



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**

"Procurement That Delivers"

**REPORT ON THE COMPLIANCE INSPECTION OF THE
DIRECTORATE OF ETHICS AND INTEGRITY FOR THE
FINANCIAL YEAR 2023/2024**

NOVEMBER 2024

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ACRONYMS

FY	Financial Year
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
UGX	Uganda Shillings

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EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (hereinafter “PPDA or Authority”) carried out the compliance inspection of the Directorate of Ethics and Integrity (hereinafter “Entity”) that covered representative sample of 14 procurement transactions during the Financial Year (FY) 2023/2024.

The overall objective of the compliance inspection was to ensure that public procurement and disposal activities of the Directorate of Ethics and Integrity were conducted in accordance with the laid down public procurement procedures enshrined in the PPDA Act, Cap. 205, the PPDA Regulations of 2023 and the PPDA Guidelines of 2024.

From the findings of the compliance inspection, the performance of the Directorate of Ethics and Integrity during the FY 2023/2024 was **moderately satisfactory** with an overall weighted average risk rating of **41.8%**. The risk rating was weighted to determine the overall risk level of Entity as detailed in Chapter 3 of this compliance inspection report.

The Authority noted the following key exceptions during the FY 2023/2024:

1. The Secretary Contracts Committee did not maintain complete, accurate and proper records of the proceedings and decisions of Contracts Committee meetings in seven sampled cases worth UGX 1,479,794,167, contrary to Regulation 8 (2) (b) & (c) of the PPDA (Procuring and Disposing Entities) Regulations, 2023, which indicates capacity gaps among the Contracts Committee members;
2. Failure to include five procurements, estimated at UGX 4,467,021,000, in the procurement plan for the FY 2023/24 contrary to Section 33 (f) of the PPDA Act, Cap. 205, which affected budget absorption and plan implementation, thereby undermining service delivery;
3. The Entity did not implement all three planned consultancy services, estimated at UGX 376,094,000, which denied the intended beneficiaries anticipated public services;
4. The Entity did not dispose of obsolete assets identified in the disposal plan for the FY 2023/24, with a reserve price totaling UGX 65,895,000, contrary to Regulation 3 (2) of the PPDA (Disposal of Public Assets) Regulations, 2023 which exposes the assets to further depreciation, vandalism and loss of value;
5. There were delays in completing procurement processes in five procurements, worth UGX 168,266,411, contrary to Section 51 of the PPDA Act, Cap. 205 which denied beneficiaries timely public goods and services; and
6. Ineffective contract monitoring and reporting in all 14 sampled procurements, worth UGX 1,776,485,058, contrary to Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023 and Section 36 (1) (j) of the PPDA Act, Cap. 205 which affects contract implementation.

In view of the above, the Authority recommends that the Accounting Officer should:

1. Task the Secretary Contracts Committee to diligently record all discussions and decisions made for each submission made to the Contracts Committee in accordance with Regulation 8 (2) (b) & (c) of the PPDA (Procuring and Disposing Entities) Regulations, 2023;
2. Task the Head Procurement and Disposal Unit to include all approved budgeted procurements in the procurement plan in accordance with Section 33 (f) of the PPDA Act, Cap. 205;

3. Approve feasible procurement plans along with viable and efficient strategies to fully implement all planned activities in subsequent financial years in accordance with Section 60 (2) of the PPDA Act, Cap. 205;
4. Task the responsible User Departments to initiate the process of disposal of public assets in accordance with the recommendations of the Board of Survey as guided in Regulation 3 (2) of the PPDA (Disposal of Public Assets) Regulations, 2023;
5. Commence the procurement process for all procurements that fall within the approved procurement plans and budgets for the financial year, even before the release funds, in accordance with the PS/ST's circular on initiation of procurements dated 8th October 2010;
6. Task Heads of User Departments to nominate, a member of the User Department, with appropriate skills and experience, to be appointed as a Contract Manager for each contract in accordance with Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023; and
7. Organise an induction training for the members of the Contracts Committee and other staff members on evaluation and contract management in public procurement.

The Accounting Officer should therefore follow up closely with the implementation of the recommended action plan on pages **18 to 19** of this compliance inspection report as mandated by the PPDA Act and Regulations.

CHAPTER 1: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority conducted a compliance inspection of the Directorate of Ethics and Integrity for the financial year 2023/2024. The compliance inspection covered a sample of 14 procurement transactions carried out during FY 2023/2024. The exercise involved a review of the procurement systems and processes in accordance with the PPDA Act, Cap. 205, the PPDA Regulations of 2023 and the PPDA Guidelines of 2024.

1.2 Objective of the Compliance Inspection

The overall objective of the compliance inspection was to ensure that public procurement and disposal activities of Directorate for Ethics and Integrity were conducted in accordance with the laid down public procurement procedures enshrined in the PPDA Act, Cap. 205, the PPDA Regulations of 2023 and the PPDA Guidelines of 2024.

The specific objectives of the compliance inspection of the Directorate of Ethics and Integrity were to:

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

1.3 Scope of the Compliance Inspection

The compliance inspection covered a sample of 14 procurement transactions conducted during the FY 2023/2024 and involved a review of the procurement structures and systems, as well as an assessment of the procurement plan implementation. The list of sampled transactions is contained in **Annex 1**.

1.4 Compliance Inspection Methodology

The Entity was notified about the compliance inspection on **9th August 2024**. An entry meeting was held on **16th September 2024** where the objectives of the compliance inspection, the timelines, roles and responsibilities of all parties involved were discussed.

The Entity's management provided the required records from which a representative sample of 14 procurement transactions were selected using the stratified random sampling method. The inspection team examined records and documents for each of the sampled procurement transactions, and also reviewed the procurement plan, Contracts Committee minutes for FY 2023/2024 and monthly procurement and disposal reports for FY 2023/24. Interviews were held with the staff where necessary to obtain clarification on findings and concluded the inspection on **19th September 2024**. The preliminary findings were presented to the delegated authority and management on **20th September 2024** in a debrief meeting.

The inspection team prepared and issued the management letter to the Entity on **11th October 2024** which required a response to be submitted by **25th October 2024** but the Entity submitted the management response on **30th October 2024**.

CHAPTER 2: COMPLIANCE INSPECTION FINDINGS AND RECOMMENDATIONS

This section presents the findings arising from the compliance inspection of Directorate for Ethics and Integrity for the Financial Year 2023/2024.

2.1 Level of compliance by the Entity with the general provisions of the PPDA Act Cap. 205 and Regulations 2023 with regard to the performance of the procurement structures and conduct of procurement processes

2.1.1 Failure to Implementation all Previous PPDA Recommendations

During the compliance audit for FY 2020/21, the Authority made nine recommendations to the Entity. By the time of the inspection, one recommendation had not been implemented, and another had been partially implemented contrary to Section 10 of the PPDA Act, Cap. 205. Seven (78%) recommendations had been fully implemented. Recommendations which are not fully implemented are indicated in Table 1 below:

Table 1: PPDA recommendations not fully implemented

No.	PPDA Recommendation	Status of Implementation	Responsible Party
1.	Submit all monthly procurement and disposal reports to PPDA contrary to Regulation 20 of the PPDA (Procuring and Disposing Entities) Regulations, 2014.	Partly Implemented	Accounting Officer
2.	Ensure that procurements are undertaken in a manner that enhances efficiency as required in Section 51 of the PPDA Act, Cap. 205.	Not Implemented	Accounting Officer

Risk Implication

Failure to fully implement all the recommendations affects the performance of the procurement and disposal function in the Entity.

Recommendation

The Accounting Officer should ensure that the Entity fully implements all recommendations from the current compliance inspection for the FY 2023/2024.

2.1.2 Failure to include some budgeted items in the procurement plan

The Entity had a procurement budget of UGX 9,390,770,000; however, items worth only UGX 2,709,756,000 (29%), were included in the procurement plan as indicated in Table 2 below:

Table 2: Procurement Budget Implementation Rate

Total approved procurement budget (UGX) -Annex 1	9,390,770,000
Total procurement plan (UGX)	2,709,756,000
Percentage planned for implementation (%)	29%
Budget Variance (UGX)	6,681,014,000

The variance of UGX 6,681,014,000 is attributable to five items, estimated at UGX 4,467,021,000, that were not included in the procurement plan for the FY 2023/24 as shown in Table 3 below:

Table 3: Budgeted items not included in the procurement plan for the FY 2023/24

No.	Budgeted Procurement Items	Budgeted Amount (UGX)
1.	Medical employee expenses	122,000,000
2.	Welfare and entertainment	1,907,161,000
3.	Books and periodicals	210,000,000
4.	Security services	153,860,000
5.	Fuel, oil and lubricants	2,074,000,000
Total		4,467,021,000

Risk Implication

This affects budget implementation which ultimately leads to poor service delivery.

Recommendation

The Accounting Officer should task the Procurement and Disposal Unit to include all approved budgeted procurements in the procurement plan in accordance with Section 33 (f) of the PPDA Act, Cap. 205.

Management Response

The recommendation is noted. The approved budgeted procurements have been included in the procurement plan for FY 2024/25.

2.1.3 Procurement Plan Implementation Rate

A review of the monthly procurement reports against the procurement plan for FY 2023/2024 revealed that the Entity implemented 98% (UGX 2,668,755,957) of its procurement plan worth UGX 2,709,756,000 as detailed in Table 4 below:

Table 4: Procurement plan implementation rate

Total procurement plan value (UGX)	2,709,756,000
Total awarded contract value in monthly reports for the FY 2023/2024 (UGX)	2,668,755,957
Procurement plan percentage implemented (%)	98
Procurement plan implementation variance (UGX)	41,000,043

However, despite attaining an impressive procurement plan implementation rate of 98%, there was no evidence that the Entity implemented all three planned consultancy services, estimated at UGX 376,094,000.

Risk Implication

Failure to implement some procurements indicates poor planning which denied the intended beneficiaries anticipated public services and goods.

Recommendation

The Accounting Officer should approve feasible procurement plans along with viable and efficient strategies to fully implement all planned activities in subsequent financial years in accordance with Section 60 (2) of the PPDA Act, Cap. 205.

Management Response

The Entity planned to undertake three consultancies: (i) Procurement for Consultancy Services for the Religious Faith Organizations Policy, (ii) Situational Analysis on the prevalence of pornography in Uganda, and (iii) Electronic Case Management System under the Leadership

Annex 2: Approved procurement budget for the FY 2023/24

No.	Budgeted Procurement Items	Budgeted Amount (UGX)
1.	Medical employee expenses	122,000,000
2.	Advertising and PR	877,926,000
3.	Workshops, seminars and meetings	1,751,073,000
4.	Books and periodicals	210,000,000
5.	ICT Supplies	210,000,000
6.	Welfare and entertainment	1,907,161,000
7.	Printing, stationery and binding	732,000,000
8.	Small office equipment	108,000,000
9.	ICT services	140,000,000
10.	Security services	153,860,000
11.	Fuel, oil and lubricants	2,074,000,000
12.	Bedding and clothing	94,000,000
13.	Consultancy services	376,094,000
14.	Maintenance of transport equipment	482,993,000
15.	Maintenance of machinery and other equipment	101,663,000
16.	Acquisition of furniture and fittings	50,000,000
Total		9,390,770,000

12.	DEI/SPLS/23-24/00062	Procurement of IEC Materials for LCT	Request for Quotations	K.K.N Enterprises	29,313,560	Low Risk
13.	DEI/SRVCS/23-24/00053	Procurement of Calendars and Diaries for DEI	Request for quotations	Smart Edge Holdings Limited	78,942,000	Low Risk
14.	DEI/SRVCS/23-24/00029	Repair of Motor Vehicle UG 4001C	Direct Procurement	Victoria Motors Limited	15,431,277.72	Low Risk
Total					1,776,485,058	

ANNEXES

Annex 1: Transaction List for the Compliance Inspection for the Financial Year 2023/2024

No.	Proc Reference No.	Subject of Procurement	Procurement Method	Provider	Contract Value (UGX)	Risk Rating
1.	DEI/SRVCS/23-24/00105	Printing of Customized DEI info-Packs	Restricted Domestic Bidding	Exodus Investments Ltd	282,138,000	Medium Risk
2.	DEI/SRVCS/23-24/00061	Printing of Assessment report on implementation of NACS and Prevalence corruption report	Request for Quotations	Inline Print Services Ltd	55,344,360	High Risk
3.	DEI/SRVCS/23-24/00032	Printing of Zero Tolerance to corruption Policy	Request for Quotations	Inline Print Services Ltd	39,976,040	Low Risk
4.	DEI/SRVCS/23-24/00106	Printing of National Ethical Values Policy	Restricted Domestic Bidding	DAQ and Sons Enterprises Ltd	375,663,384	Medium Risk
5.	DEI/SRVCS/23-24/00108	Printing of Code of Conduct for the Uganda Public Service	Direct Procurement	ABM Investments	375,551,520	Medium Risk
6.	DEI/SRVCS/23-24/00109	Printing of National Anti-Corruption Strategy (NACS) 2019/20-2023/24	Restricted Domestic Bidding	Boom Age (U) Ltd	399,102,196	Medium Risk
7.	DEI/SPLS/23-24/00093	Procurement of Assorted Toner Cartridges for DEI	Request for Quotations	Canon World Limited	36,400,000	Low Risk
8.	DEI/SPLS/23-24/00089	Procurement of Assorted Toner Cartridges for LCT	Request for Quotations	Galuma Company	42,480,000	Low Risk
9.	DEI/SPLS/23-24/00064	Procurement of ICT Equipment for DEI	Request for Quotations	Edmart Systems (U) Ltd	50,137,374	Medium Risk
10.	DEI/SPLS/23-24/00081	Procurement of ICT Equipment for LCT	Request for Quotations	Genius Contractors and Logistics Ltd	25,901,000	Medium Risk
11.	DEI/SPLS/23-24/00058	Procurement of Cameras and IT Accessories	Request for Quotations	Genius Contractors and Logistics Ltd	20,241,720	Low Risk

Origin	Recommended Action	Target Date
	<ol style="list-style-type: none"> 1. Include all approved budgeted procurements in the procurement plan in accordance with Section 33 (f) of the PPDA Act, Cap. 205. 2. Prepare and seek approval for procurement method, bidding documents, Evaluation Committees and evaluation reports in a timely manner in order to promote efficiency in the resultant procurement processes in accordance with Section 51 of the PPDA Act, Cap. 205. 	
Evaluation Committees	The Evaluation Committees to diligently evaluate bids in accordance with the evaluation criteria specified in the bidding document and disqualify non-compliant bidders in accordance with Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023.	Continuously
User Departments	<ol style="list-style-type: none"> 1. The responsible User Departments should initiate the process of disposal of public assets in accordance with the recommendations of the Board of Survey as guided in Regulation 3 (2) of the PPDA (Disposal of Public Assets) Regulations, 2023. 2. User Departments should refrain from making reference to brand names but rather follow the description of requirements with the words “or equivalent” to serve as a benchmark during evaluation in accordance with Regulation 38 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. 3. The Heads of User Departments should nominate, a member of the User Department, with appropriate skills and experience, to be appointed as a Contract Manager for each contract in accordance with Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023. 	Continuously

3.2. Recommended Action Plan

Directorate for Ethics and Integrity should implement the following recommendations within the timeframe given in order to improve its performance in procurement and disposal listed in Table 13 below.

Table 13: Recommended Action Plan

Origin	Recommended Action	Target Date
Accounting Officer	<p>The Accounting Officer should:</p> <ol style="list-style-type: none">1. Approve feasible procurement plans along with viable and efficient strategies to fully implement all planned activities in subsequent financial years in accordance with Section 60 (2) of the PPDA Act, Cap. 205.2. Not certify funds against purchase requisitions with inadequate statement of requirements.3. Commence the procurement process for all procurements that fall within the approved procurement plans and budgets for the financial year, even before the release funds, in accordance with the PS/ST's circular on initiation of procurements dated 8th October 2010.4. Organise an induction training for the members of the Contracts Committee and other staff members on evaluation and contract management.5. In an emergency situation, consider the use of Restricted Bidding or Request for Quotation methods with appropriate modifications to the process timelines in accordance with Regulation 7 (6) of the PPDA (Rules and Methods for Procurement of Supplies, Works & Non-Consultancy Services) Regulations, 2023.6. Always seek and obtain the Solicitor General's approval for all contracts in excess of UGX 200 million in accordance with Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023.	Immediately
Contracts Committee	<ol style="list-style-type: none">1. The Secretary Contracts Committee should diligently record all discussions and decisions made for each submission made to the Contracts Committee in accordance with Regulation 8 (2) (b) & (c) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.2. The Chairperson Contracts Committee should quality assure all Contracts Committee meeting minutes for completeness and non-ambiguity before signing the meeting minutes in accordance with Regulation 8 (2) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.	Continuously
Procurement and Disposal Unit	<p>The Procurement and Disposal Unit should:</p>	Continuously

CHAPTER 3: OVERVIEW OF THE RATING OF THE ENTITY

This section will graphically present the procurement performance of Directorate for Ethics and Integrity for the financial year 2023/2024.

3.1. Overall Compliance Inspection Conclusion

Directorate for Ethics and Integrity had an overall weighted average risk rating of **41.8%** which is **moderately satisfactory**. The risk rating analysis is demonstrated in Table 11 below:

Table 11: Risk Rating Descriptions

Risk Rating	Description of Risk Rating
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 Directorate for Ethics and Integrity. The weighting was derived using the average weighted index as shown in Table 12 below:

Table 12: Weighted Average Score by Number and Value of Sampled Procurements

Risk Category	No.	%No	Value (UGX)	%Value	Weights	Total Weighted Average	
						By No.	By Value
High	1	7.1	55,344,360	3.1	0.6	4.3	1.9
Medium	6	42.9	1,458,356,100	82.1	0.3	12.9	24.6
Low	7	50	262,784,598	14.8	0.1	5	1.5
Total	14	100	1,776,485,058	100	1	22.1	28

$$\text{Weighted Average (By No.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{22.1}{60} \times 100 = 36.8\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{28}{60} \times 100 = 46.7\%$$

$$\text{Combined Weighted Average} = \frac{36.8\% + 46.7\%}{2} = 41.8\%$$

Risk Implication

There is a likelihood of contractual breach for there was no user committed to managing obligations and duties of the providers to make certain that all contract terms and conditions are duly fulfilled.

Recommendation

The Accounting Officer should task Heads of User Departments to nominate, a member of the User Department, with appropriate skills and experience, to be appointed as contract manager for each contract in accordance with Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023.

Management Response

The recommendation is noted. The appointment of contract managers will be implemented immediately.

Management Response

The omission is regretted and the Entity undertakes to ensure that future procurements in excess of UGX 200 million are cleared by the Solicitor General.

2.2 Level of compliance by the Entity's Disposal Process with the Provisions of the PPDA Act, Cap. 205 and Regulations 2023

The Authority made the following findings in regard to the level of compliance of Directorate for Ethics and Integrity's disposal process with the provisions of the PPDA Act, Cap. 205 and Regulations 2023.

2.2.1 Failure to dispose of obsolete assets

The Entity did not dispose of obsolete assets identified in the disposal plan for the FY 2023/24 with a reserve price totaling UGX 65,895,000 contrary to Regulation 3 (2) of the PPDA (Disposal of Public Assets) Regulations, 2023.

Risk Implication

Failure to dispose of obsolete public assets increases the related holding costs and exposes the assets to further depreciation and vandalism.

Recommendation

The Accounting Officer should task the responsible User Departments to initiate the process of disposal of public assets in accordance with the recommendations of the Board of Survey as guided in Regulation 3 (2) of the PPDA (Disposal of Public Assets) Regulations, 2023.

Management Response

The recommendation is noted. The disposal process is to be implemented in the financial year 2024/2025.

2.3 Level of Efficiency and Effectiveness in Contract Implementation including the Application of Environmental, Social, Health and Safety (ESHS) Requirements in the Procurement Process

The Authority made the following findings in regard to the level of efficiency and effectiveness in contract implementation at Directorate for Ethics and Integrity including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process.

2.3.1 Failure to appoint Contract Managers and to monitor contract performance

In all the 14 sampled procurements worth UGX 1,776,485,058, Heads of User Departments did not nominate department members, with appropriate skills and experience to be appointed as Contract Managers contrary to Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023.

Consequently, there was no preparation and sharing of copies of Contract Management Plans, performance or monthly progress reports, goods received notes and handover reports contrary to Section 36 (1) (j) of the PPDA Act, Cap. 205.

No.	Procurement Details	PPDA Findings	Management Response
		Committee did not reject this bid considering the non-conformity to VAT registration as required in the bidding document, which was contrary to Regulation 25 (4) of the PPDA (Evaluation) Regulations, 2023.	<i>of the Evaluation Teams through providing training.</i>

Risk Implications

1. Failure to evaluate against all criteria risks recommending non-eligible bidders for contract award, which compromises the product quality and achievement of desired procurement objectives.
2. Passing non-compliant bidders indicates laxity by Evaluation Committees to diligently evaluate bidders which undermines the principle of fairness.

Recommendations

The Accounting Officer should:

1. Organise an induction training for the members of staff on the evaluation of bids; and
2. Task Evaluation Committees to diligently evaluate bids in accordance with the evaluation criteria specified in the bidding document and disqualify non-compliant bidders in accordance with Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023.

2.1.9 Failure to seek and obtain the Solicitor General's approval

There was no evidence of the Entity seeking and obtaining the Solicitor General's approval for four contracts worth UGX 1,433,254,904 in excess of UGX 200 million contrary to Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023 listed in Table 10 below:

Table 10: Contracts signed without Solicitor General's approval

No.	Procurement Details	Contract Value (UGX)
1.	Printing of National Anti-Corruption Strategy (NACS) 2019/2020- 2023/2024	399,902,000
2.	Printing of the National Ethical Values Policy	375,663,384
3.	Printing of the ethical code of conduct and ethics for the Uganda Public Service	375,551,520
4.	Printing of customized DEI info-Packs	282,138,000
Total		1,433,254,904

Risk Implication

This exposes the Entity to contractual terms that might not be defensible by the government's legal counsel in case of litigation.

Recommendation

The Accounting Officer should always seek and obtain the Solicitor General's approval for all contracts in excess of UGX 200 million in accordance with Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023.

The Entity used the direct procurement method to award 15 contracts worth UGX 643,228,944, making up 24% of its total value of contracts as detailed in Table 8 below:

Table 8: Competitive Analysis by contract value and number of awarded contracts

Procurement Method	Contract Value (UGX)	Percentage of contract value	No. of contracts	Percentage of No. of contracts
Restricted Domestic Bidding	1,056,903,580	40%	3	2%
Request for Quotation	679,653,586	25%	25	18%
Direct Procurement	643,228,944	24%	21	15%
Micro procurements	288,969,847	11%	92	65%
Total	2,668,755,957		141	

Risk Implication

This gives participating bidders less incentives to offer competitive prices, thus inhibiting the achievement of value for money in public procurement.

Recommendation

The Accounting Officer should, in an emergency situation, consider the use of Restricted Bidding or Request for Quotation methods with appropriate modifications to the timelines in accordance with Regulation 7 (6) of the PPDA (Rules and Methods for Procurement of Supplies, Works & Non-Consultancy Services) Regulations, 2023.

Management Response

The recommendation is noted. The Entity will explore use of the above methods where need arises.

2.1.8 Irregularities Observed at Evaluation

In two procurements worth UGX 425,800,758, there were irregularities observed during the evaluation of bids as detailed in Table 9 below:

Table 9: Procurements with irregularities during the evaluation process

No.	Procurement Details	PPDA Findings	Management Response
1.	Printing of the National Ethical Values Policy at UGX 375,663,384	Not fully adhering to the evaluation criteria Bidders were required to submit documents evidencing the completion of contracts listed as similar experience i.e., one contract of at least UGX 200m in the previous 3 years. However, this criterion was not evaluated, contrary to Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023.	<i>This is noted. The Entity undertakes to address the inadequacies on the part of the Evaluation Teams through providing training.</i>
2.	Procurement of ICT Equipment for DEI at UGX 50,137,374	Passing a non-compliant bidder at the preliminary evaluation stage Cybit Limited included VAT in its bid price despite not being VAT registered. However, the Evaluation	<i>This is noted. The Entity undertakes to address the inadequacies on part</i>

No.	Procurement Details	Delays Observed	Management Response
		b. 106 working days to resubmit the procurement to the Contracts Committee on 26 th February 2024 following a rejection on 18 th October 2023.	<i>The delay is regretted. The Entity undertakes to address these delays.</i>
4.	Procurement of Camera and IT Accessories at UGX 20,241,720 Method: Request for Quotation	The procurement span 147 working days from initiation on 3 rd November 2023 to contract signing on 26 th April 2024 – which was 85 working days beyond the 62 working days recommended by PPDA. The Procurement and Disposal Unit took 26 working days to seek Contracts Committee's approval for preliminary bid submissions on 15 th January 2024 following confirmation of funds by the Accountant on 5 th December 2023.	<i>The bids were issued on 22nd January 2024. Three (3) working days after CC meeting on 15th January 2024.</i> Authority's Comment The Authority notes that there was a delay to obtain Contracts Committee approval for preliminary bid submissions rather than to invite bidders.
5.	Printing 2,000 copies of zero tolerance to corruption at UGX 39,976,040 Method: Request for Quotation	Delay to award the contract The Contracts Committee took 86 working days to award the contract on 30 th May 2024 following signature of the evaluation report on 19 th January 2024.	<i>The delay is regretted. The Entity undertakes to address these delays.</i>

Risk Implication

Delays in procurement processes indicate the Entity's laxity in efficiently conducting public procurement processes thus denying the intended beneficiaries timely access to public goods and services.

Recommendations

The Accounting Officer should:

1. Commence the procurement process for all procurements that fall within the approved procurement plans and budgets for the financial year, even before the release funds, in accordance with the PS/ST's circular on initiation of procurements dated 8th October 2010; and
2. Task the Procurement and Disposal Unit to prepare and seek approval for the procurement method, bidding documents, Evaluation Committees and evaluation reports in a timely manner in order to promote efficiency in the resultant procurement processes in accordance with Section 51 of the PPDA Act, Cap. 205.

2.1.7 Limited competition in the procurement processes

In terms of value, the highest proportion of contracts, 40% (UGX 1,056,903,580), was awarded through the restricted domestic bidding methods. In terms of number, the largest proportion of contracts, 65% (92 contracts) were awarded using the micro procurement method.

No.	Procurement Details	Delays Observed	Management Response
2.	<p>Procurement of ICT Equipment for DEI at UGX 50,137, 374</p> <p>Method: Request for Quotation</p>	<p>The procurement span 90 working days from initiation on 17th January 2024 to contract signing on 31st May 2024 – which was 28 working days beyond the 62 working days recommended by the Authority.</p> <p>Delays were observed at the following stages:</p> <p>a. Seeking Contracts Committee’s approval of preliminary submissions The Procurement and Disposal Unit took 27 working days to seek Contracts Committee’s approval of the procurement method, bidding document, shortlist and Evaluation Committee on 28th February 2024 following approval of the requisition by the Accounting Officer on 18th January 2024.</p> <p>b. Approving the preliminary submissions The Contracts Committee took 35 working days to approve the procurement method, bidding document, shortlist and Evaluation Committee on 23rd April 2024 following Procurement and Disposal Unit’s submission on 28th February 2024 contrary to Section 31 (2) of the PPDA Act, Cap. 205.</p>	<p><i>The delays are regretted and the Entity undertakes to address these delays.</i></p>
3.	<p>Repair of Motor Vehicle No. UG 4001C at UGX 15,431,277</p> <p>Method: Direct Procurement</p>	<p>The procurement span 209 working days from initiation on 10th August 2023 to contract signing on 17th June 2024 despite using the direct procurement method.</p> <p>The Procurement and Disposal Unit delayed by:</p> <p>a. 30 working days to seek Contracts Committee’s approval for preliminary submissions on 21st September 2023 following confirmation of funding on 10th August 2023.</p>	<p><i>Whereas it is true the initiation was done on 10th August 2023 there was no approved Contracts Committee to approve the procurement at that time. The first Contracts Committee meeting was held On 4th October 2023.</i></p>

2. Inadequate statement of requirements is an indication of a capacity gap among Users in recommending statement of requirements which in turn compromises the quality of supplies.

Recommendations

The Accounting Officer should:

1. Not certify funds against purchase requisitions with inadequate statement of requirements; and
2. Task User Departments to refrain from making reference to brand names but rather follow the description of requirements with the words “or equivalent” to serve as a benchmark during evaluation in accordance with Regulation 38 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.6 Delays in the Conduct of Procurement Procedures

The Authority analysed the lead times in five procurements worth UGX 168,266,411, and noted delays in the procurement processes, contrary to Section 51 of the PPDA Act, Cap. 205. Table 7 below details the delays observed in the procurements:

Table 7: Delays observed at various stages of the procurement process

No.	Procurement Details	Delays Observed	Management Response
1.	Procurement of Assorted Toner Cartridges for LCT at UGX 42,480,000 Method: Request for Quotation	<p>The procurement span 99 working days from initiation on 15th January 2024 to contract signing on 13th June 2024 – which was 37 working days beyond the 62 working days recommended by the Authority.</p> <p>Delays were observed at the following stages:</p> <p>a. Submission of the procurement to the Contracts Committee The Procurement and Disposal Unit delayed by 45 working days to submit the procurement to the Contracts Committee on 3rd April 2024, following the Accounting Officer’s approval of the requisition on 18th January 2024.</p> <p>b. Approving the initial submissions The Contracts Committee delayed by 33 working days to approve the procurement method, bidding document, shortlist and Evaluation Committee on 13th May 2024 following Procurement and Disposal Unit submission on 3rd April 2024.</p>	<p><i>The Accounting Officer approved initiation of procurement before release of funds. The funds were later released in quarter four.</i></p> <p><i>This explains the delay in the procurement process at all stages.</i></p>

No.	Procurement Details	PPDA Findings	Management Response
	2022/2023 at UGX 55,344,360		
2.	Printing of Customized DEI info-packs at UGX 282,138,000	The items were described as “info packs on art mart 300GMS on full colour”. However, there was no description of the dimensions of the paper, number of pages, language, labeling requirements, or message to be included on the info-packs.	<i>The observation is noted. The Entity will ensure that users prepare comprehensive and clear Statement of Requirements.</i>
3.	Procurement of ICT Equipment for DEI at UGX 50,137, 374	The Entity made reference to a brand name when describing the digital cameras i.e., Dell Optiplex 3000 MT and Dell 27 SE2722H monitor, which was contrary to Regulation 38 of the PPDA (Rules and Methods for Procurement of Supplies, Works & Non-Consultancy Services) Regulations, 2023.	<i>The observation is noted. The Entity will ensure that users do not use brand names when developing specifications for items.</i>
4.	Printing 2,000 copies of zero tolerance to corruption at UGX 39,976,040	The items were described as A4 booklet on 130gsm for inners and cover on 300gsm without indicating the number of pages, and the print colour.	<i>The observation is noted. The Entity will ensure that users prepare comprehensive and clear Statement of Requirements.</i>
5.	Procurement of ICT Equipment for LCT at UGX 25,901,000	<p>The Entity made reference to a brand name when describing the digital cameras i.e., Canon camera lens 70-200 2.8 and digital camera Canon Mark II body contrary to Regulation 38 of the PPDA (Rules and Methods for Procurement of Supplies, Works & Non-Consultancy Services) Regulations, 2023.</p> <p>Additionally, the 1 Canon Mark II camera was not adequately defined considering that there are several versions of the same model, such as the canon EOS 7D Mark II, the Canon EOS 5D Mark II 21.1MP</p>	<p><i>The observation is noted. The Entity will ensure that users do not use brand names when describing an item</i></p> <p><i>The observation is noted. The Entity will ensure that users prepare comprehensive and clear Statement of Requirements.</i></p>

Risk Implications

1. Making reference to brand names stifles competition which undermines the principles of competition and non-discrimination.

No.	Procurement Details	PPDA Findings	Management Response
	Public Service at UGX 375,551,520	the bidding document, method, shortlist, and Evaluation Committee was not maintained	<i>This has since been rectified.</i>
6.	Printing of the National Ethical Values Policy at UGX 375,663,384	Whereas there was a record of the contract award decision, the record of the Contracts Committee's approval of the bidding document, method, shortlist, and Evaluation Committee was not maintained	<i>At the time of audit, the records were not properly filed. This has since been rectified.</i>
7.	Procurement of ICT Equipment for LCT at UGX 25,901,000	Whereas there was a record of the contract award decision, the record of the Contracts Committee's approval of the bidding document, method, shortlist, and Evaluation Committee was not maintained	<i>At the time of audit, the records were not properly filed. This has since been rectified.</i>

Risk Implication

This indicates capacity gaps among the Contracts Committee in recording and verifying meeting minutes before they are signed.

Recommendations

The Accounting Officer should:

1. Organise an induction training for the members of the Contracts Committee.
2. Task the Secretary Contracts Committee to diligently record all discussions and decisions made for each submission made to the Contracts Committee in accordance with Regulation 8 (2) (b) & (c) of the PPDA (Procuring and Disposing Entities) Regulations, 2023; and
3. Task the Chairperson Contracts Committee to quality assure all Contracts Committee meeting minutes for completeness and non-ambiguity before signing the meeting minutes in accordance with Regulation 8 (2) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.1.5 Failure to adequately define the Statements of Requirements

In five procurements worth UGX 453,496,774, the User Departments recommended inadequate statements of requirements at initiation, contrary to Regulation 35 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works & Non-Consultancy Services) Regulations, 2023. This in turn affected the quality of the issued bidding documents as detailed in Table 6 below:

Table 6: Procurements with Inadequate Statements of Requirements

No.	Procurement Details	PPDA Findings	Management Response
1.	Printing services for assessment report on the implementation of NACS 2019-2024 and prevalence of corruption in Uganda Report	Whereas the requisition and subsequent bidding document indicated that both reports were 64 pages each, the Prevalence of Corruption report was actually 44 pages, while the Zero Tolerance to Corruption report had 92 pages	<i>The observation is noted. The Entity will ensure that users prepare comprehensive and clear Statement of Requirements (SoRs).</i>

Code Tribunal. The above procurements were initiated; however, they were not executed since funds were not released.

2.1.4 Failure to maintain proper records of the Contracts Committee meetings

The Authority noted that, in seven sampled cases worth UGX 1,479,794,167, the Secretary Contracts Committee did not maintain a complete, accurate and proper records of the proceedings and decisions of Contracts Committee meetings contrary to Regulation 8 of the PPDA (Procuring and Disposing Entities) Regulations, 2023, as indicated in Table 5 below:

Table 5: Proceedings of the Contracts Committee not Recorded

No.	Procurement Details	PPDA Findings	Management Response
1.	Printing of National Anti-Corruption Strategy (NACS) 2019/2020-2023/2024 at UGX 399,902,000	Whereas there was a record of the Contracts Committee contract award decision, the record of approval of the bidding document, method, the shortlist and Evaluation Committee was not maintained.	<i>At the time of audit, the records were not properly filed. This has since been rectified.</i>
2.	Repair of Motor Vehicle No. UG 4001C at UGX 15,431,277	On 21 st September 2023, the PDU submitted a request to the Contracts Committee for approval of the procurement, which was rejected on 18 th October 2023. However, the reasons for the rejection were not recorded in the minutes, and the decision was wrongly captured as approved, despite being rejected. The Contracts Committee eventually approved the procurement on 26 th February 2024.	<i>The error in the minutes is regretted. However, a resubmission was made and the Contracts Committee approved the procurement on 26th February, 2024.</i>
3.	Printing of Customized DEI info-packs at UGX 282,138,000	Whereas there was a record of the contract award decision, the record of the Contracts Committee's approval of the bidding document, method, shortlist, and Evaluation Committee was not maintained	<i>At the time of audit, the records were not properly filed. This has since been rectified.</i>
4.	Printing services for assessment report on the implementation of NACS 2019-2024 and prevalence of corruption in Uganda Report 2022/2023 at UGX 55,344,360	The Contracts Committee awarded the contract on 30 th May 2024 but the award date was recorded as 14 th April 2024 in the minutes.	<i>The error in the minutes is regretted and was rectified.</i>
5.	Printing of the ethical code of conduct and ethics for the Uganda	Whereas there was a record of the contract award decision, the record of the Contracts Committee's approval of	<i>At the time of audit, the records were not properly filed.</i>