



**PROCUREMENT AND DISPOSAL AUDIT REPORT FOR THE
FINANCIAL YEAR 2023/2024**

DIRECTORATE OF CITIZENSHIP AND IMMIGRATION CONTROL

DECEMBER 2024

TABLE OF CONTENTS

Acronyms.....	iii
EXECUTIVE SUMMARY	1
CHAPTER 1: INTRODUCTION.....	3
1.1 Background	3
1.2 Main Audit Objective.....	3
1.3 Audit Scope.....	3
1.4 Audit Methodology	3
CHAPTER TWO: AUDIT FINDINGS.....	4
CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY	13
3.1. Overall Audit Conclusion	13
3.2. Entity's Performance.....	13
3.2 Recommended Action Plan.....	15
Appendix 1: Transaction list for Financial Year 2023/2024	17
Appendix 2: Findings and rating of the individual contracts reviewed.....	20
Appendix 3: Risk Rating Criteria	21

Table of Figures

Figure 2: Performance by Value of Contracts	14
Figure 3: Performance by Number of Contracts	14

List of Tables

Table 1: Procurement plan implementation.....	4
Table 2: Delayed payment	10
Table 3: Delayed completion of projects.....	10
Table 4: Weighted score of Directorate of Citizenship and Immigration Control	13
Table 5: Risk rating criteria	13
Table 6: Action Plan	15

Acronyms

AO	Accounting Officer
CC	Contracts Committee
FY	Financial Year
HPDU	Head, Procurement and Disposal Unit
IFMS	Integrated Financial Management System
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
ODB	Open Domestic Bidding
RFP	Request for Proposals
SBD	Standard Bidding Document
UGX	Uganda Shillings
DCIC	Directorate of Citizenship and Immigration Control
USPC	Uganda Security Printing Company

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a procurement and disposal audit of Directorate of Citizenship and Immigration Control (DCIC). The exercise covered a sample of 20 procurement transactions carried out during the Financial Year 2023/2024. The overall objective of the audit was to assess the effectiveness and efficiency of procurement and disposal processes and the adherence of the Entity's systems to the PPDA Act, Cap.205 and PPDA Regulations, 2014 and 2023.

From the findings of the procurement and disposal audit, the performance of the Entity for the Financial Year 2023/2024 was **moderately satisfactory** with an overall weighted average risk rating of **59.2%**. The risk rating is detailed in Chapter 3 of the audit report.

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

1. Vibrant and effective Internal Audit function. The Internal Audit regularly reviews the procurement processes and is knowledgeable in the e-GP system.
2. The Procurement and Disposal Unit maintains comprehensive and well-organized records. This facilitated efficient access to procurement documents.

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

1. Failure to fully implement the procurement plan for FY 2023/2024 which created a variance of UGX 13,724,525,865 between the procurement plan and actual spending. The Entity attributed the variance to budget cuts under the development budget and delayed requisition by users. However, the Authority found that the budget cuts of UGX 1.846 billion and the UGX 0.459 billion unspent non-wage budget did not adequately account for UGX 13.724 billion discrepancy between the planned procurement expenditure and actual spending. This could imply that the procurement plan was not integrated with the expenditure program of the Entity contrary to Section 60 (2) (d) of the PPDA Act, Cap 205.
2. The Entity failed to develop a disposal plan or conduct disposals, despite the presence of obsolete items identified by the Board of Survey for FY 2022/2023 contrary to Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations 2014. The obsolete items continue to deteriorate and lose value.
3. The Entity retrospectively procured the services for support and maintenance of the e-immigration system for the FY 2023/2024 worth UGX 3,499,981,987. Whereas the services were required for the FY 2023/2024, i.e., from 1st July 2023 to 30th June 2024, the service provider started providing services in July 2023, but the contract was signed on 4th June 2024. This led to the provision of the services without a formal contract contrary to Section 57 of the PPDA Act, Cap 205. Commencement of services without a formal contract is irregular and a breach of the provisions of the Act. Without a formal contract, the interests of both the entity and the service provider are not protected since there is no clarity on obligations, responsibilities and remedies for any breach.
4. Failure to adhere to payment terms in the contract. The Authority found that the Accounting Officer did not adhere to the payment terms of the contract for procurement of polycarbonate passport booklets under framework when making payments to Uganda Security Printing Company (USPC) contrary to GCC 16.1/16.2 of the contract

and Regulation 40 of the PPDA (Contracts) Regulations, 2023. This was irregular and a breach of the contract.

Furthermore, Uganda Security Printing Company (USPC) did not fully perform the contract. Whereas 450,000 pieces of booklets were ordered by the Entity on 19th September 2023, 66,280 pieces have not been delivered to date contrary to the contractual provisions. This amounts to a breach of contract by the provider.

5. Delay to procure services: According to the annual workplan, the Entity planned to procure a service provider to migrate the old passport data from the old passport printing system to the new printing system for four foreign locations at a cost of UGX 895,000,000. However, the Authority noted that data from three foreign locations, i.e., Pretoria, Washington and London, was not migrated. This delay in data migration poses risks to the Entity including increased costs and potential data loss.

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

1. The Head Procurement and Disposal Unit should, when consolidating the procurement plan, ensure that the procurement budget is integrated with the expenditure program of the entity in accordance with Section 60 (2) (d) of the PPDA Act, Cap 205.
2. The User Department should promptly notify the Procurement and Disposal Unit (PDU) of any changes in their plans for consolidation and update of the procurement plan in accordance with Regulation 7 (1) (a) of the PPDA (Procurement Planning) Regulations, 2023. The Head Procurement should ensure that quarterly updates to the procurement plan are made where the budget increases or decreases to reflect the new budget allocation in accordance with Section 60 (7) of the PPDA Act, Cap. 205.
3. The Accounting Officer should expedite the disposal process in the Financial Year 2024/2025 so that value is obtained from the already obsolete assets in accordance with Regulation 3 (4) of the PPDA (Disposal of Public Assets) Regulations, 2023.
4. The Accounting Officer, who has the overall responsibility for the execution of the procurement function, should ensure that user departments initiate procurements promptly to prevent retrospective procurement. This will streamline the process and promote efficiency, as required by Section 51 of the PPDA Act, Cap. 205.
5. The Accounting Officer should ensure that the payment terms stipulated under GCC 16.1/16.2 of the contract for procurement of polycarbonate passport booklets under framework contract with USPC are adhered to in accordance with Regulation 48 of the PPDA (Contracts) Regulations, 2023. The Accounting Officer should provide to the Authority proof of delivery of the balance of 66,280 pieces of booklets.
6. The Accounting Officer should prioritise the procurement for the transfer of the old data to the new system for the remaining locations in order to safe guard national security and to guard against increased costs.

Directorate of Citizenship and Immigration Control (DCIC) should implement the recommended action plan on pages 15.

CHAPTER 1: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit that covered a representative sample of 20 procurement transactions under the Financial Year 2023/2024. The audit involved a review of procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the PPDA Act Cap 205 and PPDA Regulations, 2014 and 2023.

1.2 Main Audit Objective

The overall objective of the audit was to assess the effectiveness and efficiency of procurement and disposal processes and the adherence of the Entity's systems and processes to the PPDA Act, Cap.205, PPDA Regulations, 2014 and 2023 and PPDA Guidelines.

The specific objectives of the audit were:

1. To establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap. 205 and PPDA Regulations 2014 and 2023 with regard to the performance of the procurement structures and conduct of procurement processes.
2. To assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements where applicable.

1.3 Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation of the 20 transactions under Financial Year 2023/2024 contained in **Appendix 1**. The sample was selected based on stratified random sampling using Contracts Committee minutes and monthly procurement and disposal reports.

1.4 Audit Methodology

On 21st August 2024, the Entity was notified about the upcoming audit. An audit launch meeting between the audit team and the Entity officials was held on 17th September 2024.

The Auditors examined records and documents for each sampled procurement transaction and obtained the relevant 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 held interviews with the staff from the Procurement and Disposal Unit (PDU) and User Departments that were necessary in obtaining crucial qualitative information about the internal control system and processes in place.

On completion of data collection, the Audit Manager reviewed the working papers for completeness. The working papers contain detailed chronology of findings on each of the sampled transactions. The audit report presents the key findings and conclusions arising from the audit. The auditors prepared the management letter, which was sent to the Entity on 1st November 2024 with a request to submit a management response by 12th November, 2024. The management response was submitted on 18th November 2024. An exit meeting was held on 19th November 2024 at the PPDA Head Office in Kampala.

CHAPTER TWO: AUDIT FINDINGS

2.1 Compliance with the general provisions of the PPDA Act, Cap. 205 and PPDA Regulations 2014 and 2023 with regard to the performance of the procurement structures and conduct of procurement processes.

2.1.1 Procurement planning and procurement plan management

Section 60 of the PPDA Act Cap. 205 mandates a Procuring and Disposing Entity to prepare and submit its annual procurement plan for the following financial year. The Authority reviewed the Entity's procurement plan for the FY 2023/2024. Table 1 below details information about the plan and utilization of funds:

Table 1: Procurement plan implementation

Analysis of procurement spend	
Total procurement budget/plan value inclusive VAT (UGX)	102,065,397,978
Total procurement spend value inclusive VAT (UGX)	88,340,872,113
Procurement plan implementation (%)	86.6%
Budget Variance (UGX)	13,724,525,865

Implication

Failure to fully implement the procurement plan denies service delivery to the intended beneficiaries and also delays the achievement of desired outcomes.

Management Response

The unabsorbed budget of 13.3% is attributed to the releases (budget cuts especially the development budget) and delayed requisition of procurements by the User Departments. The items under the development budget included; furniture for offices, IT infrastructure and Construction. However, management commits to a full absorption henceforth.

PPDA Comment

A review of the Quarter Four Vote Performance Report for the FY 2023/2024 highlighted a UGX 1.846 billion cut under the development budget that hindered the acquisition ICT equipment and furniture. All budgeted funds relating to construction were fully released and spent by the end of the year. Similarly, the non-wage budget of UGX 149.876 billion was fully released and UGX 149.417 was spent by the end of the year leaving UGX 0.459 billion as the unspent balance. However, the budget cuts and the unspent balances do not account for the variance of UGX 13,724,525,865 between the procurement plan and the procurement spend.

Recommendations

- The Head Procurement and Disposal Unit should, when consolidating the procurement plan, ensure that the procurement budget is integrated with the expenditure program of the entity in accordance with Section 60 (2) (d) of the PPDA Act, Cap 205.
- The User Department should promptly notify the Procurement and Disposal Unit (PDU) of any changes in their plans for consolidation and update of the procurement

plan in accordance with Regulation 7 (1) (a) of the PPDA (Procurement Planning) Regulations, 2023.

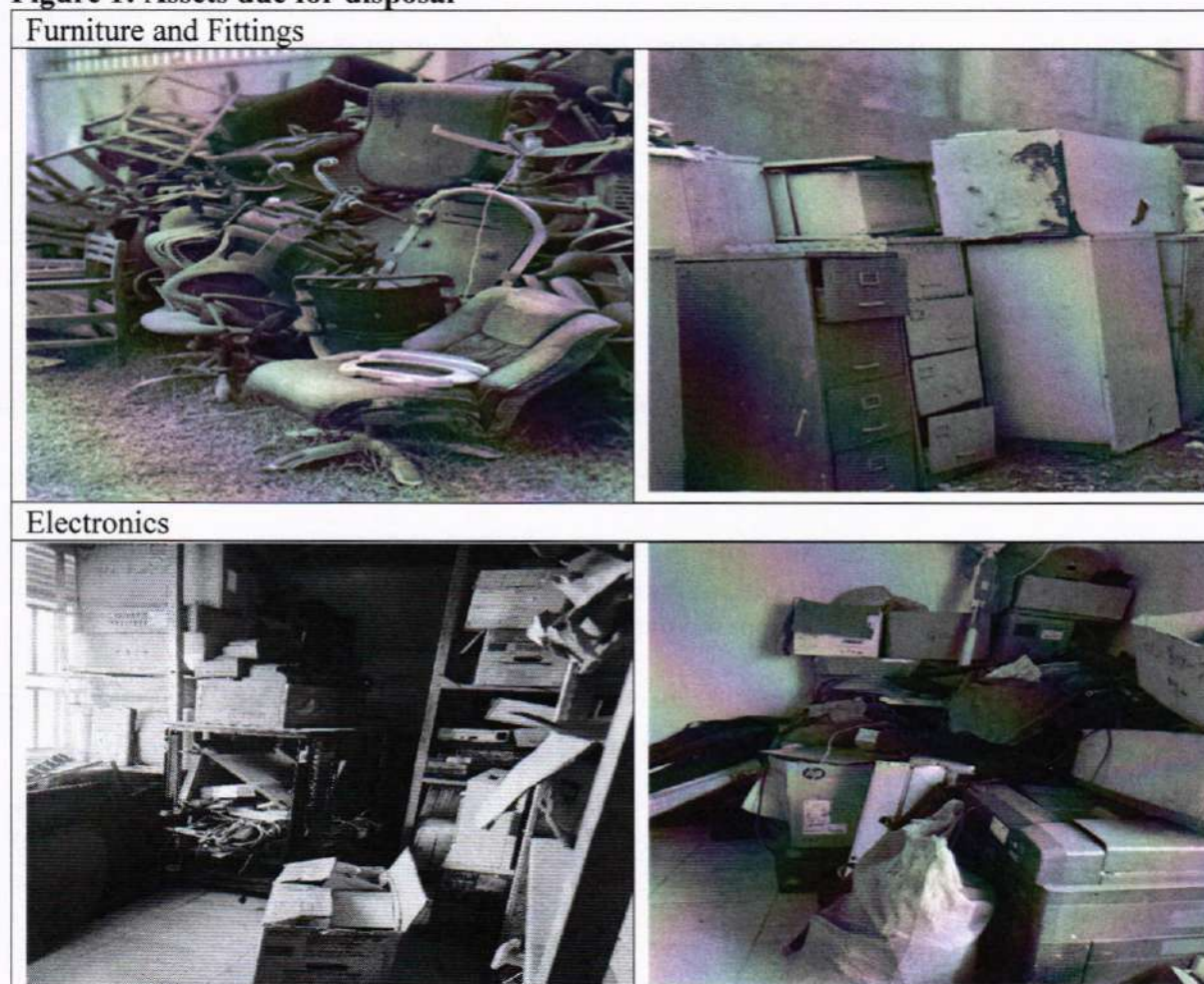
- The Head Procurement should ensure that quarterly updates to the procurement plan are made where the budget increases or decreases to reflect the new budget allocation in accordance with Section 60 (7) of the PPDA Act, Cap. 205.

2.1.2 Disposal planning and implementation

Regulation 2 of the PPDA (Disposal of Public Assets) Regulations 2023 requires an Accounting Officer to review the public assets of a Procuring and Disposing Entity in each financial year to identify assets to be disposed of in the following year. Section 60 (2) of the PPDA Act Cap 205 mandates the entity to submit a disposal plan to the Authority.

The Authority noted that the Board of Survey for FY 2022/2023, whose report was published on 30th August 2022, identified obsolete items for disposal. However, the Entity failed to develop a disposal plan or conduct any disposals, despite the presence of obsolete items. The audit revealed that the Entity last conducted disposal of assets during FY 2021/2022 for the assets boarded off in the FY 2019/2020. The audit found items such as old /accident vehicles, furniture and electronics. The images in Figure 1 below show some of the Entity's assets that were not disposed of:

Figure 1: Assets due for disposal



Vehicles



Risk Implications

- Items continue to depreciate and are exposed to pilferage by internal and external parties.
- The items pose an environmental hazard and a health risk.

Management Response

In FY 2022/2023 and 2023/2024, DCIC (Vote 120) faced ownership disputes with Ministry of Internal Affairs (Vote 009) on items to be disposed of. This has since been resolved. DCIC is now in process of completing the disposal process. The current Board of Survey report and valuation of asset report are available for review.

Recommendation

The Authority notes the Management response and recommends that the Accounting Officer should expedite the disposal process in the financial year 2024/2025 so that value is obtained from the already obsolete assets in accordance with Regulation 3 (4) of the PPDA (Disposal of Public Assets) Regulations, 2023.

2.1.3 Retrospective procurement of Support and Maintenance of the e-immigration system for FY 2023/2024

Section 57 of the PPDA Act, Cap 205 states that all procurement and disposal shall be carried out in accordance with the public procurement rules set out in the Act, any regulations and guidelines made under the Act. The PPDA Regulations, 2014 and 2023 provide detailed procedures and methods for procuring items and emphasise the adherence to the procurement process including the formalization of contracts. The Authority found the following:

- i. DCIC requires support and maintenance services for the e-immigration system on an annual basis.
- ii. Whereas support and maintenance services of the system were required for Financial Year 2023/2024, i.e., from 1st July 2023 to 30th June 2024, the user initiated the procurement on 12th January 2024, six months after the service provider had started providing services on 1st July 2023 as evidenced by an activity report for July to November 2023.

- iii. The contract worth UGX 3,499,981,987 was signed on 4th June 2024. This was 10 months after the service provider had commenced provision of the service and less than a month to the end of the financial year within which the service was required.
- iv. All the outputs under this contract, i.e., half annual performance reports, monthly reports and weekly minutes, were performed before signing of the contract. For instance, half annual performance report for July to November 2023, weekly meeting minutes for August, 2023, October 2023.
- v. This led to the service provider delivering services without a formal contract throughout the entire period, making the subsequent contract that was signed merely a formalization of work already performed.

Risk Implications

- Commencement of services without a formal contract is irregular and a breach of the provisions of the Act.
- Without a formal contract, the interests of both the entity and the service provider are not protected since there is no clarity on obligations, responsibilities and remedies for any breach.

Management Response

DCIC has acknowledged the Auditor's findings. However, the delays were a result of delayed approval by Solicitor General, delayed initiation by the user department and delayed production of terms of reference (TOR) by the IT team. The delays in initiation of the procurement however have been sorted out for this financial year and the procurement process is almost complete. A copy of the evidence of the current procurement process is included in our management response.

Recommendation

The Authority noted the Entity's response and recommends that the Accounting Officer, who has the overall responsibility for the execution of the procurement function, should ensure that user departments initiate procurements promptly to prevent retrospective procurement. This will streamline the process and promote efficiency, as required by Section 51 of the PPDA Act, Cap. 205.

2.1.4 No evidence of submission of a performance security

In the procurement for services to consolidate and prepare for transfer of passport data from the former system in South Africa to the current passport system, GCC 36.1 of the Special Conditions of the Contract required the provider to submit a performance security of 5%. However, this was not adhered to contrary to PPDA Guideline 3/2014 on bid and performance securities and Regulation 63(3) and (4) of PPDA (Rules and Methods for Procurement of Supplies Works and Non-Consultancy Services) Regulations 2023.

Risk Implication

This was a breach of the contract by the provider and also highlighted a deficiency in the contract managers oversight role.

Management Response

Management acknowledges the oversight in contract management and takes note of the Authority's recommendation for future implementation. The service was rendered to DCIC by the provider and therefore no loss to the entity.

Recommendations

The Authority noted the Entity's response but maintains the finding due to the failure to enforce the legal requirement and recommends that;

- The Accounting Officer should ensure that where performance security is a requirement in the contract, providers submit it in accordance with Regulation 12 (1) (a) of the PPDA (Contracts) Regulations, 2023.
- The Head Procurement and Disposal Unit should adhere to the guideline on bid and performance securities by requiring a Performance Securing Declaration for procurements under the restricted domestic, restricted international, quotation and direct bidding methods, in line with Regulation 11(2) of the PPDA (Contracts) Regulations 2023 and Guideline No. 3 of 2024 on bid and performance securities which commenced on 5th February 2024.

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

2.2.1 Failure to adhere to payment structure terms in the contract

GCC 16.1/16.2 of the contract for procurement of polycarbonate passport booklets under framework signed with Uganda Security Printing Company (USPC) stipulates that payment shall be made as follows:

- i. Within 14 calendar days after the placement of each call-off order, the Entity is required to open a documentary Letter of Credit, at its own cost, in favor of the provider at a bank specified by the provider and confirmed by a major European Bank.
- ii. The Letter of Credit must cover the full value of the call-off order.
- iii. Payments under the contract must be made in Euros.
- iv. A 30% advance payment shall be made under the Letter of Credit upon presentation of an advance payment guarantee and advance payment invoice.
- v. The remaining 70% shall be paid under the Letter of Credit upon presentation of the delivery note, invoice, copy of the contract and a copy of the Joint Venture.

The Authority observed that the payment terms stipulated under GCC 16.1/16.2 were not adhered to as explained below:

- i. On 19th September 2023, the Entity issued a call off order for 450,000 pieces of booklets worth Euros 18,638,100.
- ii. There was no evidence that a documentary letter of credit, covering the full value of the call off order, was opened within 14 days after placement of the call off order.
- iii. On 29th September 2023, UGX 16,814,194,880 (30%) was paid out to the company as an advance payment. The advance payment was made without receipt of an advance payment guarantee and an invoice.
- iv. Furthermore, 66,280 pieces of booklets have not been delivered out of the 450,000 booklets that were ordered as at 20th October, 2024, a year after the order was placed.

Risk Implication

This is a breach of the contract terms.

Management Response

The Contract for procurement of polycarbonate passport booklets is between two Government of Uganda Entities namely DCIC and USPC and is running up to 2033, effectively supervised by the Project Team. It is not true as was observed by the Authority that EUR 16,814,194,880 was paid out on 29th September 2023 since the call-off order value was only EUR 18,638,100. DCIC adhered to GCC 16 and opened a documentary Letters of Credit in favour of the provider as per the conditions of the contract, which was the basis of delivery by the provider. The entity did not enforce the requirement for advance payment guarantee because the provider did not require an advance payment.

Regarding the 66,280/450,000 passport booklets that have not been delivered, these are actually printed but as a result of quality standards, there was delay of delivery as tests had to be undertaken before acceptance. The tests have since been completed by the Project Management Team and have given a go ahead with the shipping. There is no risk of failure to deliver as the letters of credit remains valid.

Authority's comment

- i. Section 40 of the PPDA (Contracts) Regulations 2023 states that a contract shall specify the payment terms to apply to a contract. GCC 16.1/16.2 of the contract between USPC and DCIC specifically spells out the payment terms. The Authority did not find any amendments to the payment terms.
- ii. No evidence that a letter of credit covering the full value of the contract was presented to the Authority during the audit and after the exit meeting.
- iii. On 29th September 2023, the Entity paid UGX 16,814,194,880 to USPC as an advance payment for supply of 450,000 passports vide EFT Payment Voucher No. 7971648. This payment was not supported by an advance payment guarantee or an invoice.
- iv. There was also no justification for paying out UGX 16,814,194,880 as advance payment since no request was made by the provider.

Recommendation

The Accounting Officer should ensure that the payment terms stipulated under GCC 16.1/16.2 of the contract for procurement of polycarbonate passport booklets under framework contract with USPC are adhered to in accordance with Section 48 of the PPDA (Contracts) Regulations, 2023.

2.2.2 Delays at contracting and contract implementation

The Authority analyzed the ability of the Entity to execute procurement activities within the stipulated timelines to ensure timely delivery of services in compliance with Section 51 of the PPDA Act Cap.205 which states that all procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money. Delays were noted in the following procurements as shown below:

i. Delayed payment to the Contractor/ service providers

Regulation 49 (3) of the (PPDA) Contracts Regulations, 2023 requires providers to be paid within 30 days from certification of invoices. In the following three procurements worth UGX 205,841,706, the Entity delayed to pay providers as detailed in Table 2 below:

Table 2: Delayed payment

No	Subject of Procurement	Findings
1.	Paving works at Malaba Staff Accommodation Kabs Construction and Engineering Co. Ltd UGX 83,076,082	The Estates Department issued a completion certificate for works done on 3 rd April 2024 and a requisition for payment was made on the same day by the contractor. However, the Entity effected payment on 4 th June 2024, a delay of approximately two months.
2.	Construction of water projects - Bore hole drilling and installation Deshone Concepts (U) Limited UGX 58,934,274	The Estates Department issued a completion certificate for works done on 8 th March 2024 and a requisition for payment was made by the bidder on 9 th April 2024. However, the Entity effected payment on 2 nd July 2024, a delay of approximately three months.
3.	Training of Immigration officers in Western Uganda Las Vegas Garden Hotel UGX 63,831,350	The provider submitted a tax invoice on 25 th July 2023 but payment was made on 30 th October 2023, a delay of three months.

Risk Implication

Delayed payments to providers can lead to low bidder participation. It can also encourage bidders to escalate their prices in order to compensate for the delayed payments and inflation which increases government expenditure on procurement.

Management Response

Payments are dependent on release of funds from the consolidated fund but the management takes note of the Authority's recommendation.

Recommendation

The Accounting Officer should always fulfil contractual obligations in respect to timely payment of providers in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023.

ii. Delayed completion

The audit noted that the providers failed to meet their contractual obligations in two procurements worth UGX 205,319,761 as indicated in Table 3 below:

Table 3: Delayed completion of projects

No	Subject of Procurement	Findings
1.	Construction of water projects - Bore hole drilling and installation Deshone Concepts (U) Limited UGX 58,934,274	GCC 22.1 stated the intended completion date for the whole works to be 2 months from the date of contract signing and site handover. The Agreement was signed on 11 th December 2023 and works were to be completed on 11 th February 2024. However, actual completion was achieved on 8 th March 2024, a delay of one month from the intended completion period.

No	Subject of Procurement	Findings
2.	Consultancy services for Midterm review of 5-year strategic Plan for DCIC Empower Consult Ltd UGX 146,385,487	Delay by the Consultant to complete the consultancy service. The Contract was signed on 31 st October 2023 with a completion period of 12 weeks, i.e., December 2023. However, the final report was submitted in March 2024, thereby a delay of two months.

Risk Implication

Delays in project implementation could significantly extend the overall project timeline thereby undermining the principle of efficiency.

Management Response

- a) For the water project, the delays were a result of land disputes in allocation of project which were later resolved.
- b) For the Strategic Plan Mid Term Review, the delay was because management needed time to internalize the consultant recommendations and consult the various stakeholders.

Recommendations

The Authority noted the Entity's response and recommends as follows:

- Contract Managers should make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract as required under Regulation 52 (1) (b) of the PPDA (Contracts) Regulations, 2023.
- The Contract managers should ensure that where contractual timelines are insufficient due to exceptional circumstances, a contract change order is approved by the Accounting Officer and issued to the provider in accordance with Regulation 53 (1) (d) and 53 (3) and (4) of the PPDA (Contracts) Regulations, 2023.

iii. Delay to procure

In the procurement for services to consolidate and prepare for transfer of passport data from South Africa, according to the Annual workplan for FY 2023-2024 (DCIC disbursement), the Entity planned to procure a service provider to migrate the old passport data from the old to the new system at a cost of UGX 895,000,000. However, the Authority noted that despite introducing the electronic passport system in 2018 to replace the old passport printing system provided by De La Rue, the Entity had only migrated data from four local passport centres leaving three foreign locations, i.e., Pretoria, Washington and London, unattended.

During the audit, the Procurement and Disposal Unit explained that the funds released were for only one location and therefore two other locations were not handled as a result of inadequate funding.

Risk Implications

This delay in data migration poses risks to the Entity including:

- Increased costs: prolonging the data transfer process could necessitate additional resources, potentially increasing the overall cost.
- Data loss: the longer the data remains on the old system, the greater the risk of permanent data loss.

Management Response

Management takes note of the Authority's recommendation for immediate implementation. However, the activity is implemented as and when JLOS releases the funds.

Recommendation

The Accounting Officer should prioritise the procurement for the transfer of the old data to the new system for the remaining locations in order to safe guard national security and to guard against increased costs.

2.2.3 Poor contract management

Regulation 52 (1) (b) of the PPDA (Contracts) Regulations 2023 states that a contract manager shall make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract and ascertain that the provider meets all the delivery obligations in accordance with the terms and conditions of the contract.

In the procurement of polycarbonate passport booklets under framework worth UGX 74,214,581,123, the Authority noted a failure by the provider to make a full delivery of all 450,000 booklets required by the Entity.

The entity issued a call-off order worth Euros 18,638,100 for 450,000 pcs of booklets on 19th September 2023. Deliveries were staggered as follows:

- 6th December 2023: 12,000 pieces (Delivery note no.001).
- 19th January 2024-71,960 pieces. A gap of 40 books serial no. B00393361-B00393 was noted (Delivery note no.001).
- 7th February 2024-299,760 pieces (Delivery note no.001).

A balance of 66,280 pieces were yet to be delivered, a year after the order was placed.

Risk Implications

- This amounts to a breach of contract provision by the provider.
- It also implies ineffective contract management.

Management Response

The 66,280 passport booklets that have not been delivered are actually printed but as a result of quality standards, there was delay of delivery as tests had to be undertaken before acceptance. The tests have been completed by the project team and have given a go ahead with the shipping.

Recommendation

The Authority was not provided with documentary evidence such as test results, shipping documents, or any communication with the provider on the delayed delivery, to support the management response. The Accounting Officer should provide proof of delivery of the balance of 66,280 pieces of booklets.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1. Overall Audit Conclusion

The performance of Directorate of Citizenship and Immigration Control for the Financial Year 2023/2024 was moderately satisfactory with overall weighted average risk rating of 59.2%.

3.2. Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 4 below:

Table 4: Weighted score of Directorate of Citizenship and Immigration Control

Risk category	No.	No. %	Value (UGX)	Value%	Weights	Total weighted Average	
						By No	By Value
High	2	10	77,714,563,110	96.5	0.6	6	57.91
Medium	3	15	437,189,761	0.54	0.3	4.5	0.16
Low	5	25	562,968,494	0.70	0.1	2.5	0.07
Satisfactory	10	50	1,808,920,127	2.2	0	0	0
Total	20	100	80,523,641,492	100	1	13	58.13

$$\text{Performance by Number} = \frac{13 \times 100}{60} = 21.66\%$$

$$\text{Performance by Value} = \frac{58.13 \times 100}{60} = 96.88\%$$

$$\text{The average weighted risk rating} = \frac{21.66 + 96.88}{2} = 59.2\%$$

The performance of the Entity is rated moderately satisfactory as detailed in Table 5 below:

Table 5: Risk rating criteria

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

GRAPHICAL REPRESENTATION OF THE ENTITY'S PERFORMANCE

Figure 1: Performance by Value of Contracts

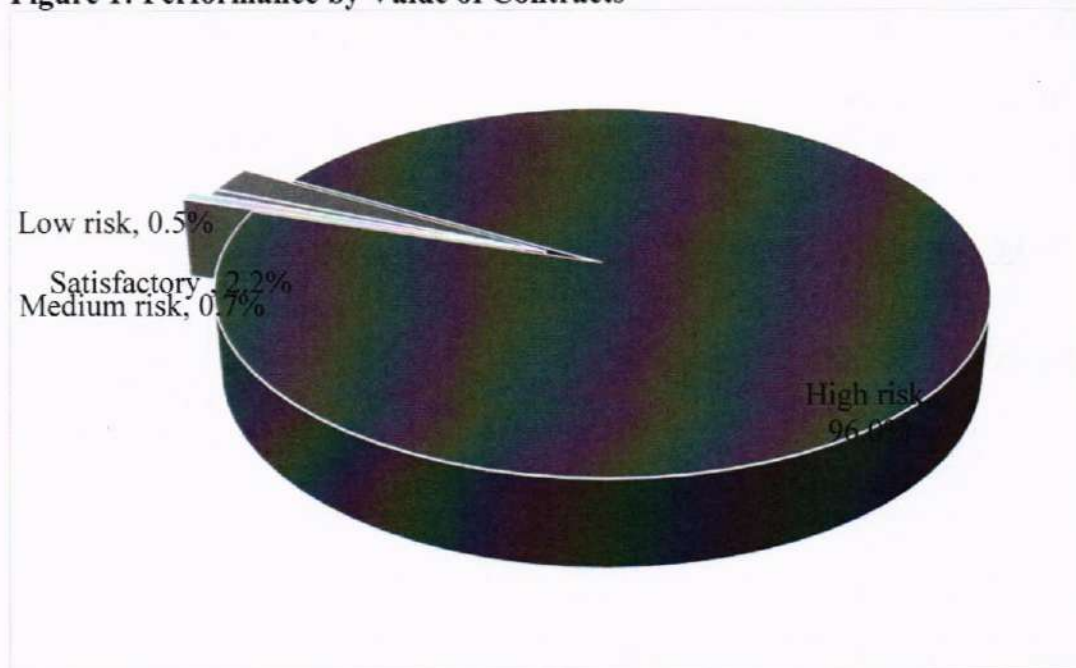
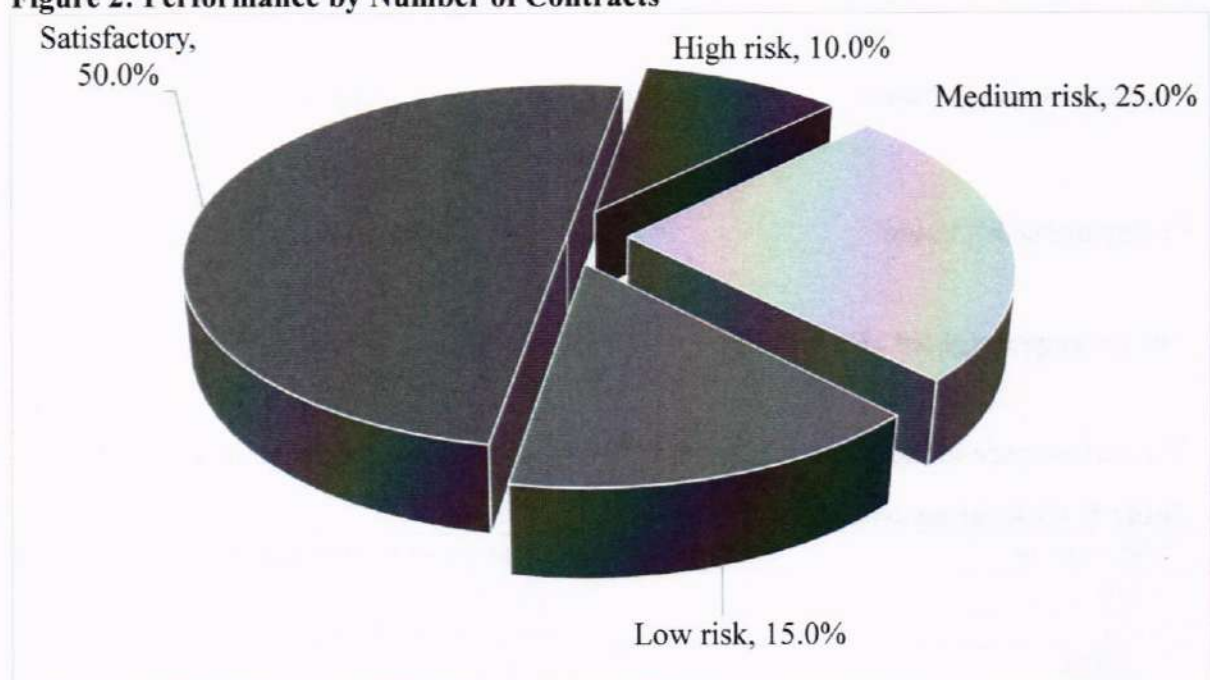


Figure 2: Performance by Number of Contracts



3.2 Recommended Action Plan

Directorate of Citizenship and Immigration Control should implement the recommendations in Table 6 within the timeframe given in order to improve its performance.

Table 6: Action Plan

Origin	Recommended Action	Target Date
Accounting Officer	1. The Accounting Officer should expedite the disposal process in the financial year 2024/2025 so that value is obtained from the already obsolete assets in accordance with Regulation 3 (4) of the PPDA (Disposal of Public Assets) Regulations, 2023.	March 2025
	2. The Accounting Officer, who has the overall responsibility for the execution of the procurement function, should ensure that user departments initiate procurements promptly to prevent retrospective procurement. This will streamline the process and promote efficiency, as required by Section 51 of the PPDA Act, Cap. 205.	Continuous
	3. The Accounting Officer should ensure that the payment terms stipulated under GCC 16.1/16.2 of the contract for procurement of polycarbonate passport booklets under framework contract with USPC are adhered to in accordance with Section 48 of the PPDA (Contracts) Regulations, 2023.	Continuous
	4. The Accounting Officer should always fulfil contractual obligations in respect to timely payment of providers in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023.	Continuous
	5. The Accounting Officer should prioritise the procurement for the transfer of the old data to the new system for the remaining locations in order to safe guard national security and to guard against increased costs.	June 2025
	6. The Accounting Officer should provide to the Authority proof of delivery of the balance of 66,280 pieces of booklets.	January 2025
Head Procurement and Disposal Unit	1. The Head Procurement and Disposal Unit should, when consolidating the procurement plan, ensure that the procurement budget is integrated with the expenditure program of the entity in accordance with Section 60 (2) (d) of the PPDA Act, Cap 205.	Continuous
	2. The Head Procurement should ensure that quarterly updates to the procurement plan are made where the	

Origin	Recommended Action	Target Date
	<p>budget increases or decreases to reflect the new budget allocation in accordance with Section 60 (7) of the PPDA Act, Cap. 205.</p> <p>3. The Head Procurement and Disposal Unit should adhere to the guideline on bid and performance securities by requiring a Performance Securing Declaration for procurements under the restricted domestic, restricted international, quotation and direct bidding methods, in line with Regulation 11(2) of the PPDA (Contracts) Regulations 2023 and Guideline No. 3 of 2024 on bid and performance securities which commenced on 5th February 2024.</p>	<p>Continuous</p> <p>Continuous</p>
Contract Managers	<p>1. The contract managers should ensure that where performance security is a requirement in the contract, providers submit it in accordance with Regulation 12 (1) (a) of the PPDA (Contracts) Regulations, 2023.</p> <p>2. Contract Managers should make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract as required under Regulation 52 (1) (b) of the PPDA (Contracts) Regulations, 2023.</p> <p>3. The Contract managers should ensure that where contractual timelines are insufficient due to exceptional circumstances, a contract change order is approved by the Accounting Officer and issued to the provider in accordance with Regulation 53 (1) (d) and 53 (3) and (4) of the PPDA (Contracts) Regulations, 2023.</p>	<p>Continuous</p> <p>Continuous</p> <p>Continuous</p>
User Departments	The User Department should promptly notify the Procurement and Disposal Unit (PDU) of any changes in their plans for consolidation and update of the procurement plan in accordance with Regulation 7 (1) (a) of the PPDA (Procurement Planning) Regulations, 2023.	Continuous

Appendix 1: Transaction list for Financial Year 2023/2024

No.	Procurement Reference number	Subject of Procurement	Provider	Method of Procurement	Contract Value (UGX)
1.	DCIC/SCVS/2023-2024/00192	Digitization of Passport Files	Computer Medics Ltd	Direct Procurement	249,307,261
2.	DCIC-Proc Plan 2023-24	Procurement of polycarbonate Passport booklets	Uganda Security Printing Company (USPC)	Direct Procurement	74,214,581,123
3.	DCIC/SVCS/2023-2024/00132	Upgrade and maintenance of passport enrolment Centre smart gates system to include Kyambogo passport collection centre	Computer Medics Ltd	Direct Procurement	413,680,860
4.	DCIC/SUPLS/2023-2024/00054	Computer Peripherals for maintenance (Lot1)	MAT IT Services Limited	Restricted Domestic Bidding	177,059,000
5.	DCIC/SVCS/2023-2024/00196	Services to consolidate and prepare for transfer of passport data from the former passport system in South Africa to the current passport system	Invicta Africa Ltd	Direct Procurement	231,870,000
6.	DCIC/SCVS/2023-2024/00006	Training of Immigration officers in Western Uganda	Las Vegas Garden Hotel	Quotations Method	63,831,350
7.	DCIC/SCVS/2023-2024/00004	Branding of Katuna and Mirama Hill one stop Border Post	Graphics Centre	Quotations Method	59,745,153.24
8.	DCIC/SUPLS/2023-2024/00086	Assorted Furniture	Footsteps Furniture Company Ltd	Restricted Domestic Bidding	97,699,999

No.	Procurement Reference number	Subject of Procurement	Provider	Method of Procurement	Contract Value (UGX)
9.	DCIC/SUPLS/2023-2024/00075	10 finger print readers, 10 AIO computers and 5 UPS	Nabb Supplies (U) Limited	Restricted Domestic Bidding	184,552,000
10.	DCIC/cons/2023-2024/0004	Consultancy services for Midterm review of 5-year strategic Plan for DCIC	Empower Consult Ltd	Expression of Interest Without Publication	146,385,487
11.	DCIC/WRKS/2023-2024/00002	Construction of VIP Public Toilet at Kizinga Border Post	Kabs Construction and Engineering	Quotations Method	52,839,853.66
12.	DCIC/WRKS/2023-2024/00006	Fencing and paving of staff accommodation at Elegu Border post	Lamson International Company SMC Ltd	Quotations Method	140,687,447
13.	DCIC/WRKS/2023-2024/00011	Construction of water projects - bore hole drilling and installation	Deshone Concepts (U) Limited	Quotations Method	58,934,274
14.	DCIC/WRKS/2023-2024/00008	Paving works at Malaba Staff Accommodation	Kabs construction and Engineering	Quotations Method	83,076,082
15.	DCIC/NCOS/2023-2024/00003	Consultancy for development of an ICT Strategy and implementation Action Plan for the Directorate	Eight Tech Consults Ltd	Open Domestic Bidding	279,870,000
16.	DCIC/SUPLS/2023-2024/00141	Forest green skirts and trousers-uniforms	Dorta Enterprises Ltd	Restricted Domestic Bidding	189,087,000
17.	DCIC/SUPLS/2023-2024/00126	Warm Jackets-uniforms	Emirates Fire Engineering Services Ltd	Restricted Domestic Bidding	105,138,000

No.	Procurement Reference number	Subject of Procurement	Provider	Method of Procurement	Contract Value (UGX)
18.	DCIC/SUPLS/2023-2024/00158	Uniform shoes for DCIC staff	Uganda Bata Shoe Company Limited	Restricted Domestic Bidding	177,000,000
19.	DCIC/CONS/2023-2024/00004	Consultancy on E-Immigration system	Trestle Limited	Quotations Method	98,314,615
20.	DCIC/NCOS/2023-2024/00347	Support and maintenance to E-Immigration system	Thales Dis France SAS	Direct Procurement	3,499,981,987
	TOTAL				80,523,641,492

Appendix 2: Findings and rating of the individual contracts reviewed

	Details of the procurement	Exceptions /findings
High risk contracts		
1.	Procurement of polycarbonate Passport booklets	<ul style="list-style-type: none"> • Failure to follow payment terms in the contract • Failure to deliver all the required 450,000 booklets under the contract
2.	Support and maintenance to E-Immigration system	Retrospective procurement process
Medium Risk contracts		
3.	Consultancy services for Midterm review of 5-year strategic Plan for DCIC	Delayed completion
4.	Construction of water projects - bore hole drilling and installation Delayed completion	Delayed completion
5.	Services to consolidate and prepare for transfer of passport data from the former passport system in South Africa to the current passport system	Failure to receive a performance security from the provider
Low Risk contracts		
6.	Paving works at Malaba Staff Accommodation	Delay to sign contract
7.	Computer Peripherals for maintenance (Lot 1	Signing of bid by an unauthorized person
8.	Training of Immigration officers in Western Uganda	Delayed payment
9.	Consultancy on E-Immigration system	Irregularities in bid receipt and opening
10.	Fencing and paving of staff accommodation at Elegu Border post	Delayed contract signing
Satisfactory contracts		
11.	Digitization of Passport Files	No material exceptions noted
12.	Branding of Katuna and Mirama Hill one stop Border Post	
13.	Assorted furniture	
14.	10 finger print readers, 10 AIO computers and 5 UPS	
15.	Construction of VIP Public Toilet at Kizinga Border Post	
16.	Consultancy for development of an ICT Strategy and implementation Action Plan for the Directorate	
17.	Forest green skirts and trousers-uniforms	
18.	Warm Jackets-uniforms	
19.	Uniform shoes for DCIC staff	

20.	Upgrade and maintenance of passport enrolment Centre smart gates system to include Kyambogo passport collection centre	
-----	--	--

Appendix 3: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry risk for the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	Planning: Lack of or failure to procure within the approved plan	This implies emergencies and use of the direct procurement method which affects competition and value for money.
		Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals and usurping the powers of the PDU.	This implies use of less competitive methods which affects transparency, accountability and value for money.
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material	Planning: Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.

RISK	DESCRIPTION	AREA	IMPLICATION
	financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.	Bidding Process: Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	This implies lack of efficiency, standardisation and avoiding competition.
		Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business	Planning: Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of

RISK	DESCRIPTION	AREA	IMPLICATION
	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.		interest and lack of transparency.

SATISFACTORY

Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time.