



PROCUREMENT AND DISPOSAL AUDIT REPORT

FINANCIAL YEAR 2023-2024

ALEBTONG DISTRICT LOCAL GOVERNMENT

JUNE 2025

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ACRONYMS

BEB	Best Evaluated Bidder
BOQ	Bills of Quantities
FY	Financial Year
GCC	General Condition of the Contract
Ltd	Limited
LG	Local Government
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
PPDA Act	Public Procurement and Disposal of Public Assets Act
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a procurement and disposal audit of Alebtong District Local Government that covered a sample of 19 procurement and disposal transactions conducted in the Financial Year 2023-2024. The overall objective of the procurement and disposal audit of Alebtong District Local Government was to assess the effectiveness and efficiency of procurement and disposal processes at the Entity and adherence to the PPDA Act Cap. 205, the PPDA Regulations and public procurement policies so as to determine the level of procurement performance over the audit period.

From the findings of the procurement and disposal audit exercise, the performance of Alebtong District Local Government for the Financial Year 2023/2024 was **moderately satisfactory** with an average weighted risk rating of **46.7%** as per the ranking in Table 25 in Chapter 3 of this audit report.

The following key exceptions were noted:

1. The entity did not have adequate competition as evidenced by less than three bids received under the open domestic bidding in eight procurements worth UGX 859,729,336, contrary to Section 49 of the PPDA Act Cap. 205. The entity was denied the chance to maximize competition in the bidding process which ultimately hindered the achievement of value for money.
2. Irregularities at evaluation including passing of non-compliant bidders, change of evaluation criteria and inclusion of new evaluation criteria was noted in 12 procurements worth UGX 1,652,529,182 contrary to Regulation 73 (1) and (3) of the Local Governments (PPDA) Regulations, 2006 and Regulation 17 of the PPDA (Evaluations) Regulations, 2023. This exposed the Entity to the risk of contracting providers that could fail to execute the works/supplies with competence and raises a red flag on the credibility of the Entity's procurement processes.
3. Contracting irregularities including failure to require the contractor to submit an ES Performance Security, irregular changes of the contract completion duration, issuance of the NOBEB without completing negotiations and failure to close or cancel the initial procurement process found in four procurements worth UGX 769,904,575. Irregularities at contracting indicated lack of transparency and make the contract terms voidable.
4. The Entity did not obtain the 10% Performance Securities from contractors contrary to GCC 61.1 in 10 procurements worth UGX 1,559,461,284. Failure to obtain Performance Securities exposes the entity to risks associated with non-performance of the contracts.
5. Failure to implement environmental and social measures in the works projects conducted by the entity, including the UGX 1 billion road maintenance grant, the micro-scale irrigation project as well as the works procurements conducted during the financial year contrary to Section 66 of the PPDA Act Cap. 205. Whereas the BOQs catered for environmental and social aspects such as the planting of trees and sensitization, the contractors did not implement any of these aspects. Notably, none of the sites had an occupational permit despite being occupied by the beneficiaries, no evidence of HIV and AIDs prevention awareness and campaigns and the entity and Contractors did not form Grievance Redress Committees for managing complaints, grievances, and safety incidences from workers, project affected persons, suppliers, among others. This may infringe on the human rights and safety of Project

Affected Persons, contractors' workers and District staff and potentially result into conflict with surrounding communities.

In light of the above findings, the Authority recommends that:

1. The Accounting Officer should:
 - i) Organize a bidders' conference in order to create bidder awareness and obtain information on the causes of limited participation by bidders in the bidding processes of the entity;
 - ii) Task the Evaluation Committee members to show cause why disciplinary action should not be taken against them for the irregularities noted above;
 - iii) Only sign contract documents after satisfying himself on the correction of any contradictions that may be contained therein the procurements;
 - iv) Task the Procurement and Disposal Unit to include Environmental and Social Performance Security in the contract as per the template of the standard bidding document issued by the Authority in September 2020;
 - v) Task contractors to fulfil the conditions of contract effectiveness, such as provision of the required Performance Securities by contractors in accordance with Regulation 12 (1) (a) of the PPDA (Contracts) Regulations, 2023;
 - vi) Request local contractors to use the Performance Securing Declarations as a sign of commitment to meeting their contractual obligations without encumbering financial resources in accordance with the PS/ST circular on management of Performance Security and Advance Payment Guarantees dated 27th November 2024;
 - vii) Terminate the contract in the event the contractor does not provide the Performance Securities within the stipulated time in accordance with Regulation 12 (2) of the PPDA (Contracts) Regulations, 2023
2. The Evaluation Committees should be vigilant while reviewing the information submitted by the bidders for conformity with the set criteria, before passing bidders in accordance with Section 76 (3) of the PPDA Act Cap. 205.
3. The User Departments should:
 - i) Work hand in hand with the Community Development Officers and Labour officers to ensure the enforcement of social and health safeguards during contract implementation;
 - ii) Comprehensively report on the implementation of ESHS requirements in the progress reports, and should not sign the payment certificates without inclusion of the requirements in the reports.

Alebtong District Local Government should implement the recommendations in the action plan on pages **60 to 65**.

CHAPTER 1: INTRODUCTION

1.1. Structure of the Entity

Section 28 of the PPDA Act, Cap. 205 gives the Accounting Officer the overall responsibility for the successful execution of the procurement and disposal processes in Alebtong District Local Government. The Accounting Officer of Alebtong District Local Government during the Financial Year under audit was the Chief Accounting Officer, Mr. Franco Olaboro. The composition of the Contracts Committee and the Procurement and Disposal Unit are detailed in Appendix III.

1.2. Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out a procurement and disposal audit of Alebtong District Local Government that covered a sample of 18 procurement and disposal transactions conducted in the Financial Year 2023/2024. The audit involved a review of procurement structures, asset procurement and disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act, Cap. 205 and the PPDA Regulations.

1.3. Objective of the Audit

The primary objective of the audit exercise was to assess the effectiveness and efficiency of procurement and disposal processes at the entity and adherence to the PPDA Act Cap. 205, the PPDA Regulations and public procurement policies so as to determine the level of procurement performance over the audit period.

The specific objectives were to assess the:

1. Compliance of the entity's procurement processes with the provisions of the PPDA Act Cap. 205 and PPDA Regulations with regard to the performance of the procurement structures and conduct of procurement processes;
2. Compliance of the entity's disposal processes with the provisions of the PPDA Act Cap. 205 and PPDA Regulations;
3. Level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement processes;
4. Performance of Force Account Mechanism; and
5. Progress and performance of the Micro-scale Irrigation Program in Alebtong District Local Government.

1.4. Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation on a sample basis. The audit covered a sample of 19 procurement and disposal transactions worth **UGX 1,934,719,306** conducted during the Financial Year 2023/2024. The list of sampled transactions is contained in **Appendix I**. The distribution of the transaction population and sample was as shown in Table 1 below:

Table 1: Distribution of the transaction's population and sample for audit

Procurement method	Popn Value (UGX)	Sample value (UGX)	% by Value	Popn no	Sample no	% no
Open Domestic Bidding	1,666,001,306	1,631,906,306	98	22	16	72.7
Selective Bidding	419,082,052	247,404,000	59	8	1	12.5
Direct Procurement	94,474,000	50,614,000	54	2	1	50
Disposal	4,795,000	4,795,000	100	1	1	100
TOTAL	2,184,352,358	1,934,719,306	89	33	19	57.6

Note: This figure excludes the Force Account Procurements and the UGIFT procurements that were audited separately. Below is the breakdown.

Procurement method	Popn Value (UGX)	Sample value (UGX)	% by Value	Popn no	Sample no	% no
Force Account	1,000,000,000	127,577,406	12.8%	13	2	15.4%
UGIFT projects	3,281,069,750	2,383,239,500	73%	3	2	67%

1.5. Methodology

The auditors examined records and documents for each sampled transaction and obtained relevant and sufficient evidence to derive audit conclusions. This involved a review of the entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and management.

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

A debrief meeting to discuss preliminary findings that arose during the audit was held with the entity management and staff on **6th December 2024**, before the auditors could embark on the preparation of the management letter. The management letter was sent to the entity on **4th March 2025** with a requirement to submit a management response by **14th March 2025**. The management responses were submitted on the 25th March 2025; however, the amended responses were submitted by the entity on **2nd April 2025**. The exit meeting was held on **25th March 2025** at the PPDA Northern Regional Offices, Plot 1, Lower Churchill Drive in Gulu City.

This report presents the key findings and conclusions arising from the compliance audit exercise.

CHAPTER 2: AUDIT FINDINGS AND RECOMMENDATIONS

2.1.COMPLIANCE OF THE ENTITY WITH THE PROVISIONS OF THE PPDA ACT CAP.205 AND PPDA REGULATIONS WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT PROCESSES.

2.1.1. Procurement plan implementation rate

The Authority found that the entity procured items worth UGX 5,460,627,108 for the Financial Year 2023-2024. This amounted to 80% of the planned procurement value worth UGX 6,790,983,205. Procurements worth an estimated UGX 1,330,356,097 were not implemented. The details are given in Table 2 below:

Table 2: Procurement plan implementation rate

Total procurement plan value inclusive VAT (UGX)	6,790,983,205
Total procurement spend value inclusive VAT (UGX)	5,460,627,108
Procurement plan implementation rate (%)	80%
Budget Variance (UGX)	1,330,356,097

Implication

The entity failed to deliver goods and services worth UGX 1,330,356,097 to the intended beneficiaries.

Management Response

The procurement plan was updated, but not submitted to the Authority

Authority's comment

The Authority acknowledged the entity's response; however, the entity did not avail the updated plan for verification and should whenever a procurement plan is updated submit the updated procurement plan to the Authority.

Recommendations

The Accounting Officer should:

1. Regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 60 (7) of the PPDA Act Cap. 205 to ensure improved performance; and
2. Notify the Secretary to Treasury and the Authority of any changes made to the procurement plan and submit the updated and approved plan to the Authority.

2.1.2. Unrealistic timelines in the procurement plan for the financial year 2023/24

The Authority found that the entity prepared the procurement plan with unrealistic timelines as all procurements irrespective of the procurement method or type had the same:

- i) Bid invitation date i.e. 30th June 2023;
- ii) Bid closing date i.e. 28th July 2023;

- iii) Approval of evaluation report date i.e 8th July 2023;
- iv) Award notification date i.e. 21st August 2023;
- v) Contract signing date i.e. 22nd August 2023; and
- vi) Completion date i.e. 30th January 2024.

This was contrary to Regulations 62 (3) and (5) of the PPDA Local Governments (PPDA) Regulations, 2006.

Implication

Unrealistic timelines lead to unnecessary delays in the procurement processes for simple procurements that could take a shorter time. For example, a procurement for the supply of 19 bicycles to Abako Subcounty worth UGX 8,550,000 cannot take the same time as the construction of a staff house at Adwir HC II worth UGX 175,750,000.

Management Response

Management has acknowledged the Authority's recommendation for compliance.

Recommendation

The Procurement and Disposal Unit should prepare the procurement and disposal plan with realistic timelines in accordance with Regulation 6 (d) of the PPDA (Planning) Regulations, 2023.

2.1.3. Irregularities in the conduct of micro procurements

The Authority observed the following irregularities in the micro-procurements undertaken by the User Departments:

- i) There was no evidence of delegation by the Accounting Officer to User Departments to undertake micro procurements contrary to Regulation 41 (7) of the Local Governments (PPDA) Regulations, 2006 and Regulation 22 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023;
- ii) The User Departments did not submit to the Procurement and Disposal Unit, monthly reports on micro procurements undertaken for onward submission to the Contracts Committee for ratification contrary to Regulation 41 (8) of the Local Governments (PPDA) Regulations, 2006;
- iii) User Departments did not follow the correct procedures when conducting micro procurements contrary to Regulation 41 (5) of the Local Governments (PPDA) Regulations, 2006 and Regulation 23 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023 evidenced by a lack of original invoices or receipts for these micro procurements; and
- iv) The User Departments did not maintain records for the micro procurements undertaken throughout the financial year.

Subsequently, all micro procurements undertaken in the financial year under review were not reported to the Authority in the quarterly report submissions by the entity.

Implications

- Failure to report to the Authority all procurements undertaken by the entity contravenes the principles of transparency and accountability in public procurement.

- The Authority was unable to determine whether the entity achieved value for money in conducting micro procurements contrary to Regulation 41 (6) of the Local Governments (PPDA) Regulations, 2006.

Management Response

- The Accounting Officer has directed all User Departments through a letter that going forward, they should always report micro procurements under taken to the Procurement and Disposal Unit.*
- Management has noted the Authority's recommendation for compliance.*

Recommendations

1. The Accounting Officer should where need arises, formally delegate authority to the User Departments to undertake micro procurements up to the maximum value specified in the guidelines or a lower limit prescribed by the contracts committee in accordance with Regulation 22 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023.
2. The Head, Procurement and Disposal Unit should submit to the Authority monthly procurement and disposal reports and performance data of all procurement transactions including micro procurements undertaken by the entity not later than the fifteenth day of the following month in accordance with Regulation 15 (1) of the PPDA (PDEs) Regulations, 2023.

2.1.4. Failure by the Internal Auditor to audit the procurement function

The Authority found that the Internal Auditor did not perform an audit of the procurement function for the FY 2023/2024. There was no evidence of the internal audit report contrary to Regulation 28 of the Local Governments (PPDA) Regulations, 2006.

Implication

There was no assurance of value for money for all supplies, works or services procured during the period under review, thus undermining the principles of accountability and transparency.

Management response

The Internal Audit department has been facilitated with more local revenue to finance the audit exercises frequently, and management has noted the Authority's recommendations for compliance.

Recommendations

1. The Internal Auditor should audit the procurement function in accordance with Regulation 27 of the PPDA (PDEs) Regulation, 2023.
2. The Accounting Officer should seek capacity building in the review of procurement transactions from the Authority for the Internal Auditor(s) in the event that there is a need.

2.1.5. Failure to fully implement the PPDA audit recommendations for FY 2020/21

The Authority found that the entity did not fully implement the Authority's FY 2022/2023 compliance inspection recommendations contained in the report issued in July 2024. Out of the 11 recommendations made, none of the recommendations were implemented, seven

recommendations (63.6%) were partially implemented while four recommendations (63.4%) were not implemented as indicated in Table 3:

Table 3 Audit recommendations implementation status

Action Party	Recommended Action	Status of implementation
Accounting Officer	The Accounting Officer should where the need arises, formally delegate authority to user departments to undertake micro procurements up to the maximum value specified in the guidelines or a lower limit set out by the Contracts Committee in accordance with Regulation 22 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	Not Implemented
	The Accounting Officer should task the Force Account Manager to maintain records for works executed under the Force Account Mechanism in accordance with Section 41 of the PPDA Act, 2003.	Not implemented
	The Accounting Officer should provide the Procurement and Disposal Unit with adequate office space and more storage such as filing cabinets and enclosed shelves to ensure proper maintenance and archiving of procurement and disposal records in accordance with Section 41 (1) of the PPDA Act, 2003.	Partially Implemented
	The Accounting Officer should organize a bidder conference to engage potential bidders and provide reassurance to existing bidders that procurement processes are conducted in a fair, transparent, and competitive manner in accordance with Section 45 and 46 of the PPDA Act, 2003.	Not Implemented
	The Accounting Officer should deliver the notice of the best evaluated bidder at the time it is displayed, to all bidders who participated in the procurement in accordance with Regulation 3(4) of the PPDA (Contracts) Regulations, 2023.	Not Implemented
	The Accounting Officer should prevail over contract managers to ensure that all contract management records are kept and archived as required in accordance with Regulation 52 (3)(a) (vii) of the PPDA (Contracts) Regulations, 2023 for easy access by the Procurement and Disposal Unit to enhance effective contract monitoring.	Partially Implemented
	The Accounting Officer should write to Uganda Revenue Authority to recover VAT worth UGX 4,703,034 that was paid to Simba Auto motives Limited who was not VAT registered.	Not Implemented
Head	The Head Procurement and Disposal Unit should for each	Partially

Action Party	Recommended Action	Status of implementation
Procurement and Disposal Unit	month submit to the Authority a report on the procurement activities including micro procurements and force account mechanism procurements undertaken by the entity not later than the fifteenth day of the following month in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023;	Implemented
	The Head Procurement and Disposal Unit should ensure that the Evaluation Committees do not deviate from the evaluation criteria specified in the bidding documents as well as avoid making any deviations from the evaluation criteria in accordance with Section 5(1) & (2) of the PPDA (Evaluation) Regulations, 2023.	Partially Implemented
	The Head Procurement and Disposal Unit should maintain and archive all documents about a particular procurement on each respective file in accordance with Section 31(o) of the PPDA Act, 2003; and making any amendments to the evaluation criteria in accordance with Section 5(1) & (2) of the PPDA (Evaluation) Regulations, 2023;	Partially Implemented
Internal Audit	The Internal Audit Department should audit the procurement and disposal procedures of the entity in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.	Not Implemented
User Department	User Departments should nominate members from their departments who have the appropriate skills and experience to be appointed as contract managers for appointment by the Accounting Officer in accordance with Regulation 51 (1) and 50 (1) of the PPDA (Contract) Regulations, 2023.	Partially Implemented
	The Evaluation Committees should be vigilant and pay keen attention while reviewing the information submitted by the bidders for conformity with the set criteria in the bidding document and bidders who do not meet the criteria should be eliminated in accordance with Section 71(3) of the PPDA Act, 2003.	Partially Implemented
	Contract managers should strictly supervise contracted firms to ensure fulfillment of all contractual obligations specified within the terms and conditions of the contract in accordance with Regulation (52) (1) (b) of the PPDA(Contracts) Regulations, 2023.	Partially Implemented

Implication

Failure to fully implement the Authority's audit recommendations is a red flag for weak internal controls and affects the performance of the procurement and disposal function in the entity.

Management response

The Entity has noted the Authority's guidance for compliance.

Recommendation

The Accounting Officer should take corrective action and engage all stakeholders to develop strategies for the implementation of all the Authority's recommendations in accordance with Section 10 (1) (a) of the PPDA Act Cap. 205.

2.1.6. Irregularities in completing the requisition forms

1) Failure to attach a statement of requirements for 15 of the sampled procurements

The Authority found that in 15 of the sampled procurement transactions worth UGX 1,682,520,306, the User Departments initiated procurements without recommending statement of requirements to the Procurement and Disposal Unit contrary to Section 36 (1) (c) of the PPDA Act Cap. 205 as detailed in Table 4 below:

Table 4: Procurements without statement of requirements

No.	Subject of Procurement	Contract Amount (UGX)
1.	Low-cost sealing of a 0.5km road section along Kaguta Avenue from Alebtong Health Centre IV towards the bridge	315,545,185
2.	Construction of Apala Sub County Headquarters	294,887,055
3.	Hydrological survey, drilling and installation of 8 boreholes	175,442,400
4.	Design, review and partial construction of Amugu piped water scheme at Amugu Sub County	175,289,000
5.	Construction of a twin staff house at Adwir Health Centre III	172,475,905
6.	Rehabilitation of a four-classroom block at Awelokuricok Primary School	93,220,385
7.	Construction of five stance drainable latrines at Alebtong, Atelelo and Omoro South Primary Schools	82,601,590
8.	Completion of DHO's office	75,555,459
9.	Supply of 10laptop computers, 1 desktop computer, 2 printers and CCTV camera to various departments	48,734,000
10.	Rehabilitation of a two-classroom block at Angopet Primary School	46,408,119
11.	Revenue collection at Amugu market	6,700,000
12.	Revenue collection at Apala market	5,980,000
13.	Rehabilitation of a four-classroom block at Oloo Primary School	94,733,310
14.	Completion of radiology unit at Alebtong Health Centre IV in Alebtong District	44,333,898
15.	Supply of borehole pump parts	50,614,000
	TOTAL	1,682,520,306

Implication

The entity's procurement processes were irregularly commenced with incomplete requisition forms. Failure to recommend a statement of requirements at the time of requisitioning increased delays in the procurement processes and could result in the purchase of items that are not fit for

purpose.

Management Response

Management has acknowledged the Authority's recommendation for compliance and pledges to improve in the coming financial year

Recommendation

The Accounting Officer should not confirm funding for procurements without statements of requirements proposed/ recommended by the User Department in accordance with Regulation 3 (2) (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.7. Failure to state the tax period for the Tax Clearance Certificate

The Authority found that in 15 bidding documents of procurements worth UGX 1,682,520,306 (as indicated Table 4 above), there was a requirement for a current Tax Clearance Certificate (TCC) addressed to Alebtong District Local Government, however, the bidding documents did not state the specific period for the TCCs.

Implication

The bidders were exposed to the risk of preparing non-responsive bids and also increasing the risk of contract failure at evaluation due to ambiguous TCC requirements in the bidding documents.

Management Response

Management has acknowledged the Authority's recommendation and is going to implement accordingly.

Recommendation

The Head Procurement and Disposal Unit should set evaluation criteria that is clear, appropriate, not ambiguous and suits the objectives of the procurement in accordance with Regulation 42 (b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.8. Inadequate and ambiguous evaluation criteria

The Authority found that in two procurements worth UGX 643,735,116, the bidding documents had irregular evaluation criteria as detailed in Table 5 below:

Table 5: Inadequate evaluation criteria

No.	Subject of procurement	Findings	Management Response
1.	Construction of Apala Sub County Headquarters worth UGX 294,887,055	<ul style="list-style-type: none">• Contradicting evaluation criteria The Authority found inconsistencies in the evaluation criteria outlined in the bidding document regarding the audited books of accounts. Whereas, the evaluation methodology and criteria required evidence of financial	<i>This was an oversight during the preparation of the evaluation</i>

No.	Subject of procurement	Findings	Management Response
		capacity through audited accounts for the years 2020, 2021, and 2022; Section 6.2.2 of the bidding document stated that only the audited accounts or other financial statements acceptable to the Employer for the last two years were necessary.	<i>criteria and is noted for compliance.</i>
2.	Low-cost sealing of 0.5km Road section along Kaguta Avenue from Alebtong HCIV towards the Bridge worth UGX 348,848,061	<ul style="list-style-type: none"> • Failure to state technical personnel in the bidding document The Authority found that the Procurement and Disposal Unit failed to specify in the bidding document which technical personnel needed to have a certification in low-cost sealing technology. • Failure to state the percentage of the ES Performance Security. The Authority found that whereas GCC 61.1 in the bidding document stated that the ES Performance Security shall be an irrevocable and unconditional Bank Guarantee from a reputable Bank regulated by Bank of Uganda, the percentage was not stated. • Failure to state the date of bid expiry The bidding document did not state the date of bid expiry. However, the Procurement and Disposal Unit indicated that the validity period for the bids is set at 180 working days, according to ITB 19.1 of the bidding document. 	<i>The issues have been rectified in this current financial year, and the guidance is acknowledged for compliance.</i>

Implications

- Setting inappropriate criteria exposes the entity to the risk of inappropriate evaluation of bids, hence, awarding contracts to ineligible and unsuitable bidders.
- The bidders were exposed to the risk of preparing non-responsive bids and also increasing the risk of contract failure at evaluation due to inadequate requirements in the bidding document.

Recommendations

1. The Head Procurement and Disposal Unit should:
 - i) Prepare solicitation documents that define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the entity in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023; and

- ii) Recommend evaluation criteria that is appropriate and suits the objectives of the procurement in accordance with Regulation 42 (b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
2. The Contracts Committee should scrutinize all sections of the bidding documents for completeness and appropriateness before approving them for issue in accordance with Section 28 (1) (e) of the PPDA Act, 2003.

2.1.9. Delayed bidder invitations

The Authority found the entity delayed by an average of 45 working days in six procurements worth UGX 539,065,583 to invite bidders to participate in the bidding process as detailed in Table 6 below:

Table 6: Procurements with delayed bidder invitation

No.	Subject of procurement	Accounting Officer date of approval	Bid invitation	Delay (working days)
1.	Supply of 10 laptop computers, 1 desktop computer, 2 printers and CCTV camera to various departments worth UGX 48,734,000	30 th July 2023	13 th November 2023	89
2.	Completion of radiology unit at Alebtong Health Centre IV in Alebtong District worth UGX 44,333,898	17 th June 2023	9 th August 2023	38
3.	Rehabilitation of a 4-classroom block at Awelokuricok Primary School worth UGX 93,220,385	26 th June 2023	9 th August 2023	33
4.	Rehabilitation of a 4-classroom block at Oloo Primary School worth UGX 94,733,310	26 th June 2023	9 th August 2023	33
5.	Construction of five stance drainable latrine at Alebtong, Atelelo and Omoro Primary Schools in Alebtong District worth UGX 82,601,590	26 th June 2023	9 th August 2023	33
6.	Hydrological survey, drilling and installation of 8 boreholes worth UGX 175,442,400	19 th July 2023	9 th August 2023	16

Implication

Delayed bidder invitation increases procurement lead times hence delaying service delivery to the intended beneficiaries and potentially affecting the entity's ability to absorb funds.

Management Response

The stakeholders have reached an agreement on the early submission of all procurement documents, which should be accompanied by Form 5. This will enable the Procurement and Disposal Unit (PDU) to kick-start the procurement processes efficiently. Additionally, some

communications have been sent to the user departments regarding this early submission initiative.

Recommendation

The Procurement and Disposal Unit should invite bidders promptly to promote efficiency in public procurement in accordance with Section 51 of the PPDA Act Cap. 205.

2.1.10. Low bidder participation

The Authority found that the entity did not have adequate competition. Notably, less than three bids were received under the open domestic bidding method in eight procurements worth UGX 859,729,336, contrary to Section 49 of the PPDA Act Cap. 205 as indicated in Table 7 below:

Table 7: Procurements with low bidder responses

No.	Subject of procurement	Contract Amount (UGX)	No of bids received
1.	Construction of Staff House at Adwir Health Centre III	172,475,905	1
2.	Construction of Apala Sub County Headquarters	294,887,055	1
3.	Completion of DHO's Office	75,555,459	1
4.	Completion of radiology unit at Alebtong Health Centre IV in Alebtong District	44,333,898	1
5.	Rehabilitation of a 4-classroom block at Oloo Primary School	94,733,310	1
6.	Construction of five stance drainable latrine at Alebtong, Atelelo and Omoro Primary Schools in Alebtong District	82,601,590	2
7.	Supply of 10 laptop computers, 1 desktop computer, 2 printers and CCTV camera to various departments	48,734,000	2
8.	Rehabilitation of 2 classroom blocks at Angopet Primary School	46,408,119	2
	TOTAL	859,729,336	

Implication

The Entity was denied the chance to maximize competition in the bidding process which ultimately hindered the achievement of value for money.

Management Response

The Entity advertised the opportunities to all interested nationals through open domestic bidding, yet there was still low participation from bidders. To address this issue, the Entity will implement the Authority's recommendation in the next financial year, considering that the Entity has been prequalified for three years.

Recommendation

The Accounting Officer should organize a bidders' conference in order to create bidder awareness followed and obtain information on the causes of limited participation by bidders in the bidding processes of the Entity.

2.1.11. Failure to hold pre-bid meetings

The Authority did not find evidence that the Entity conducted pre-bid meetings, as required under the bidding schedule and ITB 9.3 of the bidding document in six procurements worth UGX 995,429,260 as detailed in Table 8. The pre-bid meetings, which were to be held on 17th August 2023, were not conducted.

Table 8: Procurements with no pre-bid meeting minutes

No.	Subject of procurement	Contract Amount (UGX)
1.	Construction of Staff House at Adwir Health Centre III	172,475,905
2.	Construction of Apala Sub County Headquarters	294,887,055
3.	Rehabilitation of a 4-classroom block at Oloo Primary School	94,733,310
4.	Construction of five stance drainable latrine at Alebtong, Atelelo and Omoro Primary Schools in Alebtong District	82,601,590
5.	Hydrological survey, drilling and installation of 8 boreholes	175,442,400
6.	Design, review and partial construction of Amugu piped water scheme at Amugu Sub County	175,289,000
	TOTAL	995,429,260

Implication

Failure to hold scheduled pre-bid meetings inhibits transparency and accountability during the bidding process and may be an indication of fraudulent practices during bidding.

Management Response

In the activity schedule for the advert of 09th August 2023, its clearly stated that the pre bid meeting was scheduled to take place on 17th of August 2023 at 10:00 am at the district Council Hall but there was no single bidder who responded to the schedule and the entity could not make a radical addendum on the advert.

Authority's comment

The Authority acknowledged the entity's response however the entity did provide any evidence that the pre bid meeting was organized.

Recommendations

The Procurement and Disposal Unit should:

1. Document records of the fact that while the district officials were available for the pre-bid meeting, the bidders did not show up for example a record of those present and a minute to adjourn the meeting due to absence of potential bidders; and
2. Utilize online meetings to facilitate easier attendance for bidders.

2.1.12. Evaluation irregularities

The Authority found evaluation irregularities in 12 procurements worth UGX 1,528,239,723, for example, passing of non-compliant bidders, change of evaluation criteria and inclusion of new evaluation criteria during evaluation contrary to Regulation 73 (1) and (3) of the Local Governments (PPDA) Regulations, 2006 as detailed in Table 9 below:

Table 9: Procurement with evaluation irregularities

No.	Subject of procurement	Findings
1.	Completion of the radiology unit at Alebtong Health Centre IV in Alebtong District is worth UGX 44,333,898	<p>• Unfair evaluation criteria given the requisition amount of UGX 44,550,000</p> <p>The Authority found that the following criteria were unfair to the participating bidders given the requisition amount was UGX 44,550,000:</p> <p>i. Criteria 2.2-Average Annual Turnover</p> <p>The Entity required a minimum average turnover of UGX 100,000,000 calculated from total certified payments received for contracts in progress or completed within the last 2 years.</p> <p>ii. Criteria 2.3-Financial Resources</p> <p>The Entity required bidders to demonstrate access to or availability of financial resources such as liquid assets and encumbered assets lines of credit and other financial means excluding any contractual advance payment. Bidders needed to meet a cash flow requirement of UGX 60,000,000, along with the overall cash flow requirements for this contract and its concurrent commitments.</p> <p>iii. Criteria 3.2 – Specific Experience</p> <p>The Entity required participation as a contractor, management contractor, or subcontractor in at least three contracts within the last three years, each with a value of at least UGX 60,000,000. These contracts must have been successfully and substantially completed (at least 70% completed) and should be similar to the proposed works. Similarity was to be based on physical size, complexity, methods, technology, or other characteristics as prescribed in Section 6 of the statement of requirements.</p> <p><u>Management Response</u></p> <p><i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p> <p>• Irregular evaluation criteria under preliminary and administrative evaluation</p> <p>The Entity required that the bidder submit the most recent bank statement for the last six months from January to June 2022. This requirement was irregular, considering that the procurement process was taking place in August 2023.</p> <p><u>Management Response</u></p> <p><i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p>

No.	Subject of procurement	Findings
2.	Rehabilitation of a 4-classroom block at Awelokuricok Primary School worth UGX 93,220,385	<p>• Irregular evaluation The Authority found that the evaluation committee irregularly evaluated the bids. Whereas Verona Foundation Limited, Ayat Engineering Services, and Humble Auto Part (U) Limited were eliminated by the evaluation committee for failing to meet various requirements at the preliminary stage, their bids were still irregularly evaluated at technical stage by the same committee.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p> <p>• Unfair evaluation criteria The Authority found that for the procurement requisition amount of UGX 95,000,000, criteria 2.2-Average Annual Turnover was unfair to the bidder as the Entity required a minimum average turnover of UGX 200,000,000 calculated from total certified payments received for contracts in progress or completed within the last 2 years.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p> <p>• Inadequate criteria The Authority found that the criteria regarding Specific Experience (3.2) was inadequate in relation to the requisition amount of UGX 95,000,000. The criteria specified required participation as a contractor management contractor or subcontractor in at least three contracts within the last three years, each valued at a minimum of UGX 60,000,000. These contracts must have been successfully and substantially completed (with at least 70% completion) and must be similar to the proposed works. The assessment of similarity is based on various factors, including physical size, complexity, methods or technology, and other characteristics as outlined in Section 6 of the statement of requirements.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p>

No.	Subject of procurement	Findings
		<ul style="list-style-type: none"> Irregular evaluation criteria under preliminary and administrative evaluation The Entity required that the bidder submit the most recent bank statement for the last six months from January to June 2022. This requirement was irregular, considering that the procurement process was taking place in August 2023. Management Response <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i> Change of bidder's price The Evaluation Committee irregularly altered the bidder's price. The bid opening form stated that the bid price was UGX 94,776,038, but the Evaluation Committee changed it to UGX 93,220,385 in the evaluation report, with no arithmetic corrections. Management Response <i>The change in the price resulted from arithmetic corrections, and all errors were communicated to the bidder, who eventually accepted the changes. Attached are copies of the correspondence for verification.</i> Authority's comment The Entity did not provide evidence to support the management response. Passing a non-compliant bidder The Authority found that the Evaluation Committee approved Bona Agro Farm and Engineering (BEB) despite the bidder not meeting several key human resource requirements set by the Entity: <ol style="list-style-type: none"> For the Quality Surveyor position, the Entity required a Bachelor's degree in building economics along with three years of general experience and one year in similar works. However, the BEB did not provide such a candidate, and was wrongly evaluated as responsive by the Evaluation Committee. The General Foreman role necessitated a Higher Diploma in building and civil engineering, along with three years of general experience and one year in similar works. Similar to the first case, the BEB failed to present a compliant candidate but was evaluated as responsive.

No.	Subject of procurement	Findings
		<p>iii. The specification for the Social Development Officer required a Bachelor's degree in Social Works and Social Administration. The BEB submitted Emmanuel Okwir, who held a Bachelor's in Business Administration, which did not align with the requirement.</p> <p>iv. The Environmental Engineer position required a Bachelor's degree in Environmental Engineering. Instead, the BEB submitted Agnes Mabel Maturu, who possessed a Bachelor of Arts in Environmental Management, which differed from the required qualifications.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p>
3.	Rehabilitation of a 4-classroom block at Oloo Primary School worth UGX 94,733,310	<p>• Unfair evaluation criteria The Authority found that for the procurement requisition amount of UGX 95,000,000, criteria 2.2-Average annual; the Entity required a minimum average turnover of UGX 200,000,000 calculated from total certified payments received for contracts in progress or completed within the last 2 years.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p> <p>• Inadequate criteria The Authority found that the criteria regarding Specific Experience (3.2) was inadequate in relation to the requisition amount of UGX 95,000,000. The criteria specified required participation as a contractor management contractor or subcontractor in at least three contracts within the last three years, each valued at a minimum of UGX 60,000,000. These contracts must have been successfully and substantially completed (with at least 70% completion) and must be similar to the proposed works. The assessment of similarity is based on various factors, including physical size, complexity, methods or technology, and other characteristics as outlined in Section 6 of the statement of requirements.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p>

No.	Subject of procurement	Findings
		<ul style="list-style-type: none"> • Irregular evaluation criteria under preliminary and administrative evaluation <p>The Entity required that the bidder submit the most recent bank statement for the last six months from January to June 2022. This requirement was irregular, considering that the procurement process was taking place in August 2023.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p>
4.	Construction of five stance drainable latrine at Alebtong, Atelelo and Omoro Primary Schools in Alebtong District worth UGX 82,601,590	<ul style="list-style-type: none"> • Unfair evaluation criteria <p>The Authority found that criteria 2.2-Annual Average Turnover was unfair to the bidders for the procurement requisition amount of UGX 85,000,000. The Entity required a minimum average turnover of UGX 200,000,000 calculated from total certified payments received for contracts in progress or completed within the last 2 years.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p> <ul style="list-style-type: none"> • Inadequate criteria <p>The Authority found that the criteria regarding Specific Experience (3.2) was inadequate in relation to the requisition amount of UGX 85,000,000. The criteria specified required participation as a contractor management contractor or subcontractor in at least three contracts within the last three years, each valued at a minimum of UGX 60,000,000. These contracts must have been successfully and substantially completed (with at least 70% completion) and must be similar to the proposed works. The assessment of similarity is based on various factors, including physical size, complexity, methods or technology, and other characteristics as outlined in Section 6 of the statement of requirements.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p> <ul style="list-style-type: none"> • Irregular evaluation criteria under preliminary and administrative evaluation <p>The Entity required that the bidder submit the most recent bank statement for the last six months from January to June 2022.</p>

No.	Subject of procurement	Findings
		<p>This requirement was irregular, considering that the procurement process was taking place in August 2023.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p>
5.	Hydrological survey, drilling and installation of 8 boreholes worth UGX 175,442,400	<p>• Unfair evaluation criteria The Authority found that criterion 2.2- Annual Average Turnover was unfair to the bidders for the procurement requisition amount of UGX 193,407,480. The Entity required a minimum average turnover of UGX 400,000,000 calculated from total certified payments received for contracts in progress or completed within the last 2 years.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p> <p>• Inadequate criteria The Authority found that the criteria regarding Specific Experience (3.2) was inadequate in relation to the requisition amount of UGX 193,407,480. The criteria specified required participation as a contractor management contractor or subcontractor in at least three contracts within the last three years, each valued at a minimum of UGX 80,000,000. These contracts must have been successfully and substantially completed (with at least 70% completion) and must be similar to the proposed works. The assessment of similarity is based on various factors, including physical size, complexity, methods or technology, and other characteristics as outlined in Section 6 of the statement of requirements.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p> <p>• Change of bidder's price The Evaluation Committee irregularly altered the bidder's price. The bid opening form stated that the bid price was UGX 181,899,360, but the Evaluation Committee unjustly changed it to UGX 175,442,400 in the evaluation report, with no correction of arithmetic errors.</p>

No.	Subject of procurement	Findings
		<p><u>Management Response</u> <i>The change in the price resulted from arithmetic corrections, and all errors were communicated to the bidder, who eventually accepted the changes.</i></p> <p><u>Authority's comment</u> The Entity did not provide evidence to support their response.</p>
6.	Design, review and partial construction of Amugu piped water scheme at Amugu Sub County worth UGX 175,289,000	<ul style="list-style-type: none"> <p>Unfair evaluation criteria The Authority found that criteria 2.2-Annual Average Turnover was unfair to the bidders for the procurement requisition amount of UGX 177,000,000. The Entity required a minimum average turnover of UGX 400,000,000 calculated from total certified payments received for contracts in progress or completed within the last 2 years.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p> <p>Inadequate criteria The Authority found that the criteria regarding Specific Experience (3.2) was inadequate in relation to the requisition amount of UGX 177,000,000. The criteria specified required participation as a contractor management contractor or subcontractor in at least three contracts within the last three years, each valued at a minimum of UGX 80,000,000. These contracts must have been successfully and substantially completed (with at least 70% completion) and must be similar to the proposed works. The assessment of similarity is based on various factors, including physical size, complexity, methods or technology, and other characteristics as outlined in Section 6 of the statement of requirements.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p> <p>Irregular evaluation The Authority found that the Evaluation Committee irregularly evaluated bids at technical evaluation. Whereas the evaluation committee eliminated Alinea (U) SMC Limited, Humble Auto Parts Limited, Brio Engineering and Exceed Print and Crafts Limited at preliminary evaluation, the bids were irregularly evaluated at the technical stage.</p>

No.	Subject of procurement	Findings
		<p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p>
7.	Rehabilitation of 2 classroom blocks at Angopet Primary School worth UGX 46,408,119	<p>• Unfair evaluation criteria given the requisition amount of UGX 49,186,212 The Authority found that the following criteria unfair to the participating bidders as the requisition amount was UGX 49,186,212:</p> <p>i. Criteria 2.2-Average Annual Turnover The Entity required a minimum average turnover of UGX 200,000,000 calculated from total certified payments received for contracts in progress or completed within the last 2 years.</p> <p>ii. Criteria 3.2 – Specific Experience The Entity required participation as a contractor, management contractor, or subcontractor in at least three contracts within the last three years, each with a value of at least UGX 60,000,000. These contracts must have been successfully and substantially completed (at least 70% completed) and should be similar to the proposed works. Similarity was to be based on physical size, complexity, methods, technology, or other characteristics as prescribed in Section 6 of the statement of requirements.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p> <p>• Passing a non-compliant bidder The Authority found that the Evaluation Committee approved Nyonymac Enterprises Limited (BEB) despite the bidder not meeting several key human resource requirements:</p> <p>i. The Entity required a Quantity Surveyor with a Bachelor's degree in Building Economics, with 3 years of general experience and 1 year of experience in similar projects. However, the BEB did not provide a qualified candidate and was still evaluated as responsive by the Evaluation Committee.</p> <p>ii. The Entity required a General Site Foreman with a Higher Diploma in Building and Civil Engineering. Instead, the BEB submitted Mr. Christopher Oyang, who held a Certificate in Painting and Decoration and was evaluated as responsive by the evaluation committee.</p> <p>iii. The Entity required a Social Development Officer with a Bachelor's degree in Social Work or Social Administration</p>

No.	Subject of procurement	Findings
		<p>with 3 years of general experience, and 1 year of experience in similar roles. The BEB failed to provide a qualified candidate and was evaluated responsive by the evaluation committee.</p> <p>iv. The Entity sought an Environmental Officer with a Bachelor's degree in Environmental Engineering, with 3 years of general experience and 1 year of relevant experience. The BEB did not meet this requirement and was still evaluated as responsive by the evaluation committee.</p> <p>v. The Entity required a Health and Safety Officer with a Certificate in Health and Safety, with 3 years of general experience and 1 year of experience in similar positions. The BEB did not meet this criterion but was still deemed responsive by the evaluation committee.</p> <p>This raises concerns about the integrity of the evaluation process and the importance of adhering to established qualifications.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p> <p>• Failure to evidence the required equipment as per the bidding document The Authority did not find evidence to prove that the BEB had the machinery required in the evaluation criteria. The equipment requirement included one power float machine, jumping compactor, supervision vehicle, and motorcycle. However, the BEB did not provide the equipment, yet was still evaluated as responsive by the evaluation committee.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p>
8.	Construction of Staff House at Adwir Health Centre III worth UGX 172,475,905	<p>• Failure to evaluate criteria The Authority found that the bidding document required bidders to have participated as a contractor, management contractor, or subcontractor in at least three contracts within the past three years, with each contract valued at a minimum of UGX 180,000,000. However, the Evaluation Committee did not assess this criterion.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p>

No.	Subject of procurement	Findings
9.	Construction of Apala Sub County Headquarters worth UGX 294,887,055	<p>• Irregular change of evaluation criteria The Authority found that the Evaluation Committee assessed the criteria based on a notarized registered Power of Attorney by the Uganda Registration Services Bureau (URSB). However, the criteria stated in the bidding document required a Power of Attorney specific to the procurement and if drawn and signed in Uganda, it should have been registered with URSB, while a notarized Power of Attorney was acceptable if drawn and signed outside Uganda.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p> <p>• Irregular evaluation The Authority determined that K and K Commercial Agencies Ltd indicated in their bid that Alex Mungoma was designated as the Site Foreman. However, the bid did not include Alex Mungoma's academic transcript. Instead, the document submitted contained a testimonial from Uganda Technical College Elgon, which pertained to examinations taken in 2004. The bidding documents specifically required a Site Foreman to hold an Ordinary Diploma in Building and Civil Engineering.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p>
10.	Low-cost sealing of 0.5km Road section along Kaguta Avenue from Alebtong HCIV towards the Bridge worth UGX 348,848,061	<p>• Failure to evaluate all criteria stated in the bidding document The Authority found that although ITB 19.1 of the bidding document stated that bids must be valid for 180 working days, this criterion was not evaluated by the Evaluation Committee.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the Authority's guidance and will ensure compliance with best practices moving forward.</i></p> <p>• Irregular reduction of BEB's price The Authority found that the bid price from Unified Investment Company Limited was reduced from UGX 330,760,151 to UGX 315,454,185, resulting in a discount of UGX 15,214,966. However, since no bid document was provided for review, the audit team could not verify whether Unified Investment Company Limited had offered a discount of UGX 15,214,966. It</p>

No.	Subject of procurement	Findings
		<p>appears that the Entity may have subjected Unified Investment Company Limited's bid to a discount in an attempt to outbid Mubuna Investments (U) Limited, which had quoted UGX 315,608,930, compared to the initial bid price of UGX 330,760,151 quoted by Unified Investment Company Limited.</p> <p>Management Response <i>Unified Investment Company Limited offered a discount of UGX 15,214,966 and the bidding document has been availed for verification.</i></p> <p>Authority's comment The Entity did not provide evidence to support the management response.</p>

Implications

- Passing non-compliant bidders exposed the Entity to the risk of contracting providers that could fail to execute the works/supplies with competence.
- Irregularities during evaluation raise a red flag on the integrity of the Entity's procurement processes and whether the evaluation was fairly conducted.
- The unfair/irregular evaluation criteria affect the level of bidder participation.

Recommendations

1. The Accounting Officer should task the Evaluation Committee members to show cause why disciplinary action should not be taken against them for the irregularities noted above.
2. Evaluation Committees should be vigilant while reviewing the information submitted by the bidders for conformity with the set criteria, before passing bidders in accordance with Section 76 (3) of the PPDA Act Cap. 205.

2.1.13. Delayed contract signing

The Accounting Officer delayed signing two contracts worth UGX 460,403,520 from the date of receipt of clearance from the Solicitor General. Whereas the Solicitor General cleared the contract on 24th April 2024, the contracts were signed on 22nd May 2024, resulting in a delay of 21 working days as detailed in Table 10 below:

Table 10: Procurements with delayed contract signing

No.	Subject of procurement	Contract Amount (UGX)
1.	Low-cost sealing of 0.5km Road section along Kaguta Avenue from Alebtong HCIV towards the Bridge	348,848,061
2.	Completion of DHO's Office	75,555,459
	TOTAL	460,403,520

Implications

- Delays in contracting results in the commitment of more resources in terms of staff and time

by the Entity to projects that ought to have been completed earlier and also affect the Government's performance in the delivery of services to the public.

- Delays in contracting increase the procurement lead times, which delay service delivery to the intended beneficiaries and also expose the Entity to the risk of failure to utilize funds by the end of the financial year.

Management Response

The Entity has acknowledged the Authority's guidance.

Recommendation

The Accounting Officer should sign contracts promptly to promote efficiency in public procurement in accordance with Section 51 of the PPDA Act Cap. 205.

2.1.14. Contracting irregularities

The Authority found contracting irregularities in four procurements worth UGX 769,904,575 as detailed in Table 11 below:

Table 11: Procurements with contracting irregularities

No.	Subject of procurement	Findings
1.	Construction of Apala Sub County Headquarters worth UGX 294,887,055	<p>Failure to require the contractor to submit ES Performance Security The Authority found that the contract did not provide for Environmental and Social Performance Security thereby exposing the Entity to non-performance risks in line with environment and social health safeguards.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the gap for future improvements.</i></p>
2.	Low-cost sealing of 0.5km Road section along Kaguta Avenue from Alebtong HCIV towards the Bridge worth UGX 348,848,061	<p>Inconsistency in the contract completion duration The Authority found an inconsistency regarding the contract period. The bidding document specified a completion schedule of 3 months; however, GCC 22 of the Special Conditions of Contract (SCC), indicated that the intended completion date for the entire project was 15th June 2024 i.e. two calendar months from the commencement date which was an inconsistency of one month in the completion period in the same document.</p> <p>Additionally, the Authority found that the contract was signed on 22nd May 2024, with the contractual start date of 29th May 2024. Accordingly, the expected completion date for the works should have been 29th July 2024, based on the two-month completion period. This timeline contradicted the completion date of 15th June 2024 as stated in GCC 22 of the Special Conditions of Contract and does not equate to the two months contractual duration.</p> <p><u>Management Response</u> <i>This happened due to the fact that the contract was signed towards the end</i></p>

No.	Subject of procurement	Findings
		<p><i>of the financial year as a result of unavoidable challenges. The project was also planned in the same financial year. thus, the money was going to be swept back to the consolidated fund and would not be revoted back.</i></p> <p>Failure to require the contractor to submit ES Performance Security The Authority found that the contract did not provide for Environmental and Social Performance Security thereby exposing the Entity to non-performance risks in line with environmental and social health safeguards.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the gap for future improvements.</i></p>
3.	<p>Completion of DHO's Office worth UGX 75,555,459</p>	<p>Inconsistency in the contract completion duration The Authority found an inconsistency regarding the contract period. The bidding document specified a completion schedule of 3 months; however, GCC 22 of the Special Conditions of Contract (SCC), indicated that the intended completion date for the entire project was 15th June 2024 i.e. two calendar months from the commencement date which was an inconsistency of one month in the completion period in the same document.</p> <p>Additionally, the Authority found that the contract was signed on 23rd April 2024, with the contractual start date of 1st May 2024. Accordingly, the expected completion date for the works should have been 1st July 2024, based on the two-month completion period. This timeline contradicted the completion date of 15th June 2024 as stated in GCC 22 of the Special Conditions of Contract and does not equate to the two months contractual duration.</p> <p><u>Management Response</u> <i>This happened due to the fact that the contract was signed towards the end of the financial year as a result of unavoidable challenges. The project was also planned in the same financial year. thus, the money was going to be swept back to the consolidated fund and would not be revoted back.</i></p>
4.	<p>Supply of borehole pump parts worth UGX 50,614,000</p>	<p>Issuance of the NOBEB without negotiations The Authority found that the Accounting Officer issued a notice of best evaluated bidder on 7th February 2024 without negotiation with the best evaluated bidder as per the recommendation of the evaluation committee. The best evaluated bidder was AB trading and construction Company Limited whose bid price was UGX 39,794,500 against the requisition price estimate of UGX 29,568,000.</p> <p><u>Management Response</u> <i>The Entity has acknowledged the gap for future improvements.</i></p>

No.	Subject of procurement	Findings
		<p>Failure to close or cancel the first procurement</p> <p>The Authority did not find any communication of the cancellation or closure of the first procurement process. The procurement process had been halted after the communication of the best-evaluated bidder (BEB) and subsequently a new process was initiated. There is no formal correspondence between the entity, the BEB or the other participating bidders indicating that the initial process had been cancelled or stopped.</p> <p><u>Management Response</u></p> <p><i>The Entity has acknowledged the gap for future improvements.</i></p>

Implications

- Failure to obtain Environment and Social Performance Securities exposes the Entity to risks associated with non-performance of the contracts in line with environmental and social safeguards.
- Irregularities in the signed contracts expose the Entity to the risk of contract disputes between the Entity and the contractors.
- Irregularities at contracting are an indication of a lack of transparency and make the contract terms voidable and could become unenforceable in case they are challenged by either party.

Recommendations

The Accounting Officer should:

1. Only sign contract documents after satisfying himself on the correction of any contradictions that may be contained therein the procurements;
2. Only issue the NOBEB upon completion of the evaluation and negotiation processes and following the Contracts Committee decision to award the contract; and
3. Task the Procurement and Disposal Unit to include Environmental and Social Performance Security in the contract as per the template of the standard bidding document issued by the Authority in September 2019.

2.2.COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESSES WITH THE PROVISIONS OF THE PPDA ACT CAP.205 AND PPDA REGULATIONS.

2.2.1. Failure to dispose of all unserviceable items as per the Board of Survey

The Authority found that the board of survey report dated 30th August 2023 listed a number of items for disposal, including motorcycles, iron sheets, tyres, signposts, solar panel handles, used tiles, metallic door frames, and cars, to mention but a few as detailed in Table 12 below:

Table 12:Unserviceable item recommended for disposal as per the Board of Survey report

No	Item Description	Quantity	Condition	Location
1.	Motorcycle (Jialing) LG 0010-004	01	Grounded	Driver Okot Denis
2.	Motorcycle LG 0009-004	01	Grounded	Works store
3.	Yamaha AG 100 LG 0014-004	01	Grounded	Head-teacher-Adyanglim

No	Item Description	Quantity	Condition	Location
4.	Motorcycle UDD306R (Scooter yellow)	01	Scrap	District Stores keeper
5.	Motorcycle UG 2635 (Scooter)	01	Scrap	Works store
6.	Yamaha AG 100 LG 00015-26	01	Scrap	Works store
7.	Honda XL 125 UG 3029R	01	Grounded	LC V Councilor Awei
8.	Jingcheng UG 1938R (Jialing)	01	Grounded	Works store
9.	Suzuki TF125 UG1064A	01	Grounded	Production Dept store
10.	Yamaha DT125 UDX 066Y	01	Grounded	Production Dept store
11.	Yamaha DT125 UDX 277Y	01	Grounded	Production Dept store
12.	Yamaha DT125 UG 0618Z	01	Grounded	Production Dept store
13.	Yamaha DT125 UDX 236Y	01	Grounded	In charge Adwir HC II
14.	Iron sheets	152pieces	Scrap/old	District store
15.	Tyres (used)	06 pieces	Obsolete	District store
16.	Sign post	06	Obsolete	District store
17.	Solar panel handle	01	Scrap	District store
18.	Tiles (used)	100 pieces	Obselete	District store
19.	Metallic door frames	02	Scrap	District store
20.	Used assorted tyres	14	Obsolete	Works store
21.	Motorcycles	05	Scrap	Works store
22.	Motorcycle JINGCHENG LG0009004	01	Grounded	Works store
23.	Yamaha DT 125 motorcycle UG 0614Z. donated by ALREP	01	Grounded	Works store
24.	Executive office chair	01	Obsolete	Works store
25.	AMCO culverts	11	Used	Works store
26.	Used Galvanized pipes removed from boreholes	28	Scrap	Works store
27.	Cylinder head	09	Scrap	Works store
28.	Galvanized rods	55	Scrap	Works store
29.	Pump head with handles	15	Scrap	Works store
30.	Pump head without handle	01	Scrap	Works store
31.	Hand washing stand	01	Scrap	Health Centre IV store
32.	Mattress	01	Obsolete	Health Centre IV store
33.	Metallic door	01	Obsolete	Health Centre IV store
34.	Weighing scale	01	Scrap	Health Centre IV store
35.	Walking crash with 4 legs	40	Obsolete	Health Centre IV store
36.	Chair sitting pan	01	Obsolete	Health Centre IV store
37.	Metallic filing cabinet	01	Scrap	Health Centre IV store
38.	Iron sheet box	03	Obsolete	Health Centre IV store
39.	Iron sheets ordinary	04	Scrap	Health Centre IV store
40.	Wheel chair	01	Obsolete	Health Centre IV store
41.	Adjustable bed	04	Scrap	Health Centre IV store
42.	Metallic beds	40	Scrap	Health Centre IV store
43.	Refrigerator	01	Obsolete	Health Centre IV store

No	Item Description	Quantity	Condition	Location
44.	Oxygen cylinders	02	Obsolete	Health Centre IV store
45.	Gas cylinder	02	Obsolete	Health Centre IV store
46.	Wash hand basin	03	Scrap	Health Centre IV store
47.	Generator (Honda) ED 1000	01	Obsolete	Apala Sub-County store
48.	Office Chairs	02	New	Apala Sub-County store
49.	Water tank 1000 liters	01	Damaged	Apala Sub-County store
50.	Plastic water tank 2500 litres	01	Damaged	Apala Sub-County store
51.	Sped	05	Obsolete	Apala Sub-County store
52.	Pick axes	06	Obsolete	Apala Sub-County store
53.	File cabinet	01	Obsolete	Apala Sub-County store
54.	Grinding machine one set	01	Obsolete	Apala Sub-County store
55.	Honda YBR 125 LG015826	01	Grounded	Abako Sub County store
56.	Metallic window frames	22	Used	Abako Sub County store
57.	Wooden door shutters	2	Old	Abako Sub County store
58.	Office chairs	3	Scrap	Abako Sub County store
59.	Metallic wing water gutters	35 pieces	Good	Amugu Sub-County store
60.	Small-sized metallic sign posts for NAADS	10 pieces	Good	Amugu Sub-County store
61.	File cabinet	01	Obsolete	Amugu Sub-County store
62.	Heavy-duty weighing scale	02	Obsolete	Amugu Sub-County store
63.	Borehole pipes	10	Obsolete	Amugu Sub-County store
64.	Borehole rode	04	Obsolete	Amugu Sub-County store
65.	Plastic borehole pipes	01	Obsolete	Amugu Sub-County store
66.	Assorted gridding mill parts	01	New	Amugu Sub-County store
67.	Water drums 50 litres	01	New	Amugu Sub-County store
68.	Assorted water parts	02	Obsolete	Amugu Sub-County store
69.	Water drums 500lit	01	New	Amugu Sub-County store
70.	Broken plastic chairs	14	Scrap	Amugu Sub-County store
71.	Cement	20 bags	New	Amugu Sub-County store
72.	Plan sign post	04	New	Amugu Sub-County store
73.	VIP pipe	01	Scrap	Amugu Sub-County store
74.	Broken plastic chairs	07	Scrap	Omoro Sub-County store
75.	Solar Battery	04	Expired	Omoro Sub-County store
76.	Printer	01	Scrap	Omoro Sub-County store
77.	Desktop Computer	2	Scrap	Omoro Sub-County store
78.	Sheets of wire mess	07	Old	Omoro Sub-County store
79.	Old bicycle frames	05	Obsolete	Omoro Sub-County store
80.	3 Wooden door shutters	03	Obsolete	Omoro Sub-County store
81.	Metallic windows	30	Obsolete	Omoro Sub-County store
82.	Metallic Door	01	Obsolete	Omoro Sub-County store
83.	Fridge	01	New	Omoro Sub-County store
84.	Water Pipes	03	Obsolete	Omoro Sub-County store
85.	Bore hole	03	Obsolete	Omoro Sub-County store
86.	Water pump	01	Obsolete	Omoro Sub-County store

No	Item Description	Quantity	Condition	Location
87.	Borehole assortment	01	Obsolete	Omoro Sub-County store
88.	Jerricans	21	Obsolete	Omoro Sub-County store
89.	Gloves for net distribution	08	New	Omoro Sub-County store
90.	Wooden door	03	Scrap	Omoro Sub-County store
91.	Tables	05	New	Omoro Sub-County store
92.	Machines for rice	01	New	Omoro Sub-County store
93.	Machines for maize	01	New	Omoro Sub-County store
94.	Printer	04	Old	Aloi Sub-County Store
95.	Binding machine	01	OLD	Aloi Sub-County Store
96.	Call box	01	OLD	Aloi Sub-County Store
97.	Dt motorcycle lg003-33	01	Grounded	Aloi Sub-County Store
98.	File cabinet	02	Scrap	Aloi Sub-County Store
99.	Water pipe	09	New	Aloi Sub-County Store
100.	Motorcycle Yamaha	01	Grounded	Aloi Sub-County Store
101.	Je ling motorcycle	01	Grounded	Aloi Sub-County Store
102.	Rode for borehole	09	New	Aloi Sub-County Store
103.	File cabinet	02	Old	Aloi Sub-County Store
104.	Cupboards	03	Old	Aloi Sub-County Store
105.	mower	01	Old	Aloi Sub-County Store
106.	DT motorcycle	01	grounded	Awei Sub-County store
107.	Cabinets'	01	Old	Awei Sub-County store
108.	Office Chairs	02	Old	Awei Sub-County store
109.	Laptop	01	SPOIL	Awei Sub-County store
110.	Broken plastic chairs	12	Broken	Awei Sub-County store
111.	Mowing machine	01	Spoil	Awei Sub-County store
112.	Office chairs	02	Spoil	Awei Sub-County store
113.	Dt motorcycle LG 0027-004	01	Grounded	Akuru Sub County store
114.	Office chairs	01	Old	Akuru Sub County store
115.	Old tyres	8	Used	Alebtong Town Council store
116.	G.I pipes	02	Used/old	Alebtong Town Council store
117.	Fan	01	Obsolete	Alebtong Town Council store
118.	File cabinet	02	Scrap	Abia Sub-County store
119.	Borehole assorted items	01	Scrap	Abia Sub-County store
120.	Wooden doors	02	Old	Abia Sub-County store
121.	Cupboards	03	New	Aloi Town Council
122.	Printer	02	Old	Aloi Town Council
123.	Timbers	30	old	Aloi Town Council
124.	Doors	02	Old	Aloi Town Council

Out of all the items listed in Table 12 above, the entity only disposed of 21 items as per the advert dated 13th February 2024 in the New Vision (vide Appendix 2).

Implication

Failure to dispose of all items due for disposal could lead to assets depreciating more than they should. This could ultimately lead to continued loss of value of assets.

Management Response

The Entity has noted the Authority's guidance for compliance, and shall explore other disposal methods for the low value items remaining in the next disposal process.

Management Response

The Authority acknowledged the entity's response however the board of survey indicated that they are also high value and new items pending disposal.

Recommendation b

The Accounting Officer should dispose of all obsolete assets using the appropriate method of disposal in accordance with the PPDA Act and Disposal Regulations to avoid further depreciation and attain value for money in accordance with Section 87 of the PPDA Act, 2003.

2.2.2. Delayed contract signing

The Authority found the Accounting Officer delayed in signing contracts for five disposal transactions worth UGX 3,250,000. Whereas the NOBEB was displayed on 28th March 2024, the contract was signed on 6th May 2024, resulting in a delay of 28 working days as detailed in Table 13 below:

Table 13: Delayed contract signing in the disposal process

No.	Items	BEB	Contract Amount (UGX)
1.	Yamaha	George Ocaka	500,000
2.	Yamaha DT 12	Geoffrey Otim	400,000
3.	HondaXL125LKC	Newton Otim	750,000
4.	Yamaha	Bosco Aboke	1,200,000
5.	YamahaYBR125	Denis Ochieng	400,000
	TOTAL		3,250,000

Implication

Irregularities in the disposal process is a sign of potentially fraudulent activity and indicate that proper checks and balances were not implemented, which could ultimately impact the achievement of value for money.

Management Response

The Entity has noted the Authority's guidance for compliance.

Recommendation

The Accounting Officer should sign contracts promptly to promote efficiency in public procurement in accordance with Section 51 of the PPDA Act Cap. 205.

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

2.3.1. Failure to obtain Performance Securities from the bidders

The Authority found that in 10 procurements worth UGX 1,559,461,284 listed under Table 14, the Entity did not obtain Performance Securities contrary to GCC 61.1 of the signed contract which required that an 8% Performance Security and 2% Environmental and Social Performance Security of the contract price be submitted.

Table 14: Procurement without Performance Security

No.	Subject of procurement	Contract Amount (UGX)	Performance Security requirement
1.	Rehabilitation of a 4-classroom block at Awelokuricok Primary School	93,220,385	8% Performance Security and 2% Environmental and Social Performance Security
2.	Rehabilitation of a 4-classroom block at Oloo Primary School	94,733,310	
3.	Construction of five stance drainable latrine at Alebtong, Atelelo and Omoro Primary Schools in Alebtong District	82,601,590	
4.	Hydrological survey, drilling and installation of 8 boreholes	175,442,400	
5.	Design, review and partial construction of Amugu piped water scheme at Amugu Sub County	175,289,000	
6.	Rehabilitation of 2 classroom blocks at Angopet Primary School	46,408,119	
7.	Construction of Staff House at Adwir Health Centre III	172,475,905	
8.	Completion of DHO's Office	75,555,459	
9.	Construction of Apala Sub County Headquarters	294,887,055	10% Performance Security
10.	Low-cost sealing of 0.5km Road section along Kaguta Avenue from Alebtong HCIV towards the Bridge	348,848,061	
	TOTAL	1,559,461,284	

Implication

Failure to obtain Performance Securities exposed the Entity to risks associated with non-performance of the contracts.

Management Response

The Entity has noted the Authority's guidance and will ensure it abides with Regulation 12(2) of the PPDA (Contracts) Regulation 2023

Recommendations

The Accounting Officer should:

1. Task contractors to always fulfil the conditions of contract effectiveness, such as obtaining the required Performance Securities from contractors in accordance with Regulation 12 (1) (a) of the PPDA (Contracts) Regulations, 2023;
2. Request local contractors to use the Performance Securing Declarations as a sign of commitment to meeting their contractual obligations without encumbering financial resources in accordance with the PS/ST circular on management of Performance Security and Advance Payment Guarantees dated 27th November 2024; and
3. Terminate the contract in the event the contractor does not provide the Performance Securities within the stipulated time in accordance with Regulation 12 (2) of the PPDA (Contracts) Regulations, 2023.

2.3.2. Payment irregularities

i) Payment of contingency without justification

The Authority found that the Entity paid contingency worth UGX 6,780,370 to the contractors without justification in three procurements worth UGX 223,743,019 as detailed in Table 15 below:

Table 15: Procurements with unjustified contingency payment

No.	Subject of procurement	Contingency Amount (UGX)	<u>Management Response</u>
1.	Rehabilitation of a 4-classroom block at Oloo Primary School worth UGX 94,733,310	1,574,166 (2%)	<i>The Contract Manager gave instructions to the contractor to break down one of the gable sides that had cracks and reconstruct it, and to widen the size of the windows since there were few windows.</i> Authority's comment The Authority noted the Entity's response; however, no supporting evidence was provided for verification.
2.	Construction of five stance drainable latrine at Alebtong, Atelelo and Omoro Primary Schools in Alebtong District worth UGX 82,601,590	3,333,399 (5%)	<i>No Management Response</i>
3.	Rehabilitation of 2 classroom blocks at Angopet Primary School worth UGX 46,408,119	1,872,805 (5%)	<i>The Contract Manager gave instructions to the contractor to cast the floor that didn't have concrete on it.</i>

No.	Subject of procurement	Contingency Amount (UGX)	Management Response
			Authority's comment The Authority noted the Entity's response; however, no supporting evidence was provided for verification.
	TOTAL	6,780,370	

- ii) The Authority further noted other payment irregularities in six procurements worth UGX 938,174,599 as detailed in Table 16 below:

Table 16: Procurements with other payment irregularities

No.	Subject of procurement	Findings
1.	Construction of Staff House at Adwir Health Centre III worth UGX 172,475,905	<p>i. Failure to certify and approve interim payment certificates No 01 and 02</p> <p>The Authority found that the section for names and signatures (for the District Community Development Officer and the Natural Resources Officer) on the Interim Payment Certificates No. 01 and 02 were blank thereby implying that the two officers did not certify the Interim Payment Certificates No. 01 and 02.</p> <p>Additionally, the Accounting Officer did not approve the Interim Payment Certificates No. 01 and 02 as indicated by the blank sections for the name and signature.</p> <p>Management Response <i>The Authority's guidance is noted for compliance.</i></p>
2.	Rehabilitation of 2 classroom blocks at Angopet Primary School worth UGX 46,408,119	<p>Irregular payment of VAT to a non-VAT registered bidder</p> <p>The Authority found that the Entity made a payment of VAT worth UGX 7,079,204.60 to a non-VAT registered bidder as per the certificate of registration dated 16th May 2017.</p> <p>Management Response <i>The Authority's guidance is noted for compliance.</i></p>
3.	Construction of Apala Sub County Headquarters worth UGX 294,887,055	<p>i. Failure to certify and approve interim payment certificates No 01 and 02</p> <p>The Authority found that the section for names and signatures (for the District Community Development Officer and the Natural Resources Officer) on the Interim Payment Certificates No. 01 and 02 were blank thereby implying that the two officers did not certify the Interim Payment Certificates No. 01 and 02.</p> <p>Additionally, the Accounting Officer did not approve the Interim Payment Certificates No. 01 and 02 as indicated by the blank sections for the name and signature.</p>

No.	Subject of procurement	Findings
		<p><u>Management Response</u> <i>The District Community Development Officer and the Natural Resources Officer both signed on the certificate.</i></p> <p><u>Authority's comment</u> The Authority noted the Entity's response; however, no supporting evidence was availed for verification.</p>
4.	Low-cost sealing of 0.5km Road section along Kaguta Avenue from Alebtong HCIV towards the Bridge worth UGX 348,848,061	<p>i. Failure to certify and approve interim payment certificates No 01 and 02 The Authority found that the section for names and signatures (for the District Community Development Officer and the Natural Resources Officer) on the Interim Payment Certificates No. 01 and 02 were blank thereby implying that the two officers did not certify the Interim Payment Certificates No. 01 and 02.</p> <p>Additionally, the Accounting Officer did not approve the Interim Payment Certificates No. 01 and 02 as indicated by the blank sections for the name and signature.</p> <p><u>Management Response</u> <i>The Authority's guidance is noted for compliance.</i></p> <p>ii. Failure to apply 18% VAT when computing the payment for payment certificate No. 1 The Entity applied a 6% Withholding Tax (WHT) amounting to UGX 12,597,491 on the total value of executed works, which was UGX 209,958,180. This calculation was made before accounting for the 18% Value Added Tax (VAT) of UGX 37,792,472. Consequently, the Entity effectively imposed a 6% WHT on an amount that included the 18% VAT. As a result, the 6% WHT on the 18% VAT of UGX 37,792,472 totals UGX 2,267,548. This represents a potential financial loss for the contractor due to over taxation.</p> <p><u>Management Response</u> <i>The Authority's guidance is noted for compliance.</i></p> <p>iii. Failure to apply 18% VAT when computing the payment for payment certificate No. 2 The Entity subjected a 6% WHT worth 6,060,469 on the total executed value of works worth UGX 101,007,816 before deducting the 18% VAT worth UGX 18,181,407. This means that the Entity subjected a 6% WHT on an amount that included 18% VAT. Therefore, a 6% WHT on 18% VAT worth UGX</p>

No.	Subject of procurement	Findings
		<p>18,181,407 is UGX 1,090,884, which is a potential financial loss to the contractor due to over taxation.</p> <p><u>Management Response</u> <i>The Authority's guidance is noted for compliance.</i></p>
5.	Completion of DHO's Office worth UGX 75,555,459	<p>i. Failure to compute 18% VAT during the payment The Authority found that the Entity paid UGX 67,999,913 to the contractor, yet failed to compute the 18% VAT, which amounted to UGX 12,239,984, during the payment process. As a result, the Entity inadvertently applied a 6% withholding tax on an amount that already contained the 18% VAT.</p> <p><u>Management Response</u> <i>The Authority's guidance is noted for compliance.</i></p> <p>ii. Failure to certify and approve interim payment certificate No 01 The Authority found that the section for names and signatures (for the District Community Development Officer and the Natural Resources Officer) on the Interim Payment Certificate No. 01 was blank thereby implying that the two officers did not certify the Interim Payment Certificate.</p> <p>Additionally, the Accounting Officer did not approve the Interim Payment Certificates No. 01 and 02 as indicated by the blank sections for the name and signature.</p> <p><u>Management Response</u> <i>The District Community Development Officer and the Natural Resources Officer both signed on the certificate.</i></p> <p>Authority's comment The Authority noted the Entity's response; however, no supporting evidence was provided for verification.</p>

Implications

- Irregularities in payments is a red flag for potential fraudulent practices within the Entity.
- Payment irregularities creates unfairness against bidders which ultimately affects their cash flows

Recommendation

The Contract Managers should not initiate payments without following proper documented procedures and approvals in accordance with Regulations 40 and 48 of the PPDA (Contracts) Regulation, 2023.

2.3.3. Failure to submit a program for works and program updates

The Authority found that contract managers did not have evidence of receipt of the program of works in four procurements worth UGX 891,766,480, contrary to GCC 36.1 of the signed contract, which required that the contractor submit a program for the works within 7 days of the contract.

Furthermore, there was no evidence that these contractors were penalized for failure to submit program updates contrary to GCC 36.3 of the signed contract, which provided that the period between program updates was 7 days and the amount to be withheld for late submission of an updated program was UGX 100,000. These procurements are listed in Table 17 below:

Table 17: Procurements without program of works

No.	Subject of procurement	Contract Amount (UGX)
1.	Construction of Staff House at Adwir Health Centre III	172,475,905
2.	Construction of Apala Sub County Headquarters	294,887,055
3.	Low-cost sealing of 0.5km Road section along Kaguta Avenue from Alebtong HCIV towards the Bridge	348,848,061
4.	Completion of DHO's Office	75,555,459
	TOTAL	891,766,480

Implications

- Failure to evidence receipt of program of works impacts the Contract Manager in that they are unable to monitor project milestones and this could contribute to the loss of time in terms of contract implementation hence a risk of ineffective project management.
- Failure to penalize the contractor encouraged the laxity of the contractor in providing a works program and subsequent updates.

Management Response

The Authority's guidance is noted for compliance.

Recommendations

The Contract Managers should in future procurements:

1. Task all contractors to submit revised and updated work programs for the pending works during contract implementation; and
2. Invoke the penalty under GCC 36.3 of the contract and recovery made for the amounts owed due to late submission of the program of works from all contractors.

2.3.4. Inadequate preparation of progress reports

1. The Authority found inadequate preparation of progress reports in three procurements worth UGX 816,211,021 contrary to Regulation 52 of the PPDA (Contracts) Regulation 2023, as detailed in Table 18:

Table 18: Procurements with inadequate preparation of progress reports

No.	Subject of procurement	Findings
1.	Construction of Staff House at	Whereas the contract was signed on 11 th December 2023 with an end date of 11 th May 2024, the contract manager only prepared one

No.	Subject of procurement	Findings
	Adwir Health Centre III worth UGX 172,475,905	progress report.
2.	Construction of Apala Sub County Headquarters worth UGX 294,887,055	The contract start date was 14 th February 2024 ending 15 th June 2024 however the contract manager Mr. Ogwok Andrew Max prepared only 2 progress reports dated 4 th June 2024 and 20 th June 2024. The appointment letter for the site supervisor required him to prepare monthly progress reports.
3.	Low-cost sealing of 0.5km Road section along Kaguta Avenue from Alebtong HCIV towards the Bridge worth UGX 348,848,061	The contract was for two months however there was only one progress report dated 9 th June 2024 prepared by Mr. Puche David the Ag. District Engineer (Project Manager) and Mr. Obote Ambrose the Roads Inspector that was prepared. The appointment letter of the site supervisor required him to prepare monthly progress reports. Furthermore, the progress report dated 9 th June 2024 prepared by Mr. Puche David the Ag. District Engineer (Project Manager) and Mr. Obote Ambrose the Roads Inspector (Site Supervisor) were not detailed i.e., it lacked key details such as percentage physical progress, percentage financial progress and percentage time progress.

Implications

- Ineffective contract monitoring and supervision potentially increased the risk of contract non-performance by a provider.
- There was a potential risk that some of the terms and conditions of the contract were breached and the breach not detected thus compromising the quality of deliverables.

Management Response

The Entity has noted the gap and pledges to do better in future procurements.

Recommendations

Contract Managers should in future procurements:

1. Strictly supervise contracted firms to fulfil all contractual obligations specified within the terms and conditions; and
2. Submit monthly progress /contract management reports to the Accounting Officer and Procurement and Disposal Unit as required under Regulation 52 (3) (g) of the PPDA (Contracts) Regulation 2023.

2.3.5. Failure to implement Environmental, Social, Health, and Safety (ESHS) requirements during contract implementation

The Authority found that the requirement for ESHS was vaguely stated in the bidding documents for all the procurements. The documents failed to provide the specifics for environmental, social, health and safety requirements contrary to Section 66 of the PPDA Act Cap. 205 as detailed

below:

a) Failure to report on the implementation of the ESHS requirements

Contract managers did not prepare progress reports on the implementation of ESHS requirements during contract implementation in all 11 sampled works contracts worth UGX 1,570,492,306 for example; the safety of works, HIV and Gender sensitization, grievance handling, disposal of waste, community engagements, planting of trees, and management of pollution, among others.

Implication

This made monitoring of the implementation of the ESHS requirements and intervention by the responsible stakeholders difficult.

Management response

The District Environment Officer was always involved in the monitoring of projects. ESHS requirements were implemented, and the reports and accountabilities have been provided for verification.

Authority's comment

The Authority noted the Entity's response; however, no supporting evidence was provided for verification as claimed in the management response.

Recommendations

1. The Accounting Officer should prevail over the contract managers to comprehensively report on the implementation of ESHS requirements in the progress reports. The Environment Officer should not sign on the payment certificates without the inclusion of the requirements in the reports.
2. The District Environment Officers, Community Development Officer, Labour Officer and District Health Officer should be involved in the planning and contract monitoring to take care of the environmental and social safeguard requirements.

b) Failure to undertake social and safety safe guards

The following social and safety safeguard inadequacies were found in the 11 implemented works contracts worth UGX 1,570,492,306:

- None of the sites had an occupational permit even though they had been occupied by the beneficiaries
- There was no evidence of HIV and AIDs prevention awareness and campaigns
- The Entity and Contractors did not form Grievance Redress Committees for managing complaints, grievances, and safety incidences from workers, project affected persons, suppliers, among others.

Implication

Failure to undertake social and safety safeguards may infringe on the human rights and safety of Project Affected Personnel and expose the project to the risk of rejection by the communities.

Management Response

The Entity has noted the gap and pledges to do better in future procurements.

Recommendation

The Contract Managers should work hand in hand with the Community Development Officers and Labour officers to ensure the enforcement of social and health safeguards during contract implementation.

2.3.6. Incomplete procurement files

The Authority found missing records in 12 procurement transactions worth UGX 1,652,529,182 as detailed in Table 19, contrary to Section 41 of the PPDA Act, 2003.

Table 19: Procurements with incomplete files

No.	Subject of procurement	Missing records
1.	Construction of Staff House at Adwir Health Centre III worth UGX 172,475,905	<ul style="list-style-type: none">• Contract implementation plan• Contract management/progress reports• Completion reports
2.	Construction of Apala Sub County Headquarters worth UGX 294,887,055	<ul style="list-style-type: none">• Contract implementation plan• Contract management/progress reports• Completion reports
3.	Low-cost sealing of 0.5km Road section along Kaguta Avenue from Alebtong HCIV towards the Bridge worth UGX 348,848,061	<ul style="list-style-type: none">• Contract implementation plan• Contract management/progress reports• Completion reports
4.	Completion of DHO's Office worth UGX 75,555,459	<ul style="list-style-type: none">• Contract implementation plan• Contract management/progress reports• Completion reports
5.	Completion of radiology unit at Alebtong Health Centre IV in Alebtong District worth UGX 44,333,898	<ul style="list-style-type: none">• Contract implementation plan• Contract management/progress reports• Completion reports
6.	Rehabilitation of a 4-classroom block at Awelokuricok Primary School worth UGX 93,220,385	<ul style="list-style-type: none">• Contract implementation plan• Contract management/progress reports• Completion reports
7.	Rehabilitation of a 4-classroom block at Oloo Primary School worth UGX 94,733,310	<ul style="list-style-type: none">• Contract implementation plan• Contract management/progress reports• Completion reports
8.	Construction of five stances drainable latrine at Alebtong, Atelelo and Omoro Primary Schools in Alebtong District worth UGX 82,601,590	<ul style="list-style-type: none">• Contract implementation plan• Contract management/progress reports• Completion reports
9.	Hydrological survey, drilling and installation of 8 boreholes worth UGX 175,442,400	<ul style="list-style-type: none">• Contract implementation plan• Contract management/progress reports• Completion reports
10.	Design, review and partial construction of Amugu piped water scheme at Amugu Sub County worth UGX 175,289,000	<ul style="list-style-type: none">• Contract implementation plan• Contract management/progress reports• Completion reports
11.	Supply of 10 laptop computers, 1	<ul style="list-style-type: none">• Contract implementation plan

No.	Subject of procurement	Missing records
	desktop computer, 2 printers and CCTV camera to various departments worth UGX 48,734,000	<ul style="list-style-type: none"> • Contract management/progress reports • Completion reports
12.	Rehabilitation of 2 classroom blocks at Angopet Primary School worth UGX 46,408,119	<ul style="list-style-type: none"> • Contract implementation plan • Contract management/progress reports • Completion reports

Implication

Missing records are a sign of an ineffective accountability controls within the Entity.

Management Response

This was noted for compliance and going forward, the Entity shall ensure that all the missing documents are always produced by the contract managers.


Recommendations

1. The Accounting Officer should prevail over contract managers to ensure that reports on contract implementation are prepared and forwarded to the Procurement and Disposal Unit in accordance to Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.
2. The Head, Procurement and Disposal Unit should maintain procurement action files that are complete with all documents in accordance with Section 31 (o) of the PPDA Act, 2003.

2.3.7. Poor contracting monitoring and supervision

The Authority found that there were contract management anomalies in four procurements worth UGX 863,358,014, as detailed in Table 20 below:

Table 20: Procurements with anomalies during contract implementation

Physical Verification images taken on 6 th December 2024	
Subject of procurement	Low-cost sealing of 0.5km Road section along Kaguta Avenue from Alebtong HCIV towards the Bridge worth UGX 348,848,061
	

Physical Verification images taken on 6th December 2024



Queries:

- There were unsatisfactory works noted on the low-cost sealing of the road that was undertaken as seen in the images above
- The surface dressing was poorly done, the layer of the asphalt/tarmac was too thin
- The tarmac was not smoothly done-it had depressions and potholes

Management response

The corrections on the road had been done; however, at the time of this Audit, works were still ongoing.

Authority's comment

The Authority noted the entity's response; however, no supporting evidence was provided for verification.

Subject of procurement

Completion of radiology unit at Alebtong Health Centre IV in Alebtong District worth UGX 44,333,898



Queries

- The lower part of the window developed rust as rainwater collects inside it.
- The roof was left with an opening

Management response

The windows have been paid and the photos are available for verification

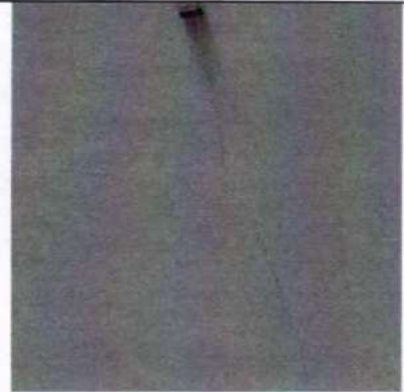
Authority's comment

The Authority noted the Entity's response; however, no supporting evidence was provided for verification.

Physical Verification images taken on 6th December 2024

Subject of procurement

Construction of Apala Sub County Headquarters worth UGX 294,887,055



Queries

- The ceiling had cracks all over
- There was an uncovered space in the ceiling
- Broken debris was dumped behind the building
- The project was not labelled or engraved

Management response

All the debris were removed and the project has been engraved

Authority's comment

The Authority noted the Entity's response; however, no supporting evidence was provided for verification and not all exceptions had responses.

Subject of procurement

Design, review and partial construction of Amugu piped water scheme at Amugu Sub County worth UGX 175,289,000

Physical Verification images taken on 6th December 2024



Queries

- The water source was covered in the bush.
- The community had access and had recently planted cassava around the water source. This could lead to them destroying the pipe, knowingly or not.

Management response

The place has been cleared, and phase two of the project is ongoing

Authority's comment

The Authority noted the Entity's response; however, no supporting evidence was provided for verification.

Implications

- Poor contract monitoring and supervision could lead to non-performance by the contractors, hence failure to achieve value for money.
- Delayed completion of projects results in delayed service delivery to the intended beneficiaries.

Management Response

- 1) *The Accounting Officer has written to all participating contractors notifying them of the defects and snag lists that were issued to them.*
- 2) *Going forward, disciplinary actions will be taken against the Contract Managers who fail to perform their roles.*

Recommendations

The Accounting Officer should:

1. Fast-track the correction of defects and completion of stalled projects to ensure timely service delivery to the intended beneficiaries; and
2. Task the responsible contract managers to show why some activities were not implemented satisfactorily and show cause why disciplinary action should not be taken against them.
3. The Contract Managers should strictly supervise contracted firms to fulfil all contractual obligations specified within the terms and conditions.

2.4. PERFORMANCE OF FORCE ACCOUNT MECHANISM

Alebtong District Local Government received UGX 1,000,000,000 in the Financial Year 2023/2024 from the Ministry of Works and Transport as the Road Grant for road maintenance

works broken down as follows: mechanized routine maintenance of 18 District Roads estimated at UGX 732,599,594, periodic maintenance (Fixing Bottlenecks) for two roads estimated at UGX 137,100,406 and other qualifying works estimated at UGX 130,300,000. The detailed breakdown is indicated in Table 21 below:

Table 21: Road Grant breakdown estimates

No	Name of Road	Estimated Amount (UGX)
Mechanized Routine Maintenance of District Roads		
1.	Mechanized maintenance of Okuru -Adwir – Adeye 16 km	56,000,000
2.	Mechanized maintenance of Abongodyang – Tekulu – Abia Sub County Headquarter 15 km	52,500,000
3.	Mechanized maintenance of Oloo – Mechanized maintenance of Omoro via Blessed Hope P/S 7.2 km	25,200,000
4.	Mechanized maintenance of Aminomugu – Olwinypii – Owalo 10 km	35,000,000
5.	Mechanized maintenance of Otingo – Aryemet 14 km	49,000,000
6.	Mechanized maintenance of Ogini – Te Amyel 15 km	52,500,000
7.	Mechanized maintenance of Akura – Oteno – Abia 12 km	42,000,000
8.	Mechanized maintenance of Alebtong T/C – Okut – Abako H/Q 16 km	56,000,000
9.	Mechanized maintenance of Alebtong T/C – Anino Station 11 km	38,500,000
10.	Mechanized maintenance of Obangangeo – Omoro – Otuke Bdr 22.5 km	78,750,000
11.	Mechanized maintenance of Abako H/C III – Ojul – Te Owelo 5 km	17,500,000
12.	Mechanized maintenance of Aloji T/C – Oloo Bridge 15 km	52,500,000
13.	Mechanized maintenance of Tedwii – Orupu – Bar Bdr 8 km	28,000,000
14.	Mechanized maintenance of Amugu T/C – Amononeno 6 km	21,000,000
15.	Mechanized maintenance of Yatamenya – Omele – Akura 11 km	38,500,000
16.	Mechanized maintenance of Iyama – Pida Okuru 8 km	28,022,594
17.	Mechanized maintenance of Alebtong T/C – Awiny – Anara OR 5 km	17,627,000
18.	Mechanized maintenance of Ogowle – Baropiro – Amugu 12.7 km	44,000,000
	Sub Total	732,599,594
Periodic maintenance (Fixing Bottlenecks)		
19.	Periodic maintenance of Ajoka Swamp along Akura – Anara Road	65,523,000
20.	Periodic maintenance of Delta Swamp and Amini Opio Swamp	71,577,406
	Sub Total	137,100,406
Other Qualifying Works		
21.	Testing of road construction materials	4,500,000
22.	Screening of Social and Environmental Safeguards, SEMP development and implementation of SEMP	3,000,000
23.	Joint monitoring cost	16,800,000
24.	Office operation administration (3%)	30,000,000
25.	Mechanical impress for maintenance of road unit and equipment	76,000,000

No	Name of Road	Estimated Amount (UGX)
	hire (7.6%)	
	Sub Total	130,300,000
	Grand Total	1,000,000,000

The Authority found the following irregularities in the implementation of road works under the UGX 1 billion road grant:

2.4.1. Failure by the Force Account Supervisor to fully perform their tasks

The Authority found that the Force Account Supervisor did not fully perform their roles and responsibilities contrary to Regulation 5 of the PPDA (Force Account Mechanism) Regulations, 2014 as detailed below:

- i. The Guidelines issued by the Ministry of Works on the implementation of the UGX 1 billion road grant required the Entity to undertake roads/ structures inventory and condition surveys supported by a detailed road condition survey report indicating the major road rehabilitation requirements however the Force Account Supervisor did not submit this report to the Accounting Officer for onward submission to the Ministry.
- ii. The Force Account Supervisor did not share records for inputs such as culverts, marram and sand procured under Force Account with the Procurement and Disposal Unit for inclusion in the Entity's monthly reports.

Implication

There was a risk that resources allocated for the mechanized maintenance of roads were mismanaged and the works were not done in accordance with the PPDA (Force Account Mechanism) Regulations, 2014 and the ministry guidelines.

Management Response

The records and reports on the Force Account are always shared with the respective stakeholders; however, during the audit, it had not yet been made available to the Procurement and Disposal Unit.

Authority's comment

The Authority noted the Entity's response; however, no evidence was provided to support the management response.

Recommendations

The Accounting Officer should:

1. Instruct the District Engineer to share all copies of records and reports on Force Account Mechanism with the Procurement and Disposal Unit and maintain and manage the records of the works, equipment and supplies in accordance with Section 130 (5) (e) of the PPDA Act Cap. 205; and
2. Task the Force Account Supervisor to show cause why disciplinary action should not be taken against him for failure to fully perform their duties in accordance with Regulation 5 of the PPDA (Force Account Mechanism) Regulations, 2014.

2.4.2. Conducting works without approval by the contracts committee

The works department executed the rehabilitation works using the Force Account Mechanism without obtaining approval of the contracts committee for the work plans, work programs, estimates, and the bills of quantities. The consumption estimates for the equipment, the number of days that the works would take, the amount of labour deployed, allowances, and the quantity of materials were all not adjudicated upon by the contracts committee, but justified.

Implication

Failure to obtain contracts committee approvals before undertaking works exposes public resources to the risk of abuse without backstopping.

Management response

The Form 5 for the various roads was availed for verification and was approved by the Contracts Committee.

Authority's comment

The Authority noted the Entity's response; however, it was inadequate for the queries raised, and no supporting evidence was provided for verification.

Recommendation

The District Engineer should submit the Force Account work plans, work programs, estimates, and Bills of Quantities with satisfactory justifications to the Contracts Committee for approval.

2.4.3. Failure by the Force Account Manager to fully perform his tasks

The Authority found that the Force Account Manager did not fully perform his roles and responsibilities contrary to Regulation 6 of the PPDA (Force Account Mechanism) Regulations, 2014 as detailed:

- i. The Force Account Manager did not submit to the Ministry of Works quarterly reports for the Financial Year 2023/24 contrary to the implementation guidelines issued by the Ministry of Works on the implementation of the UGX 1 billion road grant which required the Entity to prepare quarterly reports on physical and financial progress for quarter 1, 2, 3 and 4 however the Entity did not prepare any quarterly reports.
- ii. The Force Account Manager did not prepare completion reports and certificates for any of the road works highlighted above (Table 21) to show that the works were satisfactorily completed.

Implication

The anomalies noted above were in contravention of the principles of accountability and transparency in the application of the Force Account Mechanism.

Management Response

- 1) *Quarterly reports were prepared and submitted to the Ministry of Works and Transport.*
- 2) *Completion reports and certificates were prepared.*

Authority's comment

The Authority noted the Entity's response; however, no supporting evidence was provided for verification.






Recommendation

The Accounting Officer should task the Force Account Manager to show cause why disciplinary action should not be taken against him for failure to fully perform their duties such submission of reports in accordance with Regulation 6 (5) of the PPDA (Force Account Mechanism) Regulations, 2014.

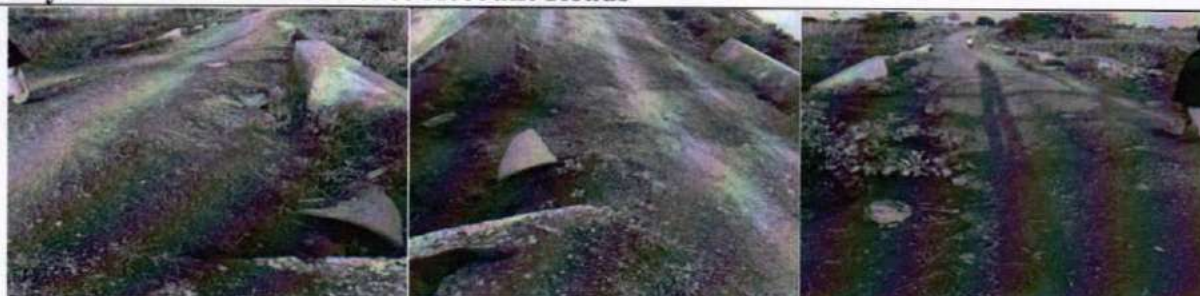
2.4.4. Irregularities noted during physical verification of the UGX 1 billion road grant

The Authority conducted physical verification of two roads with mechanized maintenance i.e Okuru -Adwir – Adeye Road - 16 km and Amino Opio Swamp Road and found the following irregularities as indicated in Table 22 below:

Table 22: Irregularities noted during physical verification

Physical Verification of Force Account Roads		
Mechanized maintenance of Okuru -Adwir – Adeye Road 16 km		
<ul style="list-style-type: none"> • There was no sign board • The road had parts that were impassible • Damages on installed culverts 		
		
Deep cracks on the culverts installed	Poor finishing on the culvert installation	
		
Impassible section of the Okuru -Adwir – Adeye Road		
Mechanized maintenance of Amino Opio Swamp		
<ul style="list-style-type: none"> • Poorly compacted murram • Storm water washed away the murram on the side of the bridge due to failure to compact the murram well • Incomplete works 		

Physical Verification of Force Account Roads



Storm water washed away the murram on the side of the bridge due to failure to compact the murram well



Poorly compacted murram

Implications

- Poor contract monitoring and supervision could lead to non-performance by the contractors, hence failure to achieve value for money.
- There is a potential financial loss caused to the Entity as a result of failure to implement all activities satisfactorily.

Management Response

Going forward, we shall ensure the timely completion of projects and the non-implementation of some activities is as a result of limited machines in the district and also their breakdown

Recommendation

The Accounting Officer should

1. Fast track the correction of road defects to ensure timely service delivery to the intended beneficiaries; and
2. The Contract Managers should strictly supervise works to fulfil all contractual obligations specified within the terms and conditions.

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

Background

The Micro-scale Irrigation Program is in line with Uganda's National Irrigation Policy which aims to create 1.5 million hectares of irrigated land by the year 2040. The Micro-scale Irrigation Program supports farmers to purchase and use individual irrigation equipment through a matching grant scheme, in which the cost of the equipment is co-financed by the farmer and the

Government of Uganda. The Government subsidises between 25% and 75% of the total cost of the irrigation equipment (which can be sprinkler, drip and drag hosepipe methods using either solar or petrol energy sources). The level of the subsidy varies according to the choice of the irrigation equipment/ technology selected by the farmer as indicated below:

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

Alebtong District had six lots for the design, supplies and installation of equipment for micro-scale irrigation in different sub-counties around the district by Brueilex Group of Companies Limited as detailed in Table 23 below and noted some exceptions:

Table 23: Lots for Microscale Irrigation

LOTS	No.	Procurement details	Reference Number	Brueilex group of Companies Limited
LOT 1	1	Obua Denis Hamson	Aleb/2023/24/works/0530/male/56558	22,519,000
	2	Krem Reliable solutions (Akello Esther)	Aleb/2023/24/works/ 12-08/female/71067	31,190,000
	3	Alwedo Christine	Aleb/2023/24/works/OC-e 02/male/571 10	25,828,000
LOT TOTAL				79,537,000
LOT 2	4	Okwir Morrish	Aleb/2023/2024/works/03 -01 /male/42105	19,955,000
	5	Agonga Francis	Aleb/2023/2024/works/08-29/male/67051	15,390,000
	6	Okot Alex	Aleb/2023/2024/works/05 -29/male/56300	19,790,000
LOT TOTAL				55,135,000
LOT 3	7	Alapo Florence	Aleb/2023/2024/works/04 -03/female/48107	14,990,000
	8	Epila Otara James Shergold	Aleb/2023/2024/works/03 -28/male/47312	31,728,000
	9	Obongo Charles	Aleb/2023/2024/works/03 -14/ male/ 44934	22,690,000
LOT TOTAL				69,408,000
LOT 4	10	Awio Ogwang Faustino	Aleb/2023/2024/works/04 -03/male/48104	21,840,000

LOTS	No.	Procurement details	Reference Number	Brueilex group of Companies Limited
	11	Okello Cypriano	Aleb/2023/2024/works/06 - 03/male/57224	17,840,000
	12	Acar Christopher	Aleb/2023-24/works/0607/male/57907	22,190,000
LOT TOTAL				61,870,000
LOT 5	13	Ekol Geoffrey	Aleb/2023/2024/works/05 - 16/male/54312	15,390,000
	14	Angom Salume	Aleb/2023-24/works/0403/female/48105	20,240,000
	15	Ogole Ronald	Aleb/2023/2024/works/05-30/male/56555	18,390,000
LOT TOTAL				54,020,000
LOT 6	16	Okeng Jasper	Aleb/2023/2024/works/02-17/male/39197	22,519,000
	17	Oluma Bosco	Aleb/2023/2024/works/06-02/male/57105	19,440,000
	18	Okot Alex	Aleb/2023/2024/works/05-29/male/56300	30,840,000
	19	Onyona Isaac	Aleb/2023/2024/works/02 11 3/male/39196	16,690,000
LOT TOTAL				89,489,000
GRAND TOTAL				409,459,000

2.5.1. Failure to implement environmental and social measures

The Authority found that whereas the BOQs catered for environmental and social aspects such as the planting of trees and sensitization, Brueilex Group of Companies Limited (BEB) did not implement any of these aspects.

Implications

- Failure to undertake environmental safeguards exposes the environment to degradation which may affect the surrounding communities and the longevity of the investment.
- Failure to undertake social, health and environmental safeguards may infringe on the human rights and safety of Project Affected Persons, contractors' workers and District staff and potentially result into conflict with surrounding communities.

Management Response

The Entity has noted the Authority's guidance for compliance.

Recommendation

The Accounting Officer should task the contract managers to comprehensively report on the implementation of ESHS requirements in the progress reports and should not sign the payment certificates without inclusion of the requirements in the reports in accordance with Section 66 of the PPDA Act, Cap. 205.

2.5.2. Irregularities noted during physical verification

The Authority found the following irregularities during physical verification as detailed in Table 24 below:

Table 24: Physical Verification irregularities



Solar panel system i.e., stands and switch box were not painted to prevent rust at farmer-Denis Hamson Obua's farm



Shoddy works at the point where the pump was installed at Farmer- Epila Otara James Shergold's farm.

Implication

There is a potential financial loss caused to the Entity as a result of failure to implement all activities as per the contractual terms and conditions.

Management Response

The contractor was notified by the project manager in writing on the existing defects and the defects have been corrected.

Authority's comment

The Authority noted the Entity's response; however, no evidence was provided to support the response.

Recommendation

The Contract Manager should instruct the contractor to rectify the defects as per the contractual obligations specified within the terms and conditions of the signed contract.

CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section will present the overall audit conclusion and the recommended action plan.

3.1. Overall Audit Conclusion

The performance of Alebtong District Local Government for the Financial Year 2023/2024 was **moderately satisfactory** with overall weighted average risk rating of **46.7%**.

Table 25: The risk rating is as follows:

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

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 26 below:

Table 26: Weighted score of Alebtong District Local Government

Risk category	No.	No. %	Value (UGX)	Value %	Weights	Total weighted Average	
						By No	By Value
High	2	11.1	610,432,240	29.67	0.6	6.7	17.80
Medium	14	77.8	1,434,389,472	69.72	0.3	23.3	7
Low	2	11.1	12,680,000	0.62	0.1	1.1	0.06
Satisfactory	0	0.0	0	0	0	0.0	0
Total	18	100	2,057,501,712	100	1	31.1	24.9

NB: The rating does not include disposal.

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{31.1}{60} \times 100 = 51.8\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{24.9}{60} \times 100 = 41.5\%$$

$$\text{Combined Weighted Average} = \frac{51.8 + 41.5}{2} = 46.7\%$$

Figure 1: Risk Rating by Number

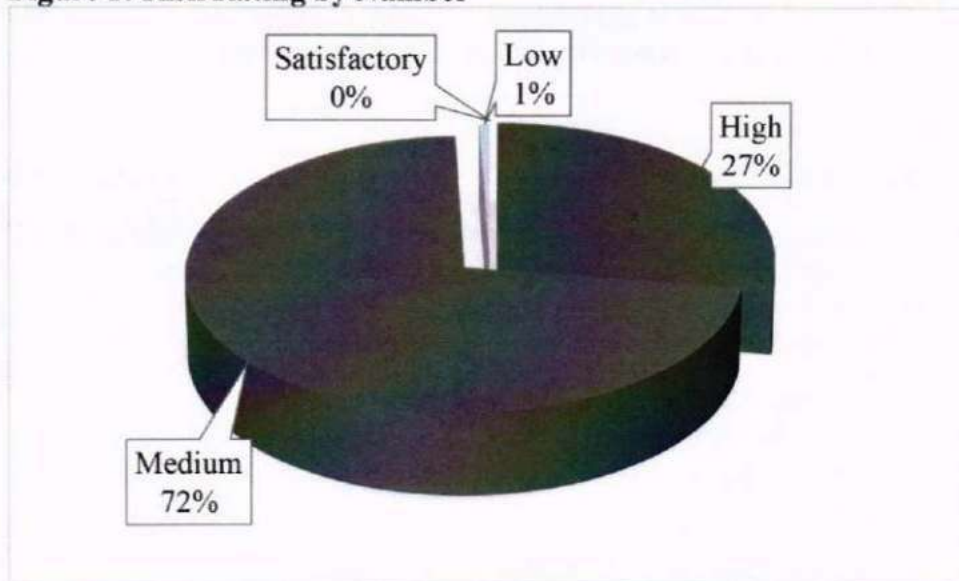
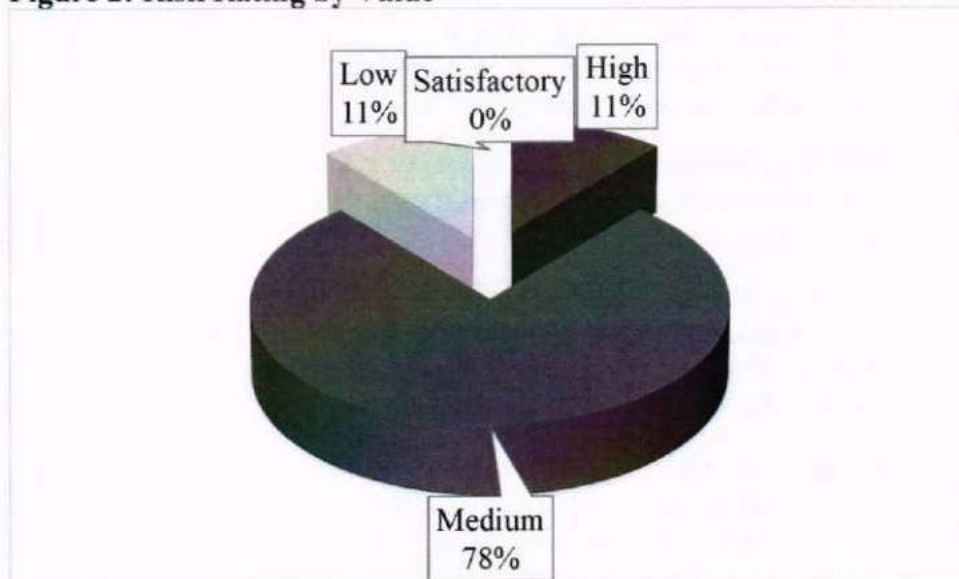


Figure 2: Risk Rating by Value



3.2. Recommended Action Plan

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

Table 27: Action Plan

Origin	Recommended Action	Target Date
Accounting Officer	The Accounting Officer should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 60 (7) of the PPDA Act Cap. 205 to ensure improved performance.	Immediately
	The Accounting Officer should notify the Secretary to Treasury and the Authority of any changes made to the procurement plan and submit the updated and approved plan to the Authority.	
	The Accounting Officer should where need arises, formally delegate authority to the User Departments to undertake micro procurements up to the maximum value specified in the guidelines or a lower limit prescribed by the Contracts Committee in accordance with Regulation 22 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023.	
	The Accounting Officer should seek capacity building in the review of procurement transactions from the Authority for the Internal Auditor(s).	
	The Accounting Officer should take corrective action and engage all stakeholders to develop strategies for the implementation of all the Authority's recommendations in accordance with Section 10 (1) (a) of the PPDA Act Cap. 205.	
	The Accounting Officer should not confirm funding for incomplete procurement requisitions without complete statements of requirements proposed/ recommended by the User Department in accordance with Regulation 3 (2) (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	
	The Accounting Officer should not approve incomplete procurement requisitions and ensure that requisitions have the balance section filled to confirm the availability of funding to support the procurement in accordance with Regulation 3 (2) (c) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	

Origin	Recommended Action	Target Date
	The Accounting Officer should organize a bidders' conference in order to obtain information on the causes of limited participation by bidders in the bidding processes of the Entity and also increase bidder awareness.	
	The Accounting Officer should task the Evaluation Committee members to show cause why disciplinary action should not be taken against them for the irregularities noted in the different procurements.	
	The Accounting Officer should task the Evaluation Committee to show cause why disciplinary action should not be taken against them for the delayed evaluation processes.	
	The Accounting Officer should sign contracts promptly to promote efficiency in public procurement in accordance with Section 51 of the PPDA Act Cap. 205.	
	<p>The Accounting Officer should:</p> <ul style="list-style-type: none"> • Only sign contract documents after satisfying himself on the correction of any contradictions that may be contained therein the procurements; • Task the Procurement and Disposal Unit to include Environmental and Social Performance Security in the contract as per the template of the standard bidding document issued by the Authority in September 2019. 	
	The Accounting Officer should dispose of all obsolete assets, to avoid further depreciation and attain value for money in accordance with Section 87 of the PPDA Act, 2003.	
	The Accounting Officer should sign contracts promptly to promote efficiency in public procurement in accordance with Section 51 of the PPDA Act Cap. 205.	
	<p>The Accounting Officer should:</p> <ol style="list-style-type: none"> 1. Task contractors to fulfil the conditions of contract effectiveness, such as obtaining the required Performance Securities from contractors, before they are allowed access to the sites in accordance with Regulation 12 (1) (a) of the PPDA (Contracts) Regulations, 2023; and 2. Terminate the contract in the event the contractor does not provide the Performance Securities within the stipulated time in accordance with Regulation 12 (2) of the PPDA (Contracts) Regulations, 2023. 	
	The Accounting Officer should prevail over the contract	

Origin	Recommended Action	Target Date
	supervisors to comprehensively report on the implementation of ESHS requirements in the progress reports. The Environment Officer should not sign on the payment certificates without the inclusion of the requirements in the reports.	
	The Accounting Officer should prevail over Contract Managers to ensure that reports on contract implementation are prepared and forwarded to the Procurement and Disposal Unit in accordance to Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.	
	The Accounting Officer should fast-track the correction of defects and completion of stalled projects to ensure timely service delivery to the intended beneficiaries.	
	The Accounting Officer should task the responsible Contract Managers to show why some activities were not implemented satisfactorily and show cause why disciplinary action should not be taken against them.	
	The Accounting Officer should instruct the District Engineer to share all copies of records and reports on Force Account Mechanism with the Procurement and Disposal Unit and maintain and manage the records of the works, equipment and supplies in accordance with Section 130 (5) (e) of the PPDA Act Cap. 205.	
	The Accounting Officer should task the Force Account Manager and Supervisor to show cause why disciplinary action should not be taken against them for failure to fully perform their duties such submission of reports in accordance with Regulation 5 and 6 (5) of the PPDA (Force Account Mechanism) Regulations, 2014.	
	<p>The Accounting Officer should</p> <ol style="list-style-type: none"> 1. Fast track the correction of road defects to ensure timely service delivery to the intended beneficiaries; and 2. Task the Force Account Manager to show why some activities were not implemented satisfactorily and show cause why disciplinary action should not be taken against them. 	
	The Accounting Officer should ensure that the contract managers comprehensively report on the implementation of ESHS requirements in the progress reports and should not sign the payment certificates without inclusion of the requirements	

Origin	Recommended Action	Target Date
	in the reports.	
Contracts Committee	The Contracts Committee should scrutinize all sections of the bidding documents for completeness and appropriateness before approving them for issue in accordance with Section 28 (1) (e) of the PPDA Act, 2003.	Immediately
Evaluation Committee	Evaluation Committees should be vigilant while reviewing the information submitted by the bidders for conformity with the set criteria, before passing bidders in accordance with Section 76 (3) of the PPDA Act Cap. 205.	Immediately
	The Evaluation Committee should conclude evaluations within 15 working days from the date of bid opening for all works procurements in accordance with Regulation 4 (1) (b) of the PPDA (Evaluation) Regulations, 2023.	
Procurement and Disposal Unit	The Procurement and Disposal Unit should prepare the procurement and disposal plan with realistic timelines in accordance with Regulation 6 (d) of the PPDA (Planning) Regulations, 2023.	Immediately
	The Head Procurement and Disposal Unit should submit to the Authority monthly procurement and disposal reports and performance data of all procurement transactions including micro procurements undertaken by the Entity not later than the fifteenth day of the following month in accordance with Regulation 15 (1) of the PPDA (PDEs) Regulations, 2023.	
	The Head Procurement and Disposal Unit should set evaluation criteria that is clear, appropriate and not ambiguous and suits the objectives of the procurement in accordance with Regulation 42 (b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	
	The Head Procurement and Disposal Unit should prepare solicitation documents that define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	
	The Head Procurement and Disposal Unit should set evaluation criteria that is appropriate and suits the objectives of the procurement in accordance with Regulation 42 (b) of the	

Origin	Recommended Action	Target Date
	<p>PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. The Procurement and Disposal Unit should invite bidders promptly to promote efficiency in public procurement in accordance with Section 51 of the PPDA Act Cap. 205.</p>	
	<p>The Procurement and Disposal Unit should:</p> <ul style="list-style-type: none"> • Maintain a record of pre-bid meetings where applicable in accordance with Regulation 60 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. • Utilize online meetings to facilitate easier attendance for bidders. 	
	<p>The Procurement and Disposal Unit should invite and issue bids promptly to promote efficiency in public procurement in accordance with Section 51 of the PPDA Act Cap. 205.</p>	
	<p>The Procurement and Disposal Unit should explore the use of other disposal methods for items that cannot attract any value, for example, conversion or classification of an asset into any other form may be used where the asset has no residual value in its current form, in accordance with Regulation 16 and 17 of the PPDA (Disposal of Public Assets) Regulations, 2023.</p>	
	<p>The Procurement and Disposal Unit could also use the destruction of an asset where the asset has no residual value and it cannot be transferred to any other procuring and disposing entity or converted or classified into another form with any value in accordance with Regulation 13 (b) of the PPDA (Disposal of Public Assets) Regulations, 2023.</p>	
	<p>The Head Procurement and Disposal Unit should ensure that procurement action files are complete with all documents in accordance with Section 31 (o) of the PPDA Act, 2003.</p>	
User Department	<p>The Contract Managers should not initiate payments without following proper documented procedures and approvals in accordance with Regulations 40 and 48 of the PPDA (Contracts) Regulation 2023.</p>	Immediately
	<p>The Contract Manager should:</p> <ol style="list-style-type: none"> 1. Task all contractors to submit revised and updated work programs for the pending works during contract implementation; and 2. Ensure that the penalty under GCC 36.3 of the contract is invoked and recovery made for the amounts owed due to 	

Origin	Recommended Action	Target Date
	late submission of the program of works from all contractors.	
	Contract Managers should: 1. Strictly supervise contracted firms to fulfil all contractual obligations specified within the terms and conditions; and 2. Submit monthly progress /contract management reports to the Accounting Officer and Procurement and Disposal Unit as required under Regulation 52 (3) (g) of the PPDA (Contracts) Regulation 2023.	
	The District Environment Officers should be involved in the planning and contract monitoring to take care of the environmental safeguard requirements.	
	The Contract Managers should work hand in hand with the Community Development Officers and Labour officers to ensure the enforcement of social and health safeguards during contract implementation.	
	The Contract Managers should strictly supervise contracted firms to fulfil all contractual obligations specified within the terms and conditions.	
	The District Engineer should submit the Force Account work plans, work programs, estimates, and Bills of Quantities with satisfactory justifications to the Contracts Committee for approval.	
	The Contract Manager should instruct the contractor to rectify the defects as per the contractual obligations specified within the terms and conditions.	
	The Contract Managers should strictly supervise works to fulfil all contractual obligations specified within the terms and conditions.	
	The Contract Manager should instruct the contractor to rectify the defects as per the contractual obligations specified within the terms and conditions.	
Internal Audit	The Head, Internal Audit should audit the procurement function in accordance with Regulation 27 of the PPDA (PDEs) Regulation, 2023.	Immediately

APPENDICIES

Appendix I: ALEBTONG DISTRICT LOCAL GOVERNMENT PROCUREMENT AND DISPOSAL AUDIT SAMPLE LIST 2023-2024

No	Reference Number	Subject of Procurement	Method of Procurement	Provider	Awarded Amount (UGX)	Risk Rating
1.	ALEB804/WORKS/2023-2024/00000	Installation of 12 micro scale irrigation	Selective Bidding	Brueilex Group of Company Ltd	247,404,000	Medium
2.	ALEB804/WORKS/2023-2024/00024	Low-cost sealing of a 0.5km road section along Kaguta Avenue from Alebtong Health Centre IV towards the bridge	Open Bidding	Unified Investment Company Limited	315,545,185	High
3.	ALEB804/WORKS/2023-2024/00014	Construction of Apala Sub County Headquarters	Open Bidding	K and K Commercial Agencies Limited	294,887,055	High
4.	ALEB804/WORKS/2023-2024/00016	Hydrological survey, drilling and installation of 8 boreholes	Open Bidding	Mama Bore Wells Africa Limited	175,442,400	Medium
5.	ALEB804/WORKS/2023-2024/00015	Design, review and partial construction of Amugu piped water scheme at Amugu Sub County	Open Bidding	Alianze Limited	175,289,000	Medium
6.	ALEB804/WORKS/2023-2024/00011	Construction of a twin staff house at Adwir Health Centre III	Open Bidding	Nam Terminal Consults Limited	172,475,905	Medium
7.	ALEB804/WORKS/2023-2024/00006	Rehabilitation of a four-classroom block at Awelokuricok Primary School	Open Bidding	Bona Agro Farm and Engineering	93,220,385	Medium

No	Reference Number	Subject of Procurement	Method of Procurement	Provider	Awarded Amount (UGX)	Risk Rating
8.	ALEB804/WORKS/2023-2024/00014	Construction of five stance drainable latrines at Alebtong, Atelelo and Omoro South Primary Schools	Open Bidding	Ogur General Hardware Limited	82,601,590	Medium
9.	ALEB804/WORKS/2023-2024/00025	Completion of DHO's office	Open Bidding	Jastho Holdings Company Limited	75,555,459	Medium
10.	ALEB804/Supls/2023-2024/00015	Supply of 10laptop computers, 1 desktop computer, 2 printers and CCTV camera to various departments	Open Bidding	St. Mary's Computer Technologies Limited	48,734,000	Medium
11.	ALEB804/WORKS/2023-2024/00026	Rehabilitation of a two-classroom block at Angopet Primary School	Open Bidding	Nyonymac Enterprises Limited	46,408,119	Medium
12.	ALEB804/SERV/2023-2024/00002	Revenue collection at Amugu market	Open Bidding	Richden Services Uganda Limited	6,700,000	Low
13.	ALEB804/SERV/2023-2024/00001	Revenue collection at Apala market	Open Bidding	Ogolson Company Limited	5,980,000	Low
14.	ALEB804/WORKS/2023-2024/00005	Rehabilitation of a four-classroom block at Oloo Primary School	Open Bidding	Humble Auto Parts (U) Limited	94,733,310	Medium
15.	ALEB804/WORKS/2023-2024/00012	Completion of radiology unit at Alebtong Health Centre IV in Alebtong District	Open Bidding	Nam Terminal Consults Limited	44,333,898	Medium
16.	ALEB804/SUPL//2023-2024/00016	Supply of borehole pump parts	Direct Method	AB Trading and Construction Company Limited	50,614,000	Medium

No	Reference Number	Subject of Procurement	Method of Procurement	Provider	Awarded Amount (UGX)	Risk Rating
17	ALEB804/WORKS/2023-2024	Mechanised routine maintenance on Okuru-Adwir-Adeye	Force Account	Alebtong District Engineering Department	56,000,000	Medium
18	ALEB804/WORKS/2023-2024	Mechanised routine maintenance on Amino Opio swamp	Force Account	Alebtong District Engineering Department	71,577,406	Medium
Sub Total					2,057,501,712	
19		Disposal of assets			4,795,000	N/A
TOTAL					2,062,296,712	

Appendix II: Items for disposal as advertised in the New Vision

No.	Items	Number plate	Reference number	Reserve price
1.	Jailing	LG 0010-004	ALEB804/DISP/2023-24/00003	100,000
2.	Lailling	LG 0010-004	ALEB804/DISP/2023-24/00005	300,000
3.	Yamaha	UDX204Z	ALEB804/DISP/2023-24/00001	100,000
4.	Yamaha	UG0614Z	ALEB804/DISP/2023-24/00005	300,000
5.	Yamaha DT 12	UG0618Z	ALEB804/DISP/2023-24/00007	300,000
6.	Yamaha	UDX277Y	ALEB804/DISP/2023-24/00010	200,000
7.	Suzuki	UG1064A	ALEB804/DISP/2023-24/00011	200,000
8.	Yamaha	UDX116Y	ALEB804/DISP/2023-24/00013	300,000
9.	Yamaha	Not indicated	ALEB804/DISP/2023-24/00002	100,000
10.	Yamaha	Not indicated	ALEB804/DISP/2023-24/00021	100,000
11.	Yamaha	LG0152-026	ALEB804/DISP/2023-24/	Not indicated
12.	Yamaha	UDD306R	ALEB804/DISP/2023-24/00008	100,000
13.	Honda CG	LG0122023	ALEB804/DISP/2023-24/00009	200,000
14.	YamahaYBR125	LG0002004	ALEB804/DISP/2023-24/00014	100,000
15.	YamahaYBR125	LG0151026	ALEB804/DISP/2023-24/00015	300,000
16.	YamahaYBR125	LG0150026	ALEB804/DISP/2023-24/00016	300,000
17.	YamahaYBR125	LG0003004	ALEB804/DISP/2023-24/00002	300,000
18.	YamahaYBR125	LG0158026	ALEB804/DISP/2023-24/00021	300,000
19.	YamahaYBR125	LG0004004	ALEB804/DISP/2023-24/00002	100,000
20.	YamahaYBR125	LG0001004	ALEB804/DISP/2023-24/00021	100,000
21.	HondaXL125LKC	UG0573Y	ALEB804/DISP/2023-24/00012	100,000

Appendix III: List of staff in the Procurement and Disposal Unit and Contracts Committee

Composition of the Procurement and Disposal Unit

No.	Name	Position in the Procurement Unit
1.	Ms. Susan Alok	Senior Procurement Officer (HPDU)
2.	Ms. Babra Alok	Procurement Officer

List of Contracts Committee members

No.	Name	Designation	Position on Committee	Date of Approval by PSST
1.	Mr. Francis Epiangu	Senior Environment Health Officer	Chairperson	13/4/2023
2.	Mr. Constant Collins Alunga	Senior Assistant Secretary	Secretary	13/4/2023
3.	Mr. Walter Area	Staff Surveyor	Member	13/4/2023
4.	Mr. Jimmy Omara	Sports Officer	Member	13/4/2023
5.	Mr. Morris Gleins Ochan		Member	13/4/2023

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

RISK	DESCRIPTION	AREA	IMPLICATION
	Entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place.	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.	
	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.	Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where	Planning: Lack of procurement reference	This leads to failure to track the procurements which leads to poor

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	numbers. Bidding Process: Not signing the Ethical Code of Conduct	record keeping. This leads to failure to declare conflict of interest and lack of transparency.

SATISFACTORY

Relates to the 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.