



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

"Procurement That Delivers"

PPDA/KIBA/860

15th April 2025

The Chief Administrative Officer,
Kibaale District Local Government,
P.O Box 1,
KARUGUZA.

**PERFORMANCE AUDIT REPORT OF KIBAALE DISTRICT LOCAL
GOVERNMENT FOR FINANCIAL YEAR 2023/2024**

Reference is made to the above subject.

The Public Procurement and Disposal of Public Assets Authority carried out a procurement performance audit on the procurement and disposal activities of Kibaale District Local Government. The exercise covered a sample of 22 procurement transactions carried out during the Financial Year 2023/2024. The performance of the audit exercise involved a review of the procurement system, processes and disposal following the Public Procurement and Disposal of Public Assets Act, Cap 205 and Regulations, 2023.

From the findings of the performance audit exercise, the summary performance of your Entity revealed an aggregate risk rating **45.7%** which is a **moderately Satisfactory** performance as per the ranking in Table 14 of the attached audit report.

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

1. Failure by the Internal Audit Unit to audit the procurement function contrary to Regulation 27 (a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 which exposed the Entity to the risk of flouting procurement procedures;
2. In 11 procurements worth UGX 2,510,769,643, the Head Procurement and Disposal Unit issued inadequate bidding documents to bidders that did not clearly state the specific bid validity date, had stringent evaluation requirements and contradictory requirements among others contrary to Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023. This exposed the Entity to the risk of receiving non-responsive bids;
3. In the procurement of feasibility study of water supply system at Buseese worth UGX 33,441,200, two Evaluation Committee members did not sign the evaluation report contrary to Regulation 4 (14) of the PPDA (Evaluation) Regulation, 2023. This could invalidate the evaluation process potentially delaying the procurement process and raising concern about the integrity and fairness of the process;

NCB/gs/ib

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Head Office

PPDA - URF Towers, Plot 39
Nakasero Road
P.O.Box 3925, Kampala Uganda
Tel: +256-414-311100
Email: info@ppda.go.ug

Western Regional Office

RDC's Building, Bishop Stretcher Road,
Opposite BOU Currency Centre, Mbarara-Kabale Road
P.O. Box 1353, Mbarara, Uganda.
Tel: +256-417-733800
Email: mbararaoffice@ppda.go.ug

Northern Regional Office

Plot 1, Lower Churchill Drive
P.O. Box 999, Gulu, Uganda
Tel: +256-417-432010
Email: guluoffice@ppda.go.ug

Eastern Regional Office

Oval Plaza, Plot 1, Court Road
P.O. Box 2173, Mbale, Uganda
Tel: +256-417-890100
Email: mbaleoffice@ppda.go.ug

4. In three procurements worth UGX 878,900,312, the Evaluation Committee used a different criterion from the one in the bidding document contrary to Regulation 5 (2) of the PPDA (Evaluation) Regulations, 2023. This exposed the Entity to the risks of awarding contracts to bidders without sufficient technical and financial capacity and also hindered fairness in the bid evaluation process;
5. For six procurements worth UGX 921,871,850, there were delays in the procurement process. The Accounting Officer delayed confirmation of funding for five procurements worth UGX 762,837,350 at an average of 30 working days. The Head Procurement and Disposal Unit delayed to submit two procurements to Contracts Committee for approval of procurement method, bidding documents and Evaluation Committee at an average of 18 working days contrary to Section 51 of the PPDA Act, Cap. 205 which denied the intended beneficiaries timely service delivery;
6. In 15 Procurements worth UGX 4,312,872,380, the Accounting Officer signed contracts without general and special conditions of the contract and statement of requirements contrary to Regulation 9 (1) of the PPDA (Contracts) Regulations 2023. This exposed the Entity to the risk of unenforceable contracts and challenges during contract management;
7. Five procurements worth UGX 1,418,165,306 had missing records on the procurement action files such as Contract Managers' appointment letters, contract management plans, bid notices, bidding document among others contrary to Section 44 of the PPDA Act Cap. 205. This hindered transparency and accountability in the procurement process;
8. Failure to dispose of obsolete assets including pickup double cabin no. UAA 846N, Isuzu JMC no. LG 0003-050 and Motor Grader no. LG 0001-050 among others contrary to Regulations 2 (1) and (2) of the PPDA (Disposal of Public Assets) Regulations, 2023 which inhibited the achievement of value for money as funds are held up in assets and also lost through depreciation;
9. In five procurements worth UGX 2,944,086,126, the Contractors did not submit the Performance Security and Environment, Social and Health Safeguards (ESHS) securities contrary to the signed contract terms which exposed the Entity to the risk of non-performance of the contract and non-compliance with the ESHS requirements; and
10. In six procurements worth UGX 1,720,140,091, the Accounting Officer did not appoint Contract Managers contrary to Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023. This exposed the Entity to the risk of sub-standard deliverables or shoddy and delayed works.

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

1. The Permanent Secretary Ministry of Local Government should task the Accounting Officer to show cause why disciplinary action should not be taken against him for delaying to confirm availability of funds of five procurements worth UGX 762, 837,350 at an average of 42 days contrary to Section 51 of the PPDA Act, Cap. 205.
2. The Accounting Officer should;
 - i. Task the Head Procurement and Disposal Unit to show cause why disciplinary action should not be taken against him for preparing inadequate bidding documents contrary to Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023;

- ii. Desist from signing contracts that are not comprehensive enough in spelling out the obligations of each party in accordance with Regulation 9 of the PPDA (Contracts) Regulations, 2023;
 - iii. Prohibit individuals that participated in bid evaluation of three procurements worth UGX 878,900,312 indicated in Table 6 of this report from participating in bid evaluation for one year for diverting from the approved bid evaluation criteria contrary to Regulation 5 (2) of the PPDA (Evaluation) Regulations, 2023;
 - iv. Dispose of all obsolete items identified in the board of survey report to avoid further loss of value in accordance with Regulation 3 of the PPDA (Disposal of Public Assets) Regulations, 2023; and
 - v. Always appoint Contract Managers for all projects at the time of contract signing in accordance with Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023.
3. The Head Procurement and Disposal Unit should:
- i) Always prepare adequate solicitation documents in accordance with Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023.
 - ii) Desist from submitting evaluation reports not signed by all the Evaluation Committee to the Contracts Committee members for approval in accordance with Regulation 12 (3) of the PPDA (Evaluation) Regulation, 2023; and
 - iii) Ensure that all records regarding procurement and disposal proceedings are properly kept and filed in their respective files in accordance with Section 44 of the PPDA Act Cap. 205.
4. The Heads of User Departments should nominate Contract Managers with the appropriate skills and experience for appointment by the Accounting Officer in accordance with Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023.
5. The Contract Managers should always ensure that the providers submit the performance and Environment, Social and Health Safeguards (ESHS) securities in accordance with General Condition of Contract (GCC) 61.1 of the signed contract.
6. The Head of Internal Audit should ensure that procurement and disposal procedures are audited on a quarterly basis in accordance with Regulation 27 (a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023

Kibaale District Local Government should implement the recommended action plan on pages 24 to 25 of this report



Benson Turamye

EXECUTIVE DIRECTOR

CC: The Permanent Secretary and Secretary to the Treasury –MoFPED

CC: The Auditor General,

CC: The Permanent Secretary Ministry of Local Governments

NCB/gs/ib

Encl. Report on the performance audit of Kibaale District Local Government for Financial Year 2023/2024.



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**
"Procurement That Delivers"

**PERFORMANCE AUDIT REPORT FOR FINANCIAL YEAR
2023/2024**

KIBAALE DISTRICT LOCAL GOVERNMENT

APRIL 2025

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ACRONYMS

Act	Public Procurement and Disposal of Public Assets Act, Cap. 205
CC	Contracts Committee
FY	Financial Year
GCC	General Conditions of Contract
HPDU	Head, Procurement and Disposal Unit
ITB	Instruction to the Bidders
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
PS/ST	Permanent Secretary and Secretary to Treasury
SCC	Special Conditions of Contract
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a performance audit of the procurement and disposal activities of Kibaale District Local Government that covered a sample of 22 procurement transactions for Financial Year 2023/2024.

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

From the findings of the performance audit exercise, the performance of Kibaale District Local Government for the Financial Year 2023/2024 was **Moderately Satisfactory** with overall weighted average risk rating of **45.7%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of this audit report.

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

1. Failure by the Internal Audit Unit to audit the procurement function contrary to Regulation 27 (a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 which exposed the Entity to the risk of flouting procurement procedures;
2. In 11 procurements worth UGX 2,510,769,643, the Head Procurement and Disposal Unit issued inadequate bidding documents to bidders that did not clearly state the specific bid validity date, had stringent evaluation requirements and contradictory requirements among others contrary to Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023. This exposed the Entity to the risk of receiving non-responsive bids;
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 - iv. Dispose of all obsolete items identified in the board of survey report to avoid further loss of value in accordance with Regulation 3 of the PPDA (Disposal of Public Assets) Regulations, 2023; and
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4. The Heads of User Departments should nominate Contract Managers with the appropriate skills and experience for appointment by the Accounting Officer in accordance with Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023.
5. The Contract Managers should always ensure that the providers submit the performance and Environment, Social and Health Safeguards (ESHS) securities in accordance with General Condition of Contract (GCC) 61.1 of the signed contract.
6. The Head of Internal Audit should ensure that procurement and disposal procedures are audited on a quarterly basis in accordance with Regulation 27 (a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

Kibaale District Local Government should implement the recommended action plan on pages **24** to **25** of this report

CHAPTER 1: INTRODUCTION

1.1. Background

The Public Procurement and Disposal of Public Assets Authority carried out a performance audit on the procurement and disposal activities of Kibaale District Local Government that covered a sample of 22 procurement transactions for works, supplies and services under Financial Year 2023/2024. The audit involved a review of procurement and disposal structures, systems and processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act, Cap. 205 and the attendant PPDA Regulations.

1.2. Main Audit Objective

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

The specific objectives of the audit were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations 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' disposal process with the provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations, 2023; and
3. Assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process.

1.3. Scope of the Audit

The Authority carried out the procurement and disposal audit from 2nd December 2024 to 13th December 2024. The exercise covered a sample of 22 procurement transactions worth UGX 8,758,009,887 conducted during the Financial Year 2023/2024, a review of procurement structures and review of the procurement plan performance. The list of sampled transactions is contained in **Annex 2** and the analysis of the population and sample is detailed in Table 1 below:

Table 1: Analysis of Population versus Sample

Population				Sample		Percentage	
No	Procurement method	Value (UGX)	No	Value (UGX)	No.	No	Value
1	Open Domestic Bidding	3,832,324,366	18	3,276,660,242	12	66.7	85.5
	Restricted Domestic Bidding	420,000,000	1	420,000,000	1	100	100
2	Framework contracts	2,537,918,809	8	1,797,490,186	1	12.5	70.8
3	Request for Quotation	1,209,376,804.4	96	167,571,328	5	5.2	13.8
4	Direct procurement	3,837,393,170	18	3,096,288,131	3	16.7	80.7
5	Micro procurement	11,919,831	24	0	0	0	0
	Total	11,848,932,980.4	165	8,758,009,887	22	13.3%	73.9%

1.4. Audit Methodology

A sample of 22 procurement transactions was selected based on stratified random sampling using Contracts Committee minutes and monthly procurement and disposal reports.

Two Senior Officers-Performance Monitoring examined records and documents for each sampled procurement transaction and obtained the relevant evidence to derive audit conclusions under supervision of the Regional Manager, Central Region. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and processes. At the end of the document review, physical verification was undertaken to ascertain the level of contractual delivery and fitness for purpose. Special attention was given to reporting mechanisms within the Entity and internal controls due to repeated failures by the Entity as highlighted in previous audit reports. During the audit, the auditors held interviews with the staff from the Procurement and Disposal Unit (PDU) and User Departments that were necessary for obtaining crucial qualitative information about the internal control system and processes in place.

A debrief meeting to discuss preliminary findings was held with the Entity management and staff on **13th December 2024** before the audit team could embark on preparation of the management letter. The management letter was sent to the Entity on **14th January 2025** with a request to submit a Management Response by **24th January 2025** which was submitted on **7th February 2025**. The exit meeting was held on **7th February 2025** at PPDA Head Office in Kampala.

1.5. Procurement Structure

The key players in the procurement structure at Kibaale District Local Government included the Chief Administrative Officer who is the Accounting Officer, the Contracts Committee, the Procurement and Disposal Unit and the User Departments. The Authority found that the Entity's procurement structures were functional at the time of the audit.

i. Accounting Officer

Section 28 of the PPDA Act, Cap 205 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. During the financial year 2023/2024, Mr. John Katotoroma was designated as the Accounting Officer.

ii. Composition of the Contracts Committee.

During the year under audit, the Entity's Contracts Committee was fully constituted as per the provisions of Section 29 of the PPDA Act, Cap. 205 with the members indicated in Table 2 below:

Table 2: Composition of Contracts Committee

No.	Name	Job Title	Position on Committee	Date of Appointment
1.	Mr. Hamidu Mwesige	Supervisor of Works	Member	18 th January 2023
2.	Ms. Animate Kashemire	District Natural Resources Officer	Member	1 st October 2022
3.	Dr. Andrew Kasangaki	Medical Officer	Member	
4.	Ms. Enid Kaahwa	Principal Fisheries Officer	Secretary	
5.	Mr. John Kyaboona	District Education Officer	Chairperson	

iii. Staffing of the Procurement and Disposal Unit

Section 32 of the PPDA Act, Cap. 205 provides that a Procuring and Disposing Entity shall establish a Procurement & Disposal Unit staffed at an appropriate level.

The Authority noted that the Procurement and Disposal Unit was staffed with two staff as indicated in Table 3 below:

Table 3: Staff in the Procurement and Disposal Unit

No.	Name	Position	Qualification	Date of Appointment
1.	Mr. Dennis Kajuma	Senior Procurement Officer	<ul style="list-style-type: none">• PGD in Procurement & Logistics Management.• Masters in Science of Procurement & Logistics Management.• Bachelor of Procurement and Logistics Management	2 nd June 2017
2.	Ms. Annet Tibasiima	Procurement Officer	<ul style="list-style-type: none">• Bachelor of Procurement and Logistics Management.• MCIPS	27 th December 2017

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

2.1 COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT CAP 205 AND THE ATTENDANT PPDA REGULATIONS, 2023 WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT PROCESSES.

2.1.1 Failure to Implement 4% of the Procurement Plan

Section 60 (7) of the PPDA Act, Cap 205 states that a Procuring and Disposing Entity shall, on a quarterly basis and in any other case, wherever necessary, review and update its procurement plan.

A comparison of the procurement plan and procurement reports revealed that during the period under review, the Entity implemented procurements worth UGX 11,357,154,088 (96%) out of the planned procurements of UGX 11,848,932,980.4 leaving procurements worth UGX 491,778,892 (4%) un-implemented as summarized in Table 4 below:

Table 4: Analysis of Procurement Spend

Total procurement plan value inclusive VAT (UGX)	11,848,932,980.4
Total procurement spend value inclusive VAT (UGX)	11,357,154,088
Implementation Rate (%)	96%
Implementation variance (UGX)	491,778,892
Implementation variance (%)	4%

Implication

The intended beneficiaries were denied the required services worth UGX. 491,778,892.

Management Response

Management appreciated the commendation for implementing 96% of the procurement plan and explained that the unimplemented activities related to Micro Scale Irrigation activities caused by the beneficiary farmers' failure to meet their co-funding contributions.

Recommendation

The Authority commended the Accounting Officer for implementing 96% of the planned procurements and recommends that the Entity should aim at implementing 100% of the planned procurements to fully deliver services to the intended beneficiaries.

2.1.2 Failure by the Internal Audit Unit to Audit the Procurement Function.

Regulation 27 (a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 provides that the internal audit department of a Procuring and Disposing Entity shall audit the method used for a procurement and the payment made to establish whether the supplies, works or services are properly ordered, received, verified and paid for in accordance with the Public Finance Management Act, 2015 and the other applicable laws.

The Authority reviewed the internal audit quarterly reports for financial year 2023/2024 and noted that the Internal Audit Department did not audit the Procurement and Disposal Unit during the period under review.

Implication

Failure to audit procurement and disposal procedures exposed the Entity to the risk of flouting procedures as required by the PPDA Act, Cap 205, the attendant Regulations, 2023 and guidelines.

Management Response

Management acknowledged the audit finding and pledged to conduct audit of the procurement function on a quarterly basis going forward.

Recommendation

The Head of Internal Audit should audit the procurement and disposal procedures every year in accordance with Regulation 27 (a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.1.3 Inadequate Bidding Documents

Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023, provides that a Procuring and Disposing Entity shall, when preparing each bidding document ascertain that; the most appropriate type of contract shall result from the procurement proceedings in terms of contractual protection to the procuring and disposing entity, structure of payment, payment terms and method of payment among others.

In 11 procurements worth UGX 2,510,769,643, the Head Procurement and Disposal Unit issued inadequate bidding documents to bidders that did not clearly state the specific bid validity date, had stringent evaluation requirements and contradictory requirements among others as indicated in Table 5 below:

Table 5: Procurement with inadequate bidding documents

S/N	Subject of Procurement	Contract Value (UGX)	PPDA Findings
1.	Drilling of 06 boreholes in different sub counties in Kibaale District Ref: KIBA860/WRKS/23-24/00071	159,034,500	<ul style="list-style-type: none"> The bid validity date under ITB 19.1 was stated as, "the bids must be valid until 90 days" instead of the actual date. ITB 20.1 provided for a Bid Security of UGX. 2,900,000. whereas item No.7 of the bid notice in the bidding document required UGX 1,6200,000. ITB 12 provided that the Procuring and Disposing Entity will respond to any request for clarification provided that such request is received no later than 19th October 2023 and yet this was the closing date. ITB 20.3 provided that the Bid Security

S/N	Subject of Procurement	Contract Value (UGX)	PPDA Findings
			<p>shall be valid until 31st December 2022 instead of 2023,</p> <ul style="list-style-type: none"> • Failure to specify the required equipment. • Stringent requirement for Specific Experience of UGX.400,000,000/ for a procurement estimated at UGX 162,000,000. • Stringent requirement for financial resources of a Credit line of 500,000,000/= and cash at bank of 50,000,000/=.
2.	Construction of Maisuka water supply system Phase I	248,526,500	<ul style="list-style-type: none"> • The bid validity date under ITB 19.1 was stated that, "bids must be valid until 90 days" instead of the actual date. • ITB 20.3 The Bid Security shall be valid until 31th December 2022 instead of 31st December 2023. • ITB 20.1 required a bid Security of UGX. 2,900,000 in form of a bank guarantee which contradicted with item no. 7 in the bid notice which required a bid security of UGX 2,5200,000. • Failure to specify the required equipment. • Stringent requirement of specific Experience of UGX.400,000,000 for the procurement estimated at UGX 252,301,871. • Stringent requirement of financial resources of credit line of 500,000,000/= and cash at bank of 50,000,000/=.
3.	Completion of 4 classroom Block with 4 Internal offices at Buyanja Senior Secondary school in Kibaale Town Council	522,151,292	<ul style="list-style-type: none"> • The bid validity date under ITB 19.1 was stated as bids must be valid until 90 days instead of the actual date. • Incomplete SCC GCC 9 which was left blank. • Failure to provide for margin of preference under ITB 38.1
4.	Construction of a 5 stance drainable latrine at Kibaale HCIV	29,463,538	<ul style="list-style-type: none"> • Validity of Bids: The Bid validity required is 90 days from closing date of bid submission instead of the actual date. • Un clear evaluation criteria;

S/N	Subject of Procurement	Contract Value (UGX)	PPDA Findings
			<ul style="list-style-type: none"> a) A copy of the Bidder's current Trading licence, the trading period was not stated; b) Nonrefundable fee receipt of 40,000/=. The mode of payment was not stated; and c) Attach experience in similar works, the value and period of experience were not stated.
5.	Construction of 2 classrooms with an office and store plus a rain water harvesting system (10,000ltrs) tank at Kayanja Parents Primary school in Kayanja Sub County under District Development Equalization Grant	108,222,520	<ul style="list-style-type: none"> • The bid validity date under ITB 19.1 was stated as bids must be valid until 90 days instead of the actual date. • Incomplete SCC GCC 9 which was left blank. • ITB 38.1 provided that margin of preference shall not apply. • Stringent requirement for Specific Experience of UGX.400,000,000 for a project estimated at UGX 109,332,000
6.	Partial construction of an ICT/Library block at St. John Baptist Kasimbi SSS in Kasimbi Sub County under UGFIT	420,000,000	<ul style="list-style-type: none"> • Longer bid validity period. ITB 19.1 Bids must be valid until 28th April 2025 • Failure to provide for bid submission date and time under ITB 24.1. • Failure to provide for bid opening date and time under ITB 27.1. • Stringent specific experience requirement. of UGX 900,000,000, for a procurement estimated at UGX 422,968,963
7.	Construction of a two unit teachers house and two unit teachers kitchen, two stance lined latrine for teachers at Kisalizi Parents Secondary School in Kyebando Sub county	363,994,708	<ul style="list-style-type: none"> • Bid validity was stated as 90 days instead of the actual date. • Contradiction between the bid closing date and bid opening date where the bid closing date is 19th October 2023 whereas bid opening date is 11th October 2023. • Failure to provide for Margin of Preference. ITB 38.1 stated that margin of preference shall not apply.
8.	Supply and delivery of 120 improved goats to Kibaale District Local Government (40 males and 80 females)	47,760,000	<ul style="list-style-type: none"> • Bid validity was stated as 90 days instead of the actual date. • Failure to attach specifications

S/N	Subject of Procurement	Contract Value (UGX)	PPDA Findings
9.	Construction of Kitutu Water Supply System Phase II	303,968,000	<ul style="list-style-type: none"> • Bid validity was stated as 90 days instead of the actual date. • Failure to provide for Margin of preference under ITB 38.1. • Use brand name when specifying solar modules. This was specified as (solar modules preferably Lorentz LC250-P60,36.66Vmpp5.88Amp module configured using 1000VDC).
10.	Supply and delivery of furniture for commercial Building Block	140,484,192	<ul style="list-style-type: none"> • Bid validity was stated as 120 days instead of the actual date. • Failure to provide for Margin of preference. • The document lacked specifications and quantities for the required furniture. • Failure to state the point of delivery and competition schedule.
11.	Completion of Commercial Building Block Phase 3	167,164,393	<ul style="list-style-type: none"> • Bid validity was stated as 120 days instead of the actual date. • Failure to provide margin of preference. (ITB 38.1).
	Total	2,510,769,643	

Implication

This exposed the Entity to the risk of bidders preparing non-responsive bids, unfairness in bid evaluation and procuring of items which do not meet the users' requirements.

Management Response

Management acknowledged the audit finding and pledged to thoroughly review bidding documents for future procurements to avoid a repeat of this anomaly.

Recommendations

The Authority noted the management response and recommends that:

- The Accounting Officer should task the Head of Procurement and Disposal Unit to show cause why action should not be taken against him for not preparing adequate solicitation documents in accordance with Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023.
- The Contracts Committee should always critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies in accordance with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.1.4 Irregularities at the Bid Evaluation Stage

i. Failure to sign the evaluation report by all members of the Evaluation Committee

Regulation 4 (4) of the PPDA (Evaluation) Regulation, 2023 provides that the evaluation report shall be signed by all the members of the Evaluation Committee.

In the procurement of feasibility study of water supply system at Buseese in Kibaale District (Re advertised) worth UGX 33,441,200, two Evaluation Committee members that is; Mr. Edward Katanagi and Mr. Anatoli Akugizibwe did not sign the Evaluation Report.

Implication

This could invalidate the evaluation process potentially delaying the procurement process and raising concern about the integrity and fairness of the process.

Management Response

Management explained that the members who did not sign the evaluation report were absent with apology thus did not participate in the evaluation exercise.

Recommendations

The Authority noted the management response, however, this was not documented nor communicated to the Contracts Committee. The Authority therefore recommends that:

- The Head Procurement and Disposal Unit should ensure that all individuals approved as Evaluation Committee members sign every page of the evaluation report in accordance with Regulation 4 (14) of the PPDA (Evaluation) Regulation, 2023.
- The Contracts Committee should not consider evaluation reports not fully signed by all evaluation committee members in accordance with Regulation 4 (14) of the PPDA (Evaluation) Regulation, 2023.

ii. Deviation from the Evaluation Criteria Approved in the Bidding Document During the Bid Evaluation.

Regulation 5 (2) of the PPDA (Evaluation) Regulations, 2023 provides that that the Evaluation Committee shall not during an evaluation make any amendment including any addition to the evaluation criteria stated in the bidding document, and shall not use any other criteria other than the criteria specified in the bidding document.

In three procurements worth UGX 878,900,312, the Evaluation Committee used a different criterion from the one in the bidding document as detailed in Table 6 below:

Table 6: Procurements Where the Evaluation Committed Diverted from the Evaluation Criteria Approved in the Bidding Document

S/ N	Subject of Procurement	Contract Value (UGX)	PPDA Finding	
			Bidding criteria	document Evaluation criteria report
1.	Construction of Maisuka water supply system Phase I	248,526,500	Bidders Valid and Current Tax Clearance Certificate addressed to Ministry of Health or an equivalent for Foreign Bidders	Bidders Valid and Current Tax Clearance Certificate addressed to Kibaale District Local Government or an equivalent for Foreign Bidders
			The Bid Security shall be valid until 31 th December 2023	The Bid Security shall be valid until 31 th December 2022

S/ N	Subject of Procurement	Contract Value (UGX)	PPDA Finding	
			Bidding document criteria	Evaluation report criteria
			Past performance, please submit 3 (Three) recommendation letters from your clients where you have provided similar works before specific to accompany your bid	2 (Two) recommendation letters from your clients
			Non-performance of a contract did not occur within the last 5(Five) years (2015/16, 2016/17, 2017/18, 2018/19 and 2019/2020.	Non-performance of a contract did not occur within the last 3 years.
			Submission of audited accounts or other financial statements acceptable to the Employer, for the last 2(two) years (2018/19 and 2019/2020	Submission of audited accounts or other financial statements acceptable to the Employer, for the last three (3) years
			Minimum average annual turnover of 800,000,000	Minimum average annual turnover of 700,000,000.
			Financial resources such of Credit line of 500,000,000/= from a reputable bank and cash at bank of 50,000,000/=	Financial resources of Credit line of 700,000,000/= (Uganda shillings seven hundred million)
			Experience under contracts in the role of contractor, subcontractor, or management contractor for at least the last 2(two) years	Experience under contracts in the role of contractor, subcontractor, or management contractor for at least the last three (03) years
			Participation as contractor, in at least two (02) contracts in public works within the last Two (02) years (2018/19 and 2019/2020), each with a value of at least UGX.400,000,000/ and above	(a) Participation as contractor, in at least two (02) contracts within the last five (05) years each with a value of at least UGX 700,000,000/ and above,

S/ N	Subject of Procurement	Contract Value (UGX)	PPDA Finding	
			Bidding criteria	document Evaluation criteria report
2.	Completion of 4 classroom Block with 4 Internal offices at Buyanja Senior Secondary school in Kibaale Town Council	522,151,292	Minimum average annual turnover of 200,000,000, Credit line of 100,000,000/= from a reputable bank and cash at bank of 50,000,000/=	Minimum average annual turnover of 700,000,000, Credit line of 700,000,000/= (Uganda shillings seven hundred million)
3.	Construction of 2 classrooms with an office and store plus a rain water harvesting system (10,000ltrs) tank at Kayanja Parents Primary school in Kayanja Sub County under District Development Equalization Grant	108,222,520	Experience under contracts in the role of contractor, subcontractor, or management contractor for at least the last 2(two) years (2018/19 and 2019/2020) Participation as contractor, management contractor, or subcontractor, in at least two (02) contracts in public works within the last Two (02) years (2018/19 and 2019/2020), each with a value of at least UGX.400,000,000	Experience under contracts in the role of contractor, subcontractor, or management contractor for at least the last three (03) years (a) Participation as contractor, management contractor, or subcontractor, in at least two (02) contracts within the last five (05) years each with a value of at least UGX 700,000,000
Total		878,900,312		

Implication

Irregularities in evaluation exposes the Entity to the risks of awarding contracts to bidders without sufficient technical and financial capacity are not tax compliant and have ethical issues.

Management response

Management acknowledged the audit finding and pledged to evaluate future bids following the evaluation criteria stated in the bidding document.

Recommendation

The Authority noted the management response and recommends that the Accounting Officer should prohibit individuals who participated in the bid evaluation of three procurements worth UGX 878,900,312 indicated in Table 6 above from participating in bid evaluation for one year due to diverting from the approved bid evaluation criteria contrary to Regulation 5 (2) of the PPDA (Evaluation) Regulations, 2023

2.1.5 Delays in the Procurement Process

Section 51 of the PPDA Act, Cap. 205 provides that all procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money.

The Authority noted delays in the procurement processes of six procurements worth UGX 921,871,850 as detailed in Table 7 below:

Table 7: Delays in the procurement process

S/N	Subject of Procurement	Amount (UGX)	PPDA Findings	Responsibility
1.	Drilling of 06 boreholes in different sub counties in Kibaale District	159,034,500	There was a delay of 19 working days by the PDU to submit the requirement to Contracts Committee for approval. The procurement was approved by the Accounting Officer on 8 th August 2023, however, the PDU submitted it to the Contracts Committee on 1 st September 2023.	PDU
2.	Supply and delivery of one set of printing machine to Education Department composed of the Litho Machine, off set machine, cutting machine and computer for printing	103,000,000	Delay to approve the procurement by the Accounting Officer of 19 working days. The Procurement was initiated on 17 th July 2023, however, the Accounting Officer approved it on 11 th August 2023	Accounting Officer
			The PDU delayed to submit the procurement to Contracts Committee for approval of procurement method, bidding documents and evaluation committee by 16 working days. The procurement was approved by the Accounting Officer on 11 th August 2023, however the PDU submitted it to the	PDU

S/N	Subject of Procurement	Amount (UGX)	PPDA Findings	Responsibility
			Contracts Committee on 1 st September 2023	
3.	Completion of 4 classroom Block with 4 Internal offices at Buyanja Senior Secondary school in Kibaale Town Council	522,151,292	Delay to approve the procurement by the Accounting Officer of 20 working days. The Procurement was initiated on 17 th July 2023, however, the Accounting Officer approved it on 11 th August 2023	Accounting Officer
4.	Construction of a 5 stance drainable latrine at Kibaale HCIV	29,463,538	Delay to approve the procurement by the Accounting Officer of 58 working days. The Procurement was initiated on 27 th September 2023, however, the Accounting Officer approved it on 19 th December 2023	Accounting Officer
5.	Construction of 2 classrooms with an office and store plus a rain water harvesting system (10,000ltrs) tank at Kayanja Parents Primary school in Kayanja Sub County under District Development Equalization Grant	108,222,520	Delay to approve the procurement by the Accounting Officer of 20 working days. The Procurement was initiated on 17 th July 2023, however, the Accounting Officer approved it on 11 th August 2023	Accounting Officer
	Total	921,871,850		

Implication

Delays in the procurement process denies the intended beneficiaries timely service delivery.

Management Response

Management acknowledged the audit finding and pledged to improve in future procurements.

Recommendations

- The Permanent Secretary Ministry of Local Government should task the Accounting Officer to show cause why disciplinary action should not be taken against him for delaying to confirm availability of funds of four procurements worth UGX 762, 837,350 contrary to Section 51 of the PPDA Act, Cap. 205.

- ii. The Accounting Officer should task the Head Procurement and Disposal Unit to show cause why disciplinary action should not be taken against them for delaying to two procurements worth UGX 262,034,500 to approve the procurement methods, bidding document and evaluation committee contrary to Section 51 of the PPDA Act, Cap. 205.

2.1.6 Signing of Inadequate Contracts

Regulation 9 (1) of the PPDA (Contracts) Regulations 2023 provides the contents of a contract and the manner in which it should be prepared.

In 15 Procurements worth UGX 4,312,872,380 indicated in Table 8 below, the Accounting Officer signed contracts without general and special conditions of the contract and statement of requirements.

Table 8: Procurements with Inadequate Contracts

S/N	Subject of Procurement	Value in UGX
1.	Drilling of 06 boreholes in different sub counties in Kibaale District	159,034,500
2.	Feasibility study of water supply system at Buseese in Kibaale District (Re advertised)	33,441,200
3.	Supply and delivery of one set of printing machine to Education Department composed of the Litho Machine, off set machine, cutting machine and computer for printing	103,000,000
4.	Construction of Maisuka water supply system Phase I	248,526,500
5.	Completion of 4 classroom Block with 4 Internal offices at Buyanja Senior Secondary school in Kibaale Town Council	522,151,292
6.	Construction of a 5-stance drainable latrine at Kibaale HCIV	29,463,538
7.	Construction of 2 classrooms with an office and store plus a rain water harvesting system (10,000ltrs) tank at Kayanja Parents Primary school in Kayanja Sub County under District Development Equalization Grant	108,222,520
8.	Construction of a two-unit teachers house and two unit teachers kitchen, two stance lined latrine for teachers at Kisalizi Parents Secondary School in Kyebando Sub county	363,994,708
9.	Construction of Kitutu Water Supply System Phase II	303,968,000
10.	Construction of Administration block at Kyakazihire Sub County Headquarters	118,875,560
11.	Construction of three shallow wells at Kisalire, Kijwiga and Muzizi in Rweega B parish, Kibaale District	25,252,590
12.	Extended Emergency periodic maintenance of 21.6 km of critical roads in Kibaale district. Lot 3(Rehabilitation of Kabasekende-Ngerebwe-Kaihanaimo-Bakijulura-Rwamagando-Rubona Road(12km) and Rehabilitation of Kisega-Kasambya-Buhuumi-Kikaada road (9.6km) in Kibaale District	1,081,513,188
13.	Extended Emergency periodic maintenance of 21 km of critical roads in Kibaale district. Lot 2(Rehabilitation of Kitoma-Kakindo-Rusandara-Mitujju road (13km) and Rehabilitation of Nyamarunda-Nyanswiiga Kahaara-Mbirizi-Kyanji Road (8km)	1,016,610,391
14.	Supply and installation of solar powered irrigation system for Mr.	31,654,000

S/N	Subject of Procurement	Value in UGX
	Tinka Joseph in Kezimbira Parish, Mugarama Sub County	
15.	Completion of Commercial Building Block Phase 3	167,164,393
	Total	4,312,872,380

Implication

This exposed the Entity to the risk of unenforceable contracts due to unclear contract terms which makes contract management difficult

Management Response

Management regreted the gaps identified in some of the sampled procurements and further asserted that most projects had full contract documents.

Recommendation

The Authority noted the management response however no contract documents were availed for verification. The Authority therefore recommends that the Accounting Officer should desist from signing contracts that are not comprehensive enough to spell out the obligations of each party in accordance with Regulation 9 of the PPDA (Contracts) Regulations, 2023.

2.1.7 Missing Records on Procurement Action Files.

Section 44 of the PPDA Act, Cap 205 provides that the Procuring and Disposing Entity shall maintain records on its procurement and disposal proceedings for a period of seven years from the date of a decision to terminate the procurement and disposal action, or the date of contract completion, whichever comes later.

Five procurements worth UGX 1,418,165,306 had missing records on the procurement action files such as record of Contract Manger appointments letters, contract management plans, bid notices, bidding document among others as indicated in Table 9 below:

Table 9: Procurements with Missing Records

S/N	Subject of Procurement	Amount (UGX)	Missing Records
1.	Drilling of 06 boreholes in different sub counties in Kibaale District	159,034,500	Contract manager appointment
2.	Procurement of land for Kibaale District Industrial Park for agro based facilities	920,000,000	<ul style="list-style-type: none"> • Bidding document • Negation record on payment terms of UGX 552,000,000 1st instalment and UGX 368,000,000 as final payment
3.	Supply and delivery of one set of printing machine to Education Department composed of the Litho Machine, off set machine, cutting machine and computer for printing	103,000,000	<ul style="list-style-type: none"> • Bidding document • Contract manager appointment • Contract management plan
4.	Procurement of assorted medical	204,476,806	<ul style="list-style-type: none"> • Contract management plan

S/N	Subject of Procurement	Amount (UGX)	Missing Records
	equipment for 19 newly constructed Health Centre III (Nyamarunda HCIII) in Kibaale District		<ul style="list-style-type: none"> • Appointment of contract manager
5.	Supply and installation of solar powered irrigation system for Mr. Tinka Joseph in Kezimbira Parish, Mugarama Sub County	31,654,000	<ul style="list-style-type: none"> • Contract Manager appointment • Payment record • Completion report
	Total	1,418,165,306	

Implication

Poor record keeping hindered transparency and accountability in the procurement process.

Management Response

Management explained that the missing documents had been removed during the statutory audit for financial year 2024/2025 that was still underway at the time of the PPDA audit and asserted that the documents have since been returned to the respective files.

Recommendation

The Authority noted the management response; however, the records were not provided for verification. The Authority thus recommends that the Head, Procurement and Disposal Unit should ensure that all records regarding procurement and disposal proceedings are properly kept and filed in their respective files in accordance with Section 44 of the PPDA Act Cap. 205.

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

2.2.1 Failure to Dispose Boarded off Items.

Regulations 2 (1) and (2) of the PPDA (Disposal of Public Assets) Regulations, 2023 provides that for the purposes of disposal planning, an Accounting Officer shall, in each financial year, cause the public assets of a Procuring and Disposing Entity to be reviewed, to identify the public assets to be disposed of in the following financial year. A Procuring and Disposing Entity may use the board of survey or a User Department to identify the public assets to be disposed of.

The Authority reviewed the Entity's Board of survey report for the Financial Year 2022/2023 and noted that the assets in Table 10 were due for disposal. However, the Entity never conducted a disposal process in the financial year 2023/2024

Table 10: Assets recommended by Board of Survey for disposal.

Reg. No.	Make	Type	Chassis No.	Location
UAA 846N	Toyota Hilux	Pickup Double Cabin	AHTFK22G503016609	Kibale DLG Mechanical W/Shop
LG 0003-050	Isuzu JMC	Pickup Double Cabin	LETEDAD1XCHP22311	Kibale DLG Mechanical W/Shop

Reg. No.	Make	Type	Chassis No.	Location
LG 0001-050	Motor Grader	Changlin 713	11300130	Kibale DLG Mechanical W/Shop
UDX 011Z	Tri Cycle	Motorcycle	LRyhDMZ0910401282	Kibale Health Center III
LG 0217-19	Yamaha Ybr 125	Motorcycle	LBPKE12960023361	Kibale DLG Mechanical Store
LG 0228-19	Yamaha Ybr 125	Motorcycle	LBPKE129890023359	Kibale DLG Mechanical Store
Numberless	Suzuki Tf125	Motorcycle	TF125-143604	Kibale DLG Mechanical Store
LG 0005-050	Jincheng	Motorcycle	LJCJCJLS8CS000046	Kibale DLG Mechanical Store
UG 2732R	Jailing	Motorcycle	LAAAJKJ0080	Kibale DLG Mechanical Store
Numberless	Yamaha AG100	Motorcycle	JYA3HA007XA105629	Kibale DLG Mechanical Store
UG 2271R	Honda Xl	Motorcycle	L125S-5747691	Kibale DLG Mechanical Store
LG 0141-19	Suzuki TF125	Motorcycle	TF125-137015	Kibale DLG Mechanical Store
Numberless	Suzuki TF125	Motorcycle	TF125-143571	Kibale DLG Mechanical Store
UG 1736A	Suzuki TF125	Motorcycle	TF125-151837	Kibale DLG Mechanical Store
Numberless	Yamaha DT	Motorcycle	JYADE02X82A008756	Kibale DLG Mechanical Store
UDA 016U	Yamaha DT Super Trail	Motorcycle	DE02X-027993	Kibale DLG Mechanical Store
UDA 012U	Yamaha DT Super Trail	Motorcycle	DE02X-027974	Kibale DLG Mechanical Store
UG 0200Y	Honda XL	Motorcycle	NEZB1385210010031	Kibale DLG Mechanical Store

Physical inspection around the district observed obsolete assets as shown in figure 1 below:

Figure 1: Some of the obsolete assets that are due for disposal



Implication

Failure to dispose boarded off assets inhibits the achievement of value for money due to further loss of assets value through further deterioration, vandalism and theft.

Management Response

Management explained that they had prepare a disposal plan for financial year 2024/2025 and also got authorizations from respective Central Government Bodies.

Recommendation

The Authority acknowledged the management response and recommends that the Accounting Officer should expedite the disposal process of obsolete assets in accordance with Regulation 3 of the PPDA (Disposal of Public Assets) Regulations, 2023.

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

2.3.1 Failure to Enforce Performance and Environmental and Social (ES) Securities

General Condition of Contract 61.1 provided that the contractor shall within 21 calendars days of signing the contract provide a performance security and environmental and social (ES) performance security for compliance with the contractor's ESHS obligations for the due performance of the contract.

The Authority noted that in five procurements worth UGX 2,944,086,126, the Contractors did not submit the performance securities as indicated in Table 11 below:

Table 11: Procurements without Performance Securities and Environmental and Social (ES) Securities

No.	Subject of Procurement	Contract Value (UGX)	Performance Security (UGX)
1.	Construction of a two-unit teachers house and two-unit teachers kitchen, two stance lined latrine for teachers at Kisalizi Parents Secondary School in Kyebando Sub county	363,994,708	36,399,470
2.	Construction of Kitutu Water Supply System Phase II	303,968,000	30,396,800
3.	Extended Emergency periodic maintenance of 21.6 km of critical roads in Kibaale district. Lot 3(Rehabilitation of Kabasekende-Ngerebwe-Kaihanaimo-Bakijulura-Rwamagando-Rubona Road(12km) and Rehabilitation of Kisega-Kasambya-Buhuumi-Kikaada road (9.6km) in Kibaale District	1,079,677,740	107,967,774
4.	Extended Emergency periodic maintenance of 21 km of critical roads in Kibaale district. Lot 2(Rehabilitation of Kitoma-Kakindo-Rusandara-Mitujju road (13km) and Rehabilitation of Nyamarunda-Nyanswiiga Kahaara-Mbirizi-Kyanji Road (8km)	1,029,281,285	102,928,128
5.	Completion of Commercial Building Block Phase 3	167,164,393	16,716,439
	Total	2,944,086,126	294,408,611

Implication

This exposed the Entity to the risk of non-performance of the contract and non-compliance with the ESHS requirements.

Management Response

Management acknowledged the Authority's observation and pledged to enforce the submission of performance securities in future contracts

Recommendation

The Contract Managers should always ensure that the providers submit the Performance and ESHS securities in a timely manner in accordance with General Condition of Contract 61.1.

2.3.2 Failure to Appoint the Contract Managers

Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023, states that User Department shall nominate an existing member of staff with appropriate skills and experience, or who is supervised by a member of staff with appropriate skills and experience, as a contract supervisor and inform the Accounting Officer in writing copied to the internal audit department, secretary Contracts Committee and any other relevant stakeholders informing them of the designated contract supervisor, who shall take full responsibility.

In six procurements worth UGX 1,720,140,091, the Accounting Officer did not appoint Contract Managers as detailed in Table 12 below.

Table 12: Contracts without Contract Managers

S/N	Subject of Procurement	Amount (UGX)
1.	Supply and delivery of 120 improved goats to Kibaale District Local Government (40 males and 80 females)	47,760,000
2.	Construction of Kitutu Water Supply System Phase II	303,968,000
3.	Extended Emergency periodic maintenance of 21 km of critical roads in Kibaale district. Lot 2(Rehabilitation of Kitoma-Kakindo-Rusandara-Mitujju road (13km) and Rehabilitation of Nyamarunda-Nyanswiiga Kahaara-Mbirizi-Kyanji Road (8km)	1,029,281,285
4.	Supply and installation of solar powered irrigation system for Mr. Tinka Joseph in Kezimbira Parish, Mugarama Sub county	31,654,000
5.	Supply and delivery of one set of printing machine to Education Department composed of the Litho Machine, off set machine, cutting machine and computer for printing	103,000,000
6.	Procurement of assorted medical equipment for 19 newly constructed Health Centre III (Nyamarunda HCIII) in Kibaale District	204,476,806
	Total	1,720,140,091

Implication

Failure to appoint Contract Managers exposed the Entity to the risk of sub-standard deliverables or shoddy and delayed works.

Management Response

Management asserted that Contract Managers were duly appointed and indicated that copies of Contract Manager appointments were available for verification.

Recommendation

The Authority noted the management response however, copies of contract manager appointment letters were not availed for verification. The Authority therefore recommends that the Accounting Officer should always appoint Contract Managers in accordance with Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023.

2.3.3 Failure to Prepare Contract Management Plans

Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023 provides that Upon receipt of the contract, the contract manager shall prepare a contract management plan using Form 49 in

Schedule 2 to the Regulations, and forward a copy of the contract management plan to the Procurement and Disposal Unit for purposes of monitoring.

In four procurements worth UGX 1,414,368,520, the Contract Managers did not prepare contract management plans as detailed in Table 13 below.

Table 13: Procurements without contract management plans

S/N	Subject of Procurement	Value in UGX
1.	Completion of 4 classroom Block with 4 Internal offices at Buyanja Senior Secondary school in Kibaale Town Council	522,151,292
2.	Construction of 2 classrooms with an office and store plus a rain water harvesting system (10,000ltrs) tank at Kayanja Parents Primary school in Kayanja Sub County under District Development Equalization Grant	108,222,520
3.	Partial construction of an ICT/Library block at St. John Baptist Kasimbi SSS in Kasimbi Sub county under UGFIT	420,000,000
4.	Construction of a two-unit teachers house and two-unit teachers' kitchen, two stance lined latrine for teachers at Kisalizi Parents Secondary School in Kyebando Sub County	363,994,708
	Total	1,414,368,520

Implication

This complicates contract monitoring by the Procurement and Disposal Unit

Management Response

Management asserted that the contract management plans were in place and that copies were available for verification.

Recommendation

The Authority noted the management response; however, no documents were availed for verification. The Authority therefore recommends that the Contract Managers should prepare the contract management plans in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section presents the scores per area assessed under different performance audit objectives.

3.0 Overall Audit Conclusion

The performance of Kibaale District Local Government for the Financial Year 2023/2024 was **Moderately Satisfactory** with overall weighted average risk rating of **45.7%**. The risk rating is as in Table 14 below:

Table 14: Risk rating Table

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

3.1 Entity's risk assessment

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 15 below:

Table 15: Risk Computation

Risk Category	No.	%No	Value (UGX)	% Value	Weights	Total Weighted score	
						by value	by No.
High	3	13.6	815,672,084	9.3	0.6	5.58	8.16
Medium	17	77.2	5,244,857,618	59.8	0.3	17.94	23.16
Low	0	0	0	0	0.1	0	0
Satisfactory	2	9.0	2,697,480,185	30.8	0	0	0
Total	22	100	8,758,009,887	100	1	23.52	31.32

$$\text{Weighted Average (By NO.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{31.32}{60} \times 100 = 52.2\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{23.52}{60} \times 100 = 39.2\%$$

$$\text{Combined Weighted Average} = \frac{52.2 + 39.2}{2} = 45.7\%$$

Figure 2: Graphical Representation of the Entity's Risk Assessment by Number

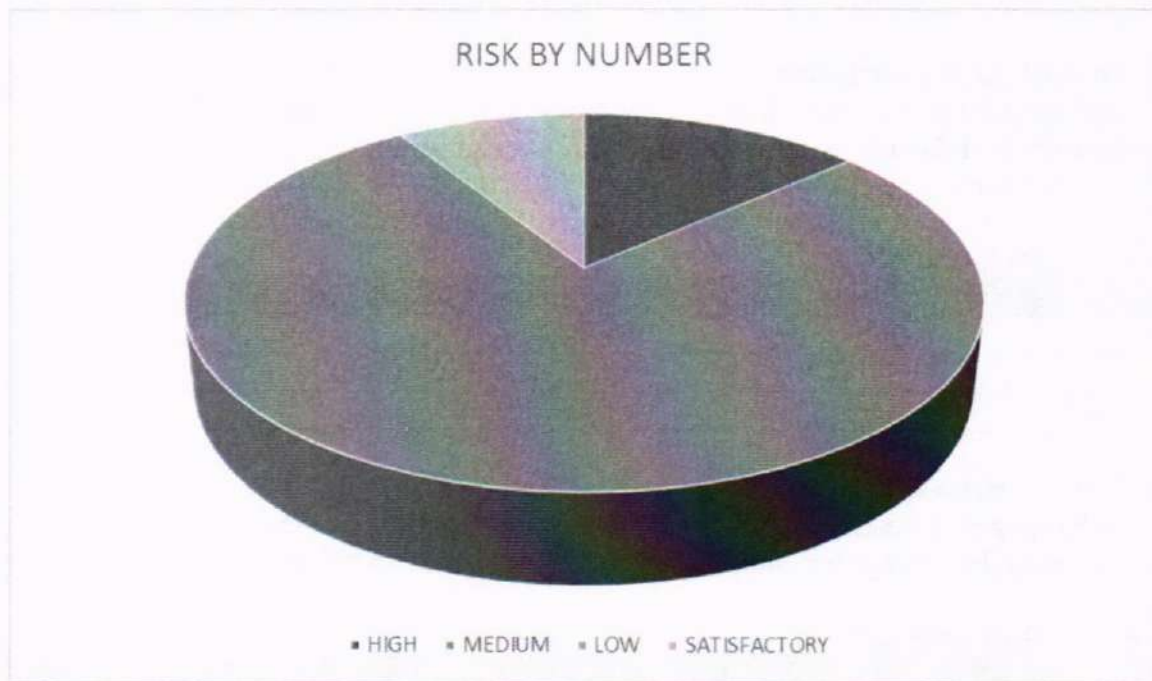
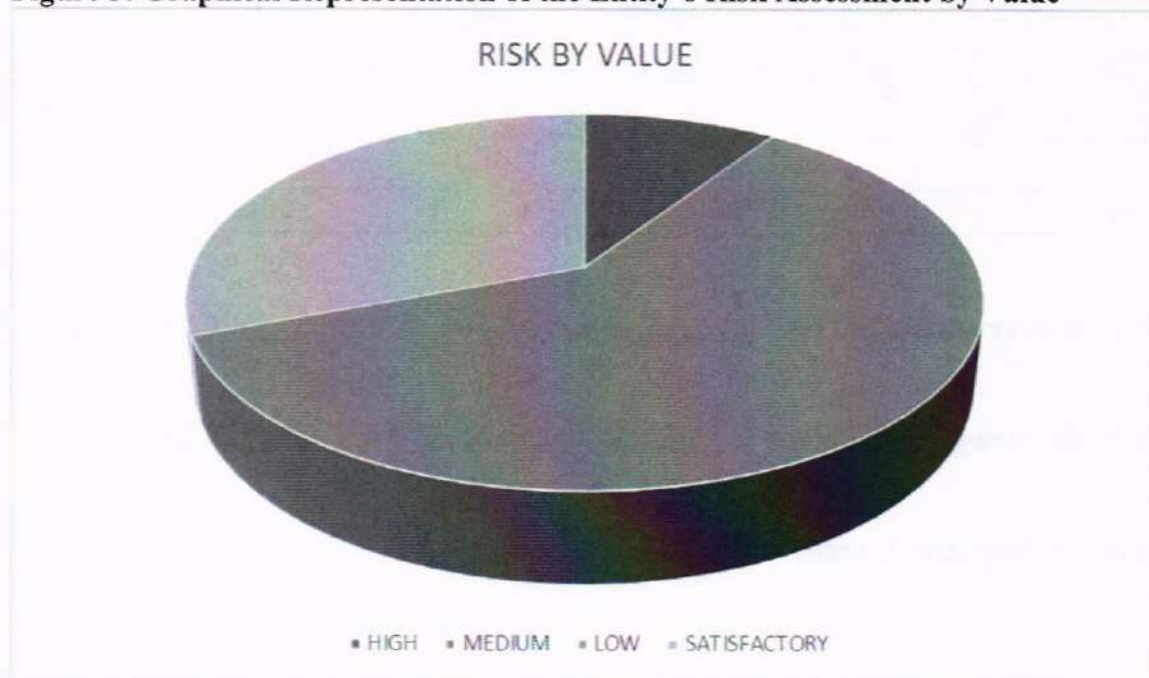


Figure 3: Graphical Representation of the Entity's Risk Assessment by Value



3.2 Recommended Action Plan

Kibaale District Local Government should implement the following recommendations in Table 16 below within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 16: Action Plan

No.	Responsible Officer	Recommendation	Target Date
1.	PSST	The Permanent Secretary Ministry of Local Government should task the Accounting Officer to show cause why disciplinary action should not be taken against him for delaying to confirm availability of funds of four procurements worth UGX 762, 837,350 by an average of 30 working days contrary to Section 51 of the PPDA Act, Cap. 205.	May 2025
2.	The Accounting Officer should;	<ul style="list-style-type: none"> i) Task the Head Procurement and Disposal Unit to show cause why disciplinary action should not be taken against them for preparing inadequate bidding documents contrary to Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023; and ii) Desist from signing contracts that are not comprehensive enough to spell out the obligations of each party in accordance with Regulation 9 of the PPDA (Contracts) Regulations, 2023; iii) Prohibit individuals that participated in bid evaluation of three procurements worth UGX 878,900,312 indicated in Table 6 of this report from participating in bid evaluation for one year due to diverting from the approved bid evaluation criteria contrary to Regulation 5 (2) of the PPDA (Evaluation) Regulations, 2023; iv) Dispose of all obsolete items identified in the board of survey report to avoid further loss of value in accordance with Regulation 3 of the PPDA (Disposal of Public Assets) Regulations, 2023; and v) Always appoint Contract Managers for all projects at the time of contract signing in accordance with Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023. 	June 2025
3.	The Head Procurement and	i) The Head Procurement and Disposal Unit should:	June 2025

No.	Responsible Officer	Recommendation	Target Date
	Disposal Unit	ii) Always prepare adequate solicitation documents in accordance with Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023. iii) Desist from submitting evaluation reports not signed by all the Evaluation Committee to the Contracts Committee for approval in accordance with Regulation 12 (3) of the PPDA (Evaluation) Regulation, 2023; and iv) Ensure that all records regarding procurement and disposal proceedings are properly kept and filed in their respective files in accordance with Section 44 of the PPDA Act Cap. 205	
4.	The Heads of User Departments	The Heads of User Departments should nominate Contract Manager with the appropriate skills and experience for appointment by the Accounting Officer in accordance with Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023.	June 2025
5.	The Head of Internal Audit	The Head of Internal Audit should ensure that procurement and disposal procedures are audited on a quarterly basis in accordance with Regulation 27 (a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023	June 2025
6.	The Contracts Managers	The Contract Managers should always ensure that the providers provide the performance and ESHS securities in accordance with General Condition of Contract (GCC) 61.1 of the signed contract.	June 2025

ANNEX 1: CASE BY CASE ANALYSIS

NO	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	Subject: Completion of 4 Classroom Block with 4 Internal offices at Buyanja Senior Secondary School in Kibaale Town Council Ref: KIBA860/WRKS/23-24/00091 Amount: 458,923,064 Provider: Sasali Contractors Ltd	<ul style="list-style-type: none"> • Evaluation of bids using a criteria different from the one in the bidding document • Delays in the procurement process • Signing of inadequate contracts • Failure to prepare contract management plan
2.	Subject: Construction of 2 Classrooms with an Office and Store Plus a Rain Water Harvesting System (10,000ltrs) Tank at Kayanja Parents Primary school in Kayanja Sub County under District Development Equalization Grant Ref: KIBA 860/WRKS/2023-24/00080 Amount: 108,222,520 Provider: Krurt Supplies and Logistics Ltd	<ul style="list-style-type: none"> • Inadequate bidding documents • Evaluation of bids using a criteria different from the one in the bidding document • Delays in the procurement process • Signing of inadequate contracts
3.	Subject: Construction of Maisuka Water Supply System Phase I Ref: KIBA860/WRKS/23-24/00072 Amount: 248,526,500 Provider: Sasali Contractors Ltd	<ul style="list-style-type: none"> • Inadequate bidding documents • Evaluation of bids using a criteria different from the one in the bidding document • Signing of inadequate contracts
NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	Subject: Construction of a 5 Stance Drainable Latrine at Kibaale HCIV Ref: KIBA860/WRKS/23-24/00146 Amount: 29,463,538 Provider: New Era Contractors SMC U Ltd	<ul style="list-style-type: none"> • Inadequate bidding documents • Delays in the procurement process • Signing of inadequate contract
2.	Subject: Construction of a Two Unit Teachers House and Two Unit Teachers Kitchen, Two Stance Lined Latrine for Teachers at Kisalizi Parents Secondary School in Kyebando Sub County Ref: KIBA 860/WRKS/2023-24/00093 Amount: 363,994,708 Provider: Karukana Enterprises Ltd	<ul style="list-style-type: none"> • Signing of inadequate contracts • Missing records on procurement action files • Failure to prepare contract management plan
3.	Subject: Construction of Three Shallow Wells at Kisalire, Kijwiga and Muzizi in Rweega B Parish, Kibaale District Ref: KIBA 860/WRKS/2023-24/00058 Amount: 25,252,590 Provider: New Era Contractors and Supplies SMC (U) Limited	<ul style="list-style-type: none"> • Signing of inadequate contracts

4.	<p>Subject: Procurement of Assorted Medical Equipment for 19 Newly Constructed Health Centre III (Nyamarunda HCIII) in Kibaale District</p> <p>Ref: MOH/SUPLS/23-24/Lot1, 2 & 3</p> <p>Providers: CGS General Enterprise Ltd, Nairobi Enterprises Ltd and Emperors Hill Life Investment Ltd</p> <p>Amount: 204,476,806</p>	<ul style="list-style-type: none"> • Missing records on procurement action files
5.	<p>Subject: Supply and Installation of Solar Powered Irrigation System for Mr. Tinka Joseph in Kezimbira Parish, Mugarama Sub county</p> <p>Ref: KIBA 860/WRKS/23- 24/00119</p> <p>Amount: 31,654,000</p> <p>Provider: Ntori Development Initiative</p>	<ul style="list-style-type: none"> • Signing of inadequate contracts • Missing records on procurement action files • Failure to appoint Contract Managers
6.	<p>Subject: Procurement of Land from Mr. Tinka Joseph for Kibaale District Industrial Park</p> <p>Ref: KIBA860/SUPLS/23-24/00098</p> <p>Provider: 1,000,000,000</p> <p>Provider: Tinka Joseph</p>	<ul style="list-style-type: none"> • Missing records on procurement action files
7.	<p>Subject: Partial Construction of an ICT/Library block at St. John Baptist Kasimbi SSS in Kasimbi Sub county under UGFIT</p> <p>Ref: KIBA860/WRKS/23-24/00182</p> <p>Amount: 420,000,000</p> <p>Provider: Sasali Contractors Limited</p>	<ul style="list-style-type: none"> • Inadequate bidding documents • Failure to prepare contract management plan
8.	<p>Subject: Drilling of 06 Boreholes in Different Sub counties in Kibaale District</p> <p>Ref: KIBA860/WRKS/23-24/00182</p> <p>Amount: 159,034,500</p> <p>Provider: KLR Uganda Ltd</p>	<ul style="list-style-type: none"> • Inadequate bidding documents • Delays in the procurement process • Signing of inadequate contracts • Missing records on procurement action files
9.	<p>Subject: Completion of Commercial Building Block Phase 3</p> <p>Ref: KIBA 860/WRKS/2023-24/00099</p> <p>Amount: 167,164,393</p> <p>Provider: Mbasa Investments Ltd</p>	<ul style="list-style-type: none"> • Inadequate bidding documents • Signing of inadequate contracts
10.	<p>Subject: Supply and Delivery of Furniture for Commercial Building Block</p> <p>Ref: KIBA 860/SPLS/2023-24/00100</p> <p>Amount: 140,484,192</p> <p>Provider: Networkworld U Ltd</p>	<ul style="list-style-type: none"> • Inadequate bidding documents • Missing records on procurement action files

11.	Subject: Construction of Kitutu Water supply Phase II Ref: KIBA 860/WRKS/2023-24/00073 Amount: 303,968,000 Provider: Krurt Supplies and Logistics Ltd	<ul style="list-style-type: none"> • Inadequate bidding documents • Signing of inadequate contracts • Missing records on procurement action files • Failure to appoint Contract Managers
12.	Subject: Construction of Administration Block at Kyakazihire Sub County Headquarters Ref: KIBA 860/WRKS/2023-24/00080 Amount: 118,875,560 Provider: Shapam Holdings Ltd	<ul style="list-style-type: none"> • Signing of inadequate contracts
13.	Subject: Supply and Delivery of one set of Printing Machine to Education Department Composed of the Litho Machine, off set Machine, Cutting Machine and Computer for Printing Ref: KIBA860/SUPLS/23-24/00087 Amount: 103,000,000 Provider: New Era Contractors Ltd	<ul style="list-style-type: none"> • Delays in the procurement process • Signing of inadequate contracts • Missing records on procurement action files
14.	Subject: Feasibility Study of Water Supply System at Buseese in Kibaale District (Re advertised) Ref: KIBA860/SRVCS/23-24/00069 Amount: 33,441,200 Provider: Kenejo Investments Ltd	<ul style="list-style-type: none"> • Failure to sign the evaluation report by all members of the Evaluation Committee • Signing of inadequate contracts • Missing records on procurement action files
15.	Subject: Supply and Delivery of 120 Improved Goats to Kibaale District Local Government (40 males and 80 females) Ref: KIBA 860/SPLS/23-24/00115 Amount: 47,760,000 Provider: Artcentre Contractors and supplies Ltd	<ul style="list-style-type: none"> • Inadequate bidding documents • Failure to appoint Contract Managers
16.	Subject: Extended Emergency Periodic Maintenance of 21 KM of Critical Roads in Kibaale District. Lot 2 (Rehabilitation of Kitoma-Kakindo-Rusandara-Mitujju Road (13KM) and Rehabilitation of Nyamarunda-Nyanswiiga Kahaara-Mbirizi-Kyanji Road (8KM) Ref: KIBA 860/WRKS/2023-24/00106 Amount: 1,016,610,391 Provider: Azu Properties Ltd	<ul style="list-style-type: none"> • Signing of inadequate contracts • Missing records on procurement action files • Failure to appoint Contract Managers

17.	Subject: Extended Emergency Periodic Maintenance of 21.6 KM of Critical Roads in Kibaale District. Lot 3 (Rehabilitation of Kabasekende-Ngerebwe-Kaihanaimo-Bakijulura-Rwamagando-Rubona Road(12KM) and Rehabilitation of Kisega-Kasambya-Buhuumi-Kikaada road (9.6KM) in Kibaale District Ref: KIBA 860/WRKS/2023-24/00108 Amount: 1,079,677,740 Provider: Muga Services Ltd	<ul style="list-style-type: none"> • Signing of inadequate contracts • Missing records on procurement action files • Failure to appoint Contract Managers
NO	SATISFACTORY CONTRACTS	REASONS FOR MEDIUM RISK
1.	Subject: Supply of Fuel under framework Ref: KIBA860/SPLS/2023-24/00026 Amount: 1,797,490,186 Provider: Kwerosev Co. (U) Ltd and Premium Supplies and Logistics Limited	<ul style="list-style-type: none"> • No major deviation was identified
2.	Subject: Construction of Kasimbi HC III Ref: MoH-UGIFT/WRKS/23-24/00008 Amount: 899,989,999 Provider: Extech Technical Services Limited	<ul style="list-style-type: none"> • No major deviation was identified

ANNEX 2: PROCUREMENT AND DISPOSAL AUDIT SAMPLE LIST FOR KIBAALE DISTRICT LOCAL GOVERNMENT FOR FINANCIAL YEAR 2023/2024

No	Reference Number	Subject Of Procurement	Procurement Method	Service Provider	Date of Award	Contract Amount in UGX
1.	MoH-UGIFT/WRKS/23-24/00008	Construction of Kasimbi HC III	Open National Bidding	Extech Technical Services Limited	11 th April 2024	899,989,999
2.	KIBA860/WRKS/23-24/00146	Construction of a 5 stance drainable latrine at Kibaale HCIV	Selective National Bidding	New Era Contractors SMC U Ltd	14 th February 2024	29,463,538
3.	KIBA 860/WRKS/2023-24/00058	Construction of three shallow wells at Kisalire, Kijwiga and Muzizi in Rweega B parish, Kibaale District	Selective National Bidding	New Era Contractors and Supplies SMC (U) Limited	12 th October 2023	25,252,590
4.	MOH/SUPLS/23-24/Lot1, 2 & 3	Procurement of assorted medical equipment for 19 newly constructed Health Centre III (Nyamarunda HCIII) in Kibaale District	Open National Bidding	Lot1: CGS General Enterprise Ltd at UGX 139,377,000 Lot 2: Nairobi Enterprises Ltd at UGX 28,299,806 Lot3: Emperors Hill Life Investment Ltd	12 th October 2023	204,476,806
5.	KIBA 860/WRKS/23-24/00119	Supply and installation of solar powered irrigation system for Mr. Tinka Joseph in Kezimbira Parish, Mugarama Sub county	Request for Quotation	Ntori Development Initiative	17 th May 2024	31,654,000
6.	KIBA860/SUPLS/23-24/00098	Procurement of land from Mr. Tinka Joseph for Kibaale District Industrial park	Direct Procurement	Tinka Joseph	17 th May 2024	1,000,000,000
7.	KIBA860/WRKS/23-24/00182	Partial construction of an ICT/Library block at St. John Baptist Kasimbi SSS in Kasimbi Sub county	Restricted Domestic Bidding	Sasali Contractors Limited	17 th May 2024	420,000,000

No	Reference Number	Subject Of Procurement	Procurement Method	Service Provider	Date of Award	Contract Amount in UGX
		under UGFIT				
8.	KIBA860/WRKS/23-24/00071	Drilling of 06 boreholes in different sub counties in Kibaale District	Open National Bidding	KLR Uganda Ltd	16 th November 2023	159,034,500
9.	KIBA860/WRKS/23-24/00091	Completion of 4 classroom Block with 4 Internal offices at Buyanja Senior Secondary school in Kibaale Town Council	Open National Bidding	Sasali Contractors Ltd	16 th November 2023	458,923,064
10.	KIBA 860/WRKS/2023-24/00099	Completion of Commercial Building Block Phase 3	Open National Bidding	Mbasa Investments Ltd	16 th November 2023	167,164,393
11.	KIBA 860/SPLS/2023-24/00100	Supply and delivery of furniture for commercial Building Block	Open National Bidding	Networld U Ltd	16 th November 2023	140,484,192
12.	KIBA 860/wrks/2023-24/00093	Construction of 02 Unit Teacher House and 02 Unit Teacher's Kitchen, 02 stance lines latrine for teachers at Kisalizi Secondary school in Kyebando sub county	Open National Bidding	Karukana Enterprises Ltd	16 th November 2023	363,994,708
13.	KIBA 860/WRKS/2023-24/00073	Construction of Kitutu Water supply Phase II	Open National Bidding	Krurt Supplies and Logistics Ltd	16 th November 2023	303,968,000
14.	KIBA 860/WRKS/2023-24/00080	Construction of administration block at Kyakazihire Sub County Headquarters	Open National Bidding	Shapam Holdings Ltd	16 th November 2023	118,875,560

No	Reference Number	Subject Of Procurement	Procurement Method	Service Provider	Date of Award	Contract Amount in UGX
15.	KIBA860/WRKS/23-24/00089	Construction of 2 classrooms with an office and store plus a rain water harvesting system (10,000ltrs) tank at Kayanja Parents Primary school in Kayanja Sub County under District Development Equalization Grant	Open National Bidding	Krurt Supplies and Logistics Ltd	16 th November 2023	108,222,520
16.	KIBA860/SUPLS/23-24/00087	Supply and delivery of one set of printing machine to Education Department composed of the Litho Machine, off set machine, cutting machine and computer for printing	Open National Bidding	New Era Contractors Ltd	16 th November 2023	103,000,000
17.	KIBA860/WRKS/23-24/00072	Construction of Maisuka water supply system Phase I	Open National Bidding	Sasali Contractors Ltd	16 th November 2023	248,526,500
18.	KIBA860/SRVCS/23-24/00069	Feasibility study of water supply system at Buseese in Kibaale District (Re advertised)	Request for Quotation	Kenejo Investments Ltd	7 th December 2023	33,441,200
19.	KIBA 860/SPLS/23-24/00115	Supply and delivery of 120 improved goats to Kibaale District Local Government (40 males and 80 females)	Request for Quotation	Artcentre Contractors and supplies Ltd	7 th December 2023	47,760,000
20.	KIBA 860/WRKS/2023-24/00106	Extended Emergency periodic maintenance of 21 km of critical roads in Kibaale district. Lot 2 (Rehabilitation of Kitoma-Kakindo-Rusandara-Mitujju road (13km) and Rehabilitation of Nyamarunda-Nyanswiiga Kahaara-Mbirizi-Kyanji Road (8km)	Direct procurement	Azu Properties Ltd	19 th December 2023	1,016,610,391

No	Reference Number	Subject Of Procurement	Procurement Method	Service Provider	Date of Award	Contract Amount in UGX
21.	KIBA 860/WRKS/2023- 24/00108	Extended Emergency periodic maintenance of 21.6 km of critical roads in Kibaale district. Lot 3 (Rehabilitation of Kabasekende-Ngerebwe-Kaihanaimo-Bakijulura-Rwamagando-Rubona Road(12km) and Rehabilitation of Kisega-Kasambya-Buhuumi-Kikaada road (9.6km) in Kibaale District	Direct procurement	Muga Services Ltd	19 th December 2023	1,079,677,740
22.	Kiba860/SPLS/202 3-24/00026	Supply of fuel under framework	Open National Bidding	<ul style="list-style-type: none"> • Kwerosev Co. (U) Ltd • Premium Supplies and Logistics Limited 		1,797,490,186
		Total				8,758,009,887

ANNEX 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.
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management	Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries
		Planning: Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		Bidding Process: Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-	This implies lack of efficiency, standardisation and avoiding competition.

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	pre-qualified firms and splitting procurement requirements.	
		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 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	Planning: Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

RISK	DESCRIPTION	AREA	IMPLICATION
	place and monitor compliance with detailed procedures.		

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.