the terms and conditions specified in the contract, in accordance with Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulations, 2023.

2.3.5 Emergency works at Lyamugonera Swamp

Table 7: Contract summary for Emergency works at Lyamugonera Swamp

Contract Reference No.	
Contract Title	Emergency works at Lyamugonera
Name of Contractor	District Engineer
Method of procurement	Emergency Procurement
Contract Price (UGX)	14,377,560
Contract Signing Date	N/A
Site handover date	N/A
Original Contract end date	N/A
Contract Period	N/A
Time utilized	N/A
Defects Liability Period	N/A
Project Manager	District Engineer
Progress as of 14th March 2025	Physical progress - 100% (Estimated) Financial progress – 100%
Payments made	
Certificate 1	4,377,560
Certificate 2	5,000,000
Certificate 3	5,000,000
Total Payments made	14,377,560
Figure 4: Emergency works At Lyamugonera Swamp	

The Authority found the following exceptions during contract implementation:

2.3.5.1 Irregular Force Account Mechanism procedures

Regulation 4 of the PPDA (Force Account Mechanism) Regulations, 2014 provides that; *"The procuring and disposing entity shall procure the equipment and supplies required to undertake works using the Force Account Mechanism using procurement rules and methods in the Act"*. The inspection revealed that funds for the inputs for implementation of the emergency works were advanced to the Assistant Engineering Officer (Civil), Mr Job Atulinda and not to the provider

Implication

- Payment of money to staff promotes corruption.
- This undermines transparency and competition in the Entity's procurement processes

Management Response

Management takes note of the findings, The Entity commits to strictly adhere to PPDA Regulations and force account guidelines in future force account projects.

Recommendation

The Accounting Officer should task the District Engineer to undertake Force Account Mechanisms strictly in compliance with Regulation 4 of the PPDA (Force Account Mechanism) Regulations, 2014, by procuring materials and equipment through the established procurement methods.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section presents graphically the compliance inspection scores.

3.1 Overall Compliance Inspection Conclusion

The performance of Kamwenge District Local Government for the Financial Year 2023/24 was **moderately satisfactory,** with an overall weighted average risk rating of **50%.**

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 detailed in Table 8 below:

Table 8: Risk Score

Risk Rating	No.	%No	Value (UGX)	%Value	Weights	Total Weighted Score	
						By No.	By Value
High	0	0	0	0	0.6	0	0
Medium	6	100	**2,134,284,344**	100	0.3	30	30
Low	0	0	0	0	0.1	0	0
Satisfactory	0	0	0	0	0	0	0
Total	**6**	**100**	**2,134,284,344**	**100**	**1**	**30**	**30**

Performance by Number $= \frac{30 \times 100}{60} = 50\%$

Performance by Value $= \frac{30 \times 100}{60} = 50\%$

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

Since 50% falls within the 31- 70% risk range, the performance of the Entity is rated ***moderately satisfactory*** as detailed in Table 9 below.

Table 9: Risk Rating

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

Figure 2: Risk Rating by Number

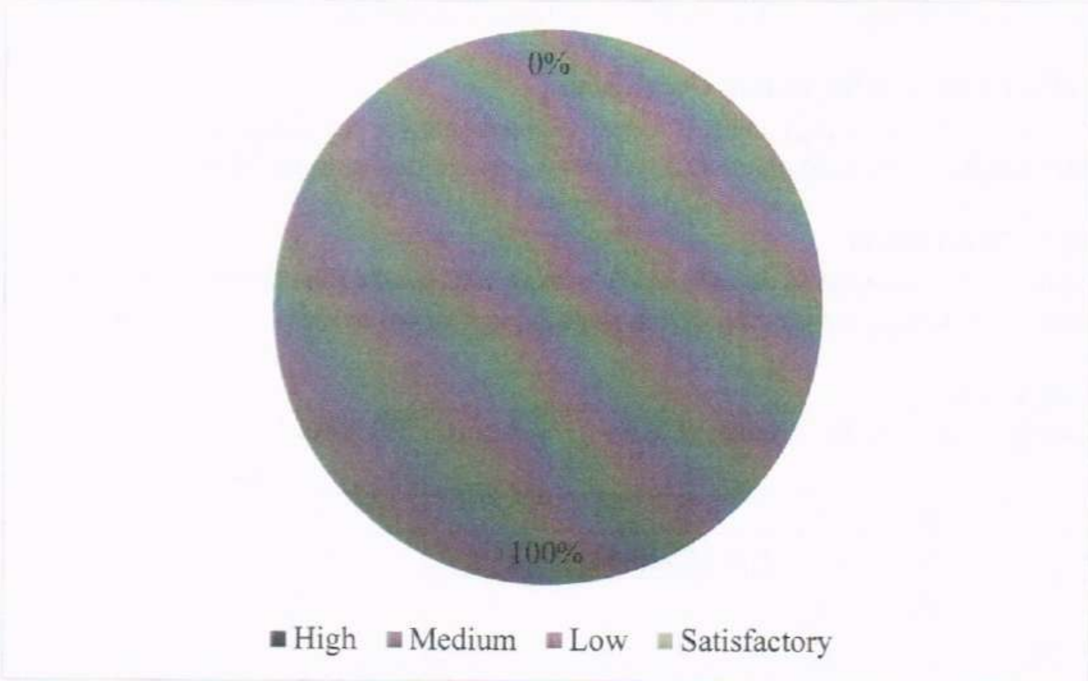
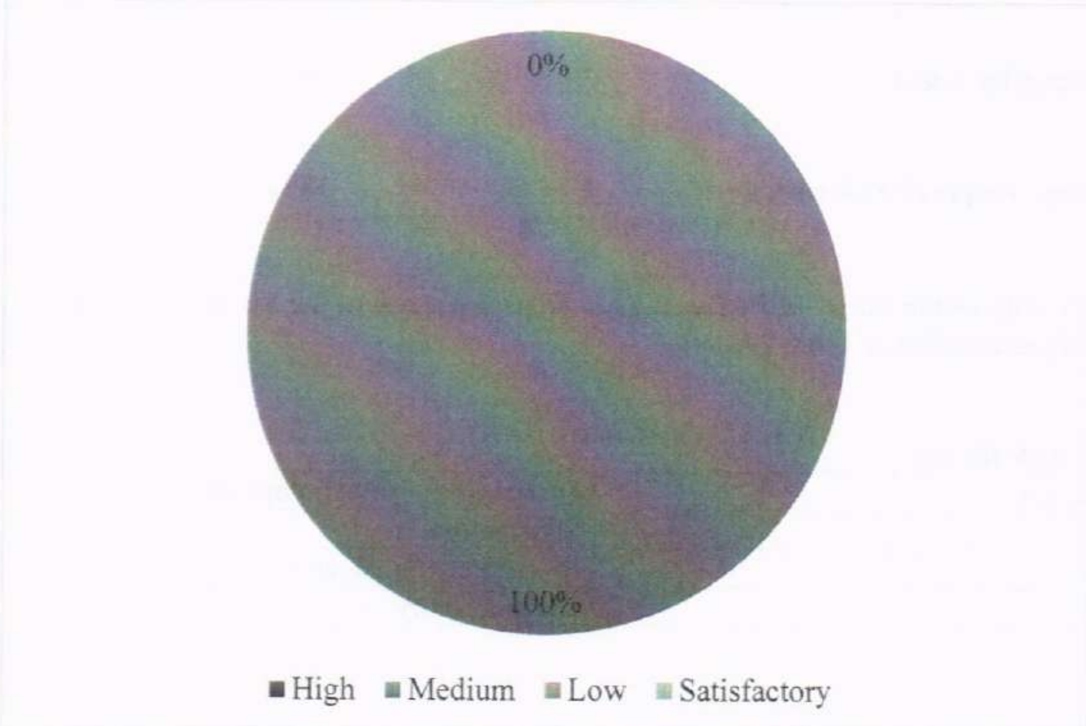


Figure 3: Risk Rating by Value



3.3. Recommended Action Plan

Kamwenge District Local Government should implement the following recommendations detailed in Table 10 within the time frame given in order to improve its performance in Procurement and Disposal.

Table 10: Recommended Action Plan

No.	Recommended Action	Target Date
1.	The Accounting Officer should: i. Expedite the appointment of another member to ensure the Contracts Committee is fully constituted with adequate expertise and experience in accordance with Section 29 (1) of the PPDA Act, Cap. 205; ii. In the interim, institute controls such as securing procurement records in existing lockable storage facilities, restricting access to authorised personnel, maintaining a file movement register to safeguard documents against loss, damage, unauthorised access, or tampering; iii. Engrave all District assets to ease identification in accordance with Section 6.1.6 of the GOU Asset Management Framework &Guidelines 2020; iv. Strengthen project planning and readiness assessments before contract award to address critical prerequisites, including site availability, relocation arrangements, and stakeholder coordination, to facilitate timely commencement and completion of projects; v. Strengthen cash flow forecasting and commitment controls to ensure Procurements are initiated only where funding is reasonably assured, and providers are paid within the contractual timelines in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023	February 2026 February 2026 February 2026
2.	The Head Procurement and Disposal Unit should plan for disposal activities in line with Section 33 (f) of the PPDA Act, Cap, 205	

ANNEXES

Annex A: Case-by-case risk analysis

Medium risk contracts

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	Renovation of a science laboratory block and a dormitory at Kamwenge Secondary School	Failure to effectively incorporate ESHS.
2.	Provision of consultancy services for sitting, drilling and supervision of 12 boreholes in Kamwenge District under DWDCG	Failure to submit inception report.
3.	Construction of a 2-unit teachers' house at Kamwenge PS in Kamwenge TC under SFG	• Delayed commencement of works • Slow progress of works and inadequate contract monitoring.
4.	Construction of Kamwenge Central Market	• Delay in commencing the works. • Failure to hand over the project to end users. • Failure to submit progress reports.
5.	Construction of staff house and access road levelling and paving at Rukunyu General Hospital	• Delayed commencement of works • Slow progress of works and inadequate contract monitoring.
6.	Emergency works at Lyamugonera	• Failure to use framework agreements • Failure to effectively incorporate ESHS.

Annex B: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry a risk to the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management.	**Planning:** Lack of or failure to procure within the approved plan	This implies emergencies and the use of the direct procurement method that affects competition and value for money.
	Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	**Bidding Process:** Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals, and	This implies the use of less competitive methods that affects transparency, accountability, and value for money.

RISK	DESCRIPTION	AREA	IMPLICATION
		usurping the powers of the PDU.	
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct an evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend an award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation documents, submitted bids, evaluation reports, and contracts.	This implies that one cannot ascertain the compliance inspection trail namely; whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies a lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries
MEDIUM	Procurements that were considered to have weaknesses, although less likely to lead to material financial loss or to risk damaging the regulatory system	**Planning** Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby

RISK	DESCRIPTION	AREA	IMPLICATION
	or the entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands-on management control and oversight" at an appropriate level of seniority.		causing domestic arrears.
		Bidding Process: Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms, and splitting procurement requirements.	This implies a lack of efficiency, standardization, and avoiding competition.
		Procurement Structures: Lack of procurement structures	This implies a lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the compliance inspection 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	This leads to unjustified contract amendments and variations which lead to unjustified delayed contract completion and lack of value for

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

Annex C: Kamwenge District Local Government compliance inspection sample list for the Financial Year 2023/2024

NO	REFERENCE	SUBJECT OF PROCUREMENT	METHOD	PROVIDER	AMOUNT (UGX)	Risk rating
1.	KAMW850/WORKS/23-24/00007	Renovation of a science laboratory block and a dormitory at Kamwenge Secondary School	Open Domestic Bidding	Karobwa Engineering Services Limited	285,917,776	Medium risk
2.	KAMW850/SRVCS/23-24/00016	Provision of consultancy services for sitting, drilling and supervision of 12 boreholes in Kamwenge District under DWDCG	Open Domestic Bidding	Geobot Group Limited	40,200,000	Medium risk
3.	KAMW850/WORKS/23-24/00002	Construction of a 2-unit teachers' house at Kamwenge PS in Kamwenge TC under SFG	Open Domestic Bidding	Vewa Enterprises Limited	162,541,460	Medium risk
	TOTAL				**488,659,236**	
	ESCALATED CASES ON THE CONTRACT MONITORING SYSTEM (CMS)					
1.	NAADS/WORKS/21-22/00260 Lot 2	Construction of Kamwenge Central Market	Open National Bidding	Karobwa Engineering Services Limited	1,262,901,496	Medium risk
2.	MOH/UGIFT/WRKS/21-22/00013/13-28 Lot 24	Construction of staff house and access road levelling and paving at Rukunyu General Hospital	Direct Procurement	UPDF Engineers Brigade	368,346,052	Medium risk
3.		Emergency works at Lyamugonera	Emergency Procurement	District Engineer	14,377,560	Medium risk
	TOTAL				**1,645,625,108**	
	GRAND TOTAL				**2,134,284,344**	