



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

**COMPLIANCE AUDIT REPORT FOR MINISTRY OF TRADE
INDUSTRY AND COOPERATIVES FOR FINANCIAL YEAR
2021/2022**

NOVEMBER 2022

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Acronyms

AO	Accounting Officer
CC	Contracts Committee
FY	Financial Year
HPDU	Head, Procurement and Disposal Unit
LPO	Local Purchase Order
MTIC	Ministry of Trade, Industry and Cooperatives
ODB	Open Domestic Bidding
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
RDB	Restricted Domestic Bidding
RFP	Request for Proposals
SBD	Standard Bidding Document
SPLS	Supplies
WRKS	Works

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a compliance audit on the procurement and disposal activities of Ministry of Trade, Industry and Cooperatives (MTIC). The exercise covered a sample of twelve (12) procurement transactions carried out during the Financial Year 2021/2022. The compliance audit exercise involved a review of the procurement system, procurement processes following the Public Procurement and Disposal of Assets Act, 2003 and Regulations, 2014.

From the findings of the compliance audit exercise, the summary performance of the Entity revealed an aggregate risk rating of **60.2%** which is **unsatisfactory** performance.

The following key exceptions were noted:

1. Failure to implement 20% of the Entity's procurement plan thus failing to deliver services worth UGX 3,658,690,612 to the intended beneficiaries.
2. Failure to implement 28.6% of the Authority's previous compliance audit recommendations for FY 2020/21 hence affecting the performance of the procurement and disposal function in the Entity.
3. Use of less competitive procurement methods in two procurements e.g the procurement for supply and delivery of 5 double cabin pick-ups worth UGX 993,750,000 and in the procurement of supply and delivery of furniture, curtains, fittings and accessories for the Ministry worth UGX 1,622,545,108 where restricted domestic bidding was used instead of Open domestic bidding method.
4. Lack of evidence of invitation of shortlisted bidders in all the sampled procurements conducted under request for quotation method and restricted domestic bidding methods.
5. Inadequate bidding document in the procurement of supply of five station wagons and one double cabin by M/s Suma Bolt Logistics worth UGX. 2,820,000,000 inconsistencies were noted in the bid security required in the bridged advert in the New Vision News paper dated 1st September 2021 that required bidders to submit a bid security worth UGX 50,000,000 and the bidding document that required bidders to provide a bid security worth UGX 20,000,000. In addition inconsistency was noted in the number of vehicles advertised visa vie the clearance from Ministry of Public Service.
6. Incomplete bidding documents in all the sampled procurements conducted under restricted domestic bidding method and the request for quotation method, bidders were not required to submit in their bids a bid securing declaration form which was in breach of Regulation 53 (9) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014.
7. Disregard of Contracts Committee decisions in the procurement of laptops worth UGX 191,900,000 the Procurement and Disposal Unit used a request for quotation document which contradicted the Contracts Committee approval that approved restricted domestic bidding.
8. Irregularities at bid opening in two procurements i.e consultancy services for environmental and social audit of Mpondwe BEZ and Mpondwe OSBP worth UGX 68,836,000 (The technical and financial opening was conducted on the same date which contradicted ITB 20.1 of the World Bank bidding document which provided that the evaluators shall have no access to the financial proposals until the technical evaluation is concluded and the bank issues its "No Objection"). In addition in the procurement for supply of laptops worth UGX 191,900,000 the Ministry irregularly received a bid from

Business Centre Limited yet it was not part of the three firms shortlisted and approved by the Contracts Committee.

9. Irregularities during evaluation in 4 procurements e.g Award of contracts to bidders with forged documents, introduction of new evaluation criteria during evaluation of bids , Award of contract to a non-complaint bidder and evaluation of a bidder not approved by the Contracts Committee which contravened the principles of public procurement enshrined in Section 43 (a) and (b) of the PPDA Act, 2003
10. Display of Notice of Best Evaluated Bidder for 3 working days contrary to the mandatory 10 working days required in the law which deprives aggrieved bidders from filing complaints about the procurement process.
11. Irregular cancellation of procurement processes without the approval of the Contracts Committee in three procurements ie procurement of assorted stationary, supply and delivery of laptops for AGOA Secretariat and supply and delivery of 5 double cabin pickups.
12. Various anomalies in the procurement of assorted stationary e.g contracting providers outside the framework contract and splitting of procurement in spite the existence of an ongoing 3 year framework contract which was an indication of non transparent practices in the Entity's procurement systems.
13. Irregular advance payment of more than 30% in the procurement of renovation of office space at Farmers House Plot 68 Parliamentary Avenue worth UGX 6,063,319,346. Sarick Construction Limited was paid UGX 4.8 billion instead of 1.8 billion before commencement of works yet the site had been handed over on 12th August 2022 which contravened the Public Finance Management Act that requires that money advanced should be recovered within 60days after payment.

The Authority recommends that:

1. The Accounting Officer should carry out periodic review of the Entity's procurement plan to ensure full implementation of planned activities in accordance with Section 58 (4) of the PPDA Act, 2003.
2. The Accounting Officer should take corrective action and engage all stakeholders to develop strategies on implementation of all the Authority's recommendations in accordance with Section 9 (1) of the PPDA Act, 2003.
3. The Head Procurement and Disposal Unit should use appropriate procurement methods in accordance with Regulations 6, 9 and 10 of the (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014. Where emergency situations is used as a criterion for selection of a procurement method, competition shall not automatically be eliminated because of an emergency as stipulated under Regulation 8 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services), 2014.
4. The Accounting Officer should conduct all procurements in a fair, transparent and competitive manner in accordance with Sections 45 and 46 of the PPDA Act, 2003.
5. The Head Procurement and Disposal Unit should ensure that bidding documents are issued in a manner that leaves no doubt or assumption by a bidder during the preparation of solicitation documents.
6. The Head Procurement and Disposal Unit should ensure that a bid securing declaration form is provided for in the bidding documents in order to encourage bidders fulfill the conditions of the bidding document and to deter irresponsible and unserious bidders from bidding.
7. The Head Procurement and Disposal Unit should ensure that the Contract Committee decisions are adhered to without any deviations.

8. The Head Procurement and Disposal Unit should ensure bid opening is conducted in accordance with the provisions in the Law.
9. Evaluation Committees should strictly adhere to the evaluation criteria outlined in the bidding documents and firms that do not comply should be eliminated in accordance with Regulation 7 (1) of the PPDA (Evaluation) Regulations, 2014. The Contracts Committee should recommend to the Authority the firms that submitted forged documents for blacklisting.
10. The Head Procurement and Disposal Unit should ensure that Notices of Best Evaluated Bidder are displayed for ten working days in accordance with Regulation 4 (2) (d) of the PPDA (Contracts) Regulations 2014.
11. The Accounting Officer should ensure that the cancellation of the procurement is done in accordance with Section 75 of the PPDA Act, 2003, as amended.
12. Contracts Committee should play its oversight role to mitigate the anomalies.
13. The Accounting Officer should take full responsibility for authorizing payment in excess of the 30% advance worth UGX 2,981,004,197 before completion of works in the event of non performance by the Contractor.

CHAPTER 1: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance audit exercise on the procurement and disposal activities of MTIC. The exercise covered a sample of twelve (12) procurement transactions carried out during Financial Year 2021/2022. The exercise involved a review of the procurement system, procurement processes following the Public Procurement and Disposal of Assets Act, 2003 and Regulations, 2014.

1.2 Objective of the compliance inspection

The primary objective of the exercise was to provide assurance on full and correct application of the PPDA Act, Regulations and Guidelines by MTIC.

The specific objectives were:

- a) To establish the level of compliance of the procurement and disposal activities with provisions of the PPDA Act, Regulations and Guidelines.
- b) To establish the level of efficiency in the conduct of the procurement and disposal process up to contracting in the Entity.
- c) To assess the level of achievement of Value for Money (efficiency, cost and effectiveness) in contract execution.

1.3 Structure of the Entity

Ms. Geraldine Ssali is the Accounting Officer of the Entity for the financial year under review.

a. User Departments

The Entity is subdivided into the following departments:

Table 1: User Departments

No	Title of User Department	Job Title of Head of Department
1.	Finance And Administration	Under Secretary
2.	External Trade	Commissioner
3.	Internal Trade	Commissioner
4.	Cooperatives Development	Commissioner
5.	Industry	Commissioner
6.	Business Development and Marketing	Commissioner
7.	Processing and Marketing	Commissioner

b. Budget and source of funding

The Entity is funded by Government of Uganda. The Entity's procurement budget for the Financial Year 2021/22 was UGX 12,610,910,279.

1.4 Scope of the Compliance Inspection

PPDA carried out the procurement and disposal Compliance audit of MTIC from 22nd July 2022 to 9th August 2022. The exercise covered a sample of twelve (12) procurement transactions worth UGX 14,525,055,525 conducted during the FY 2021/2022, review of

procurement structures and review of the procurement plan performance. The list of sampled transactions is contained in **Appendix 1**.

1.5 Methodology

Ministry of Trade, Industry and Cooperatives was notified about the upcoming exercise on 18th July, 2022. A sample of twelve (12) procurement transactions was selected based on stratified random sampling using Contracts Committee minutes, the contracts register, and monthly procurement and disposal reports.

Two (2) officers conducted the exercise under the supervision of the Manager Procurement Audit. During the exercise, the team examined records and documents for each of the twelve (12) sampled procurement transactions. The team also reviewed the procurement plan for the Financial Year 2021/2022.

On completion of data collection, members of the team met with various stakeholders such as the Accounting Officer, Contracts Committee members, Procurement and Disposal Unit staff and User Department representatives to discuss and get clarifications on some of the preliminary findings.

CHAPTER TWO: FINDINGS OF THE AUTHORITY

2.1. To establish the level of compliance by the PDE with the general provisions of the PPDA Act, 2003 and Regulations, 2014

2.1.1. Procurement planning and procurement plan management

1.1. Procurement plan implementation rate

The table below summarizes information about the procurement plan, budget and utilization of funds. The procurement plan implementation rate was 80% while the variance was worth UGX 3,658,690,612 as indicated below:

Table 1: Procurement Plan Implementation Rate

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	12,610,910,279
Total procurement spend value inclusive of VAT (UGX)	8,952,219,667
Procurement plan implementation rate (%)	80%
Implementation variance (UGX)	3,658,690,612

Implication

The Entity failed to deliver services worth UGX 3,658,690,612 to the intended beneficiaries.

Management Response

The Entity acknowledges the observation. The variance was as a result of a transitional period where time for periodic review was lost between changing of the Accounting Officers in the Ministry. However, the Accounting Officer has taken note of the recommendation and shall implement planned activities in accordance with section 58 (4) of the PPDA Act 2003. This will be done by tasking Heads of Department and Units to provide reports on completed and pending procurements periodically.

Recommendation

The Accounting Officer should carry out periodic review of the Entity's procurement plan to ensure full implementation of planned activities in accordance with Section 58 (4) of the PPDA Act, 2003.

2.1.2 Implementation of previous compliance audit recommendations for FY 2020/21

The Entity was issued with the previous compliance audit report for Financial Year 2020/21 in February 2022. Out of the fourteen (14) recommendations made, 3 (21.4%) were implemented, 7 (50%) were partially implemented and four (28.6%) were not implemented as indicated below:

Table 2: Status of implementation of FY 2020/21 recommendations

No.	Recommended Action	Status
1.	The Contracts Committee should make decisions based on the submissions from the Procurement and Disposal Unit in accordance with Regulation 13 (2) of the PPDA (Procuring and Disposing Entities) Regulations, 2014. Where a Contracts Committee rejects a request, the Contracts Committee shall indicate the reasons for	Partially Implemented

No.	Recommended Action	Status
	rejecting the request in accordance with Regulation 13 (3) of the PPDA (Procuring and Disposing Entities) Regulations, 2014.	
2.	The Accounting Officer should formally delegate responsibilities in accordance with Section 39 (a) (ii) of the PPDA Act, 2003.	Not Implemented
3.	The Accounting Officer should ensure that all procurements are conducted in way that facilitates achievement of value for money in accordance with Section 43 (c) of the PPDA Act, 2003.	Not Implemented
4.	The Contracts Committee should conduct its oversight role in accordance with Section 28 of the PPDA Act, 2003.	Not Implemented
5.	The Procurement and Disposal Unit should ensure that bidding documents submitted to the Contracts Committee have no inconsistencies which could lead to misunderstandings between the Entity and the bidders.	Not Implemented
6.	Evaluation Committees should strictly adhere to the evaluation criteria outlined in the solicitation documents and firms that do not comply should be eliminated in accordance with Regulation 7 (1) of the PPDA (Evaluation) Regulations, 2014.	Partially Implemented
7.	The Head Procurement and Disposal Unit should always use appropriate procurement methods in accordance with Regulations 6, 9 and 10 of the (Rules and Methods for Procurement of Supplies, Works and Non-consultancy Services) Regulations, 2014. Where emergency is used as a criterion for choosing a procurement method, competition shall not automatically be eliminated because of the emergency as stipulated under Regulation 8 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-consultancy Services), 2014.	Partially Implemented
8.	The Procurement and Disposal Unit should properly manage the bidding process and always ensure that the record of issue is dated and signed.	Partially Implemented
9.	The Procurement and Disposal Unit should endeavour to eliminate procurement delays in the Entity to ensure timely service delivery in accordance with Section 48 of the PPDA Act 2003.	Implemented
10.	The Accounting Officer should always sign contracts above UGX 200,000,000 million after obtaining the Solicitor General's approval in accordance with the Constitution (Exemption of Particular Contracts from Attorney General's Legal Advice) (Amendment) Instrument, 2014.	Implemented
11.	The Head Procurement and Disposal Unit should ensure that bid expiry dates are tracked and that the bid validity period is extended	Implemented

No.	Recommended Action	Status
	before expiry of a bid in accordance with Regulation 52 (5) of the PPDA (Rules and Methods for the Procurement of Supplies, Works and Non-Consultancy Services), 2014.	
12.	The Head Procurement and Disposal Unit should ensure that all procurement records are maintained on their respective action files in accordance with Section 31(o) of the PPDA Act 2003.	Partially Implemented
13.	Contract Managers should ensure that contract implementation plans are prepared in accordance with Regulation 51 (3) of the PPDA (Contracts) Regulations, 2014.	Partially Implemented
14.	The Accounting Officer should task Heads of User Departments and Contract Managers to ensure that contracts are implemented within the contractual terms and conditions in accordance with Regulation 53 of the PPDA (Contracts) Regulations, 2014.	Partially Implemented

Implication

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

Management Response

The Entity acknowledges the audit findings and pledges to engage all stakeholders to develop strategies on implementation of all the authority's recommendation in accordance with section 9(1) of the PPDA Act 2003. This will be achieved by holding regular meetings, training and any other methods which may be suitable.

Recommendation

The Accounting Officer should take corrective action and engage all stakeholders to develop strategies on implementation of all the Authority's recommendations in accordance with Section 9 (1) of the PPDA Act, 2003.

2.2. To establish the level of compliance with the PPDA Act, 2003 and Regulations, 2014 in the conduct of procurement and disposal activities

Procuring and Disposing Entities are required to apply the public procurement and disposal rules set out in the PPDA Act 2003, Regulations 2014 and Guidelines. The following areas of non-compliance were noted during the audit.

2.2.1 Delays at confirmation of Funding

The Authority noted that in the procurement of supply and delivery of laptops worth UGX 31,742,944, the Accounting Officer delayed to confirm funding by 11 days. While the procurement was initiated on 26th October 2021, funding was confirmed by the Accounting Officer on 9th December 2021.

Implication

Delays in the procurement process creates lengthy lead times which consequently impedes service delivery.

Management Response

The Entity acknowledges the audit findings and pledges to eliminate delays in the entity to ensure timely service delivery in accordance with section 48 of the PPDA Act 2003 This will be achieve by using a monitoring method of tracking work flow and delegation of authority in writing to responsible officers in case of commitment by the Accounting Officer.

Recommendation

The Accounting Officer should endeavour to eliminate delays in the Entity to ensure timely service delivery in accordance with Section 48 of the PPDA Act 2003.

2.2.2 Use of less competitive procurement methods

The Authority noted the use of less competitive methods in two (2) procurements worth UGX 2,616,295,108 as detailed in the Table below:

Table 3: Procurements where less competitive procurement methods were used

No	Subject of Procurement	Irregularity
1.	Supply and delivery of 5 double cabin pick-ups worth UGX 993,750,000	The Entity used restricted domestic bidding method without clear justification to contract MAC East Africa Ltd at UGX 993,750,000. In addition the Authority noted that four firms i.e Victoria Motors Ltd, CFAO Motors (U) Ltd, Motorcare (U) Ltd and MAC East Africa Ltd were shortlisted to participate in the process and only MAC East Africa Ltd submitted its bid which was an indication of low bidder response and thus limiting competition
2.	Supply and delivery of furniture, curtains, fittings and accessories for the Ministry worth UGX 1,622,545,108 by Footsteps Furniture Co. Ltd	The Entity used restricted domestic bidding method without clear justification thus hindering competition.

Implication

This inhibits competition and may hinder achievement of value for money.

Management response

The Entity acknowledges the audit findings and will ensure to obtain maximum competition to the extent practicable in procurement under emergency. And where the value of a procurement requirement requires the use of open bidding method we shall before deciding to use direct procurement method in an emergency situation give priority to other competitive method in accordance with sub regulations (6), (7), (8) and (9).

Recommendation

The Head Procurement and Disposal Unit should always use appropriate procurement methods in accordance with Regulations 6, 9 and 10 of the (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014. Where emergency situations is used as a criterion for choosing a procurement method, competition shall not automatically be eliminated because of an emergency as stipulated under Regulation 8 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services), 2014.

2.2.3 No evidence of invitation of bidders

In all the sampled procurements conducted under request for quotation method and restricted domestic bidding methods there was no evidence of invitation of all the shortlisted firms.

Implication

This undermines competition and fairness in the procurement process.

Management response

The Entity acknowledges the audit findings and shall ensure that all procurement are conducted in accordance with the principals of non-discrimination, transparency, accountability, fairness and maximization of competition and ensuring value for money.

Recommendation

The Accounting Officer should conduct all procurements in a fair, transparent and competitive manner in accordance with Sections 45 and 46 of the PPDA Act, 2003.

2.2.4 Inconsistencies in the bidding document

In the procurement of supply of five Station wagons and one double cabin by M/s Suma Bolt Logistics worth UGX. 2,820,000,000, the Authority noted various inconsistencies in the process as detailed below:

- i. **Inconsistencies in the Bid Security.** The bridged advert in the New Vision News Paper dated 13th September 2021 required bidders to submit with their bids a bid security worth UGX 50,000,000, however the bidding document issued to bidders required a bid security worth UGX 20,000,000. The Authority further noted that while no bidder was disqualified, no addendum was issued by the Procurement and Disposal Unit to rectify the above inconsistency during the bidding period.
- ii. **Inconsistency in the number of vehicles advertised visa vie the clearance from Public Service.** The Ministry of Public Service in a letter dated 24th August 2021 cleared the Ministry to procure four (4) station wagons not exceeding 4,500cc for the Ministers and one (1) station wagon not exceeding 3,300cc for the Permanent Secretary in the FY 21/22. The Entity on the contrary in the bidding document issued to bidders and the advert required bidders to supply of five (5) station wagons and a double cabin pick up which was contrary with the clearance from Ministry of Public Service.
- iii. **Inconsistencies in the evaluation report.** The record of bid opening indicated that the Entity received bids from three firms i.e (Suma Bolt Logistics Ltd @ UGX 3,030,000,000 , Maybach Motors Ltd @UGX 3,205,000,000 and Arcticon Global Ltd @ UGX 2,809,107,672). At financial evaluation, the Evaluation Committee irregularly changed the price submitted by two bidder i.e (Maybach Motors Ltd to UGX 3,010,000,000 and Suma Bolt Logistics Ltd to UGX 2,820,000,000) without any clear justification on the change in price and neither were the bidders notified as asked to accept the revised prices. The Evaluation Committee further recommended the award of contract to Suma Bolt Logistics Ltd at UGX 2,820,000,000 a price which was contrary to the offer made by the bidder without any clear justification of the change in price. The erroneous price was further approved by the Contracts Committee and a Notice of Best Evaluated Bidder displayed. The Authority further established that the same contract sum was forwarded to Solicitor General for clearance and the draft contract was cleared for signature yet the related attachment of the bidder i.e the Bid Submission Sheet and the

price schedule indicated a contract sum of UGX 3,030,000,000 which was different from the amount stated in the contract agreement of UGX 2,820,000,000.

Implication

This affects the ability of bidders to prepare competitive and responsive bids.

Management Response

At the evaluation stage it was discovered that the pickup was not authorised by the Ministry of Public Service and its price was removed from the total of the bid prices of the two companies Suma Bolt logistics Limited (UGX 210,000,000), and May Bach Motors Ltd (UGX 195,000,000), which created the differences in the pricing and consequently in the final contract Agreement with Suma Bolt Logistics Limited.

Recommendations

- The Head Procurement and Disposal Unit should ensure that bidding documents are issued in a manner that leaves no doubt or assumption by a bidder during the preparation of solicitation documents.
- The Contracts Committee should play its oversight role and ensure that the bidding documents issued to bidders are error free and comply with the instructions.

2.2.5 Incomplete bidding documents

In all the sampled procurements conducted under restricted domestic bidding method and the request for quotation method, the Entity did not require bidders in the bidding documents to submit a bid securing declaration form which was in breach of Regulation 53 (9) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014 that requires a procuring and disposing entity to request for a bid securing declaration where the restricted domestic bidding and quotations procurement methods are used.

Implication

The Entity stands a risk of dealing with unserious bidders.

Management Response

The Entity acknowledges the audit findings and the Head of Procurement and Disposal Unit has pledged to ensure that a bid securing declaration form is provided for in the bidding document in order to eliminate unserious bidders.

Recommendation

The Head Procurement and Disposal Unit should ensure that a bid securing declaration form is provided for in the bidding documents in order to encourage bidders fulfill the conditions of the bidding document and to deter irresponsible and unserious bidders from bidding.

2.2.6 Disregard of Contracts Committee decisions

In the procurement for provision of services for clearing and forwarding for implementation of BADEA Technical Assistance to support leather foot wear industry incubator, it was noted that Mr. Alfred Lapyem was replaced by Mr. Daniel Kalule without prior approval by the Contracts Committee contrary to Section 37 (2) of the PPDA Act 2003 that stated that the membership of the Evaluation Committee shall be recommended by Procurement and Disposal Unit, in

accordance with the Regulations made under this Act, and approved by the Contracts Committee.

In the procurement of supply of laptops worth UGX 191,900,000 the Procurement and Disposal Unit used a request for quotation document which was contrary to the Contracts Committee approval that approved the method of procurement as restricted domestic bidding.

Management Response

The Entity acknowledges the audit findings and the Head Procurement and Disposal Unit shall be caution to the extent that the evaluation is conducted by persons approved by the Contract Committee and to follow the procurement method as approved by the Contracts Committee.

Recommendation

The Head Procurement and Disposal Unit should ensure that evaluations are conducted by persons that are approved by the Contracts Committee in accordance with Section 37 (2) of the PPDA Act 2003.

2.2.7 Inadequate fairness in the procurement processes

In the Entity's procurement processes for ICT and stationary, the Authority noted a lack of competition. While the Entity developed a comprehensive shortlist of prequalified providers under the two categories, the Entity had a permanent shortlist that comprised of Visible Investments Limited and Kazinga Channel Ltd that were always part of the shortlisted 3 firms. This was contrary to Section 45 of the PPDA Act 2003 that requires that all procurement and disposal shall be conducted in a manner which promotes transparency, accountability and fairness.

Implication

Bidders lose confidence in the systems of the Entity.

Management Response

The Entity acknowledges the observation and pledges to improve by making sure that service providers are rotated regularly and shall increase on the number of invitations to providers.

Recommendation

The Entity should rotate providers and increase the number of shortlisted firms where request for quotation method and restricted domestic bidding methods are used in order to give chance to many other prequalified firms to participate in the Entity's procurements.

2.2.8 Irregularities at bid opening

This was noted in two procurements as detailed in Table 4 below:

No	Subject of Procurement	Irregularity
1.	Consultancy services for environmental and social audit of Mpondwe BEZ and Mpondwe OSBP worth UGX 68,836,000	The technical and financial opening was conducted on the same date. The record of opening of technical proposals (Form 23) and record of opening of financial proposals (Form 25) were conducted on the same day 10 th March 2022 and witnessed by Mr. Tom Acwera, Procurement Officer and Mr. Cuthbert Katusiime –Environmental Specialist. This was contrary to ITB 20.1 of the World Bank Document

No	Subject of Procurement	Irregularity
		issued to bidders that provided that the evaluators of the technical proposals shall have no access to the financial proposals until the technical evaluation is concluded and the bank issues its "No Objection".
2.	Supply of laptops worth UGX 191,900,000	<p>The Ministry irregularly received a bid from Business Centre Limited yet it was not part of the firms three firms i.e Crane Computers, River Bank Ltd and Avalanche Investments Ltd that were shortlisted, approved the Contracts Committee and invited to participate in the process.</p> <p>In addition, the Authority noted a low bid responsive rate in the above procurement. While three (3) firms were invited to submit bids, only Avalanche Investments Ltd participated in the process.</p>

Implication

Irregularities at bid opening could be an indicator of non transparency in the procurement process.

Management Response

The Entity acknowledges the observation however the low bidder response was due to the impact of covid -19 as many service providers became financially incapacitated. The Entity pledges to conduct bid opening in accordance with the law and ensure that only bids from shortlisted firms are received and opened by the entity.

Recommendations

- The Head Procurement and Disposal Unit should ensure bid opening is conducted in accordance with the provisions in the Law.
- The Head Procurement and Disposal Unit should ensure that only bids from shortlisted firms are received and opened by the Entity.
- The Accounting Officer should investigate the reasons behind the low bidder response and also institute measures to attract a higher number of bidders.

2.2.9 Irregularities during evaluation

The Authority found irregularities at evaluation in the procurement transactions detailed below:

Table 5: Irregularities during evaluation

S/no	Subject of Procurement	PPDA Findings
1.	Supply and delivery of T-shirts Corporate shirts, Diaries, calendars & reflector jackets worth UGX 54,542,373	1. Award of Contracts to bidders with forged documents. Blue Son Company Limited submitted a Tax Clearance Certificate Ref No. UGND210128739 which was registered in the names of Future Link Technologies Ltd addressed to Management Sciences for Health Inc for the

S/no	Subject of Procurement	PPDA Findings
		<p>supply of ICT Equipment and accessories which was verified from the URA system.</p> <p>2. The Best Evaluated Bidder (Abedenego Investments Limited) submitted a forged Tax Clearance Certificate and was found compliant and awarded the contract. The submitted tax clearance certificate Ref No. UGND210127759 was registered in the names of Niem Establishments Ltd addressed to Isingiro District Local Government for the supply of goods or services to a Ministry, Department or Agency of Government which was verified from the URA system.</p> <ul style="list-style-type: none"> Divine Heights (U) Ltd did not submit any eligibility documents and was found compliant at all stages of evaluation and neither was the bidder requested to submit the documents in accordance with Regulation 17 (6) of the PPDA (Evaluation) Regulations 2014.
2.	Printing of Ministerial Policy Statement worth UGX 30,000,000	<p>Section 7 (2) of the PPDA (Evaluation) Regulations 2014 provides that an Evaluation Committee shall not, during an evaluation, make an amendment or addition to the evaluation criteria stated in the bidding document, and shall not use any other criteria other than the criteria stated in the bidding document.</p> <p>The Evaluation Committee introduced a requirement for Powers of Attorney which was not in the bidding document issued to bidders.</p>
3.	Supply and delivery of Laptops worth UGX 31,742,944	<p>Award of contract to a non-complaint bidder. The standard bidding document required bidders to submit a Tax Clearance Certificate which had been submitted to any Government Entity within the last four months. On the contrary, DroBix 1991 Telecom Ltd (the best evaluated bidder) was passed by the Evaluation Committee yet it did not have a Tax Clearance Certificate and neither was it requested to submit the certificate contrary to Regulation 17 (6) of the PPDA (Evaluation) Regulations 2014.</p>
4.	Supply of laptops worth UGX 191,900,000	<p>Evaluation of a bidder not approved by the Contracts Committee. The Entity received and evaluated a bid from Business Center Limited which was not part of the three firms i.e Crane Computers, River Bank Ltd and Avalanche Investments Ltd that were shortlisted, approved the Contracts Committee and invited to participate in the process</p>

Implications

- Irregular practices during evaluation promotes unfairness and contravenes the principles of public procurement enshrined in Section 43 (a) and (b) of the PPDA Act, 2003 as amended.
- Unfairness during evaluation leads to award of contracts to non-compliant bidders.

Management response

The Entity acknowledges the audit findings and the entity got to learn that the two companies i.e Abednego investments Ltd and Blue son Company Ltd had submitted forged Tax Clearance Certificates from Niem Establishments Ltd and Future links Technology Ltd Respectively. The Entity recommends them for further disciplinary action.

Recommendations

- Evaluation Committees should strictly adhere to the evaluation criteria outlined in the bidding documents and firms that do not comply should be eliminated in accordance with Regulation 7 (1) of the PPDA (Evaluation) Regulations, 2014.
- The Contracts Committee should recommend to the Authority the above firms that submitted forged documents for blacklisting.

2.2.10 Irregular display of Notice of Best Evaluated Bidder

In the procurement for supply of laptops worth UGX 191,900,000 the best evaluated bidder's notice was displayed for 3 working days i.e 13th to 15th June 2022 contrary to the mandatory 10 working days required in the law.

Implication

Aggrieved bidders are deprived from complaining about the procurement process.

Management Response

The Entity acknowledges the audit findings and commits to display best evaluated bidder for the period specified by the law.

Recommendation

The Head Procurement and Disposal Unit should ensure that notices of best evaluated bidder are displayed for ten working days in accordance with Regulation 4 (2) (d) of the PPDA (Contracts) Regulations 2014.

2.2.11 Signing of Contracts above the budget

In the procurement of additional works for the construction of Mpondwe Border Export zone phase one, the Accounting Officer signed a contract with Ambitious Construction Company Ltd at a contract sum of UGX 2,512,574,054 which was higher than the market price established at initiation worth UGX 2,437,429,037 for the additional works creating a variance of UGX 75,145,017 above the budget and thus committing the Entity to expenditure that was not budgeted for which may result into domestic arrears.

Management Response

The market surveys were conducted, however there was a surge in process due to COVID 19 which caused a raise in price for the works.

Recommendation

The Accounting Officer should ensure that adequate needs assessments are conducted and contracts are not signed above the budgeted amounts.

2.2.12 Irregular cancellation of procurement processes without the approval of Contracts Committee

There was no evidence of cancellation of the procurement contrary to Section 75 of the PPDA Act 2003, as amended.

- i. **Procurement of Assorted Stationery.** The Authority noted the existence of two framework agreements for assorted stationery which was irregular. Whereas a framework agreement was entered by the Entity and three firms (Martcom Office Solutions at UGX 63,838,500, Maxspeed Investments Ltd at UGX 73,082,120 and Gold Centre (U) Ltd at UGX 76,852,250) on 2nd August 2019 for the supply of assorted stationery under a framework contract for 3 years, the Contracts Committee at its 3rd meeting held on 21st October 2021 approved an award of contract to eight (8) new firms (listed in Table 6 below) for the supply of assorted stationery under framework contract while there was already a running/ existing contract that had not been cancelled and neither had it expired.

Table 6: List of New firms contracted under Framework

No.	Name of firm	Contracted Framework Value (UGX) Vat Incl.
1.	Bhoomi Supply Ltd	13,706,086
2.	Picfare Industries Ltd	15,238,402
3.	Akazax Investments Ltd	17,301,160
4.	Tabline International Ltd	18,127,950
5.	Shangi Holdings Ltd	18,389,474
6.	Gulf Africa Ltd	18,899,615
7.	Dallena Enterprises	19,009,800
8.	Kevmark Investments Ltd	19,231,640

- ii. **Procurement of supply and delivery of 5 double cabin pickups worth UGX 993,750,000.** The Authority was informed that the draft contract was submitted to the Solicitor General for clearance in June 2022 however, there was no documentary evidence to that effect and the Authority could not assess the stage at which the process was cancelled as there was no documentary evidence on file to justify any further actions taken by the Ministry.
- iii. **Supply and delivery of laptops for AGOA Secretariat.** The procurement process was conducted up to award stage. The Authority was informed that due to funding the Ministry could not proceed with the process. There was however no documentary evidence of cancellation or any justification on file on the way forward on the transaction.

Implication

This affects the audit trail.

Management Response

By the time the process started, there was money to cater for the procurement of Laptops, however due to the emergencies at AGOA Secretariat the money was diverted for payment of rent and utilities and the procurement of the Laptops was stayed.

Recommendation

The Accounting Officer should ensure that the cancellation of the procurement is done in accordance with Section 75 of the PPDA Act, 2003, as amended.

2.2.13 Procurement of Assorted Stationary

Section 45 of the PPDA Act 2003 states that all procurements and disposal shall be conducted in a manner which promotes transparency, accountability and fairness.

In the procurement of assorted stationary the Authority noted various irregularities that were in breach of Section 45 of the PPDA Act 2003 thus resulting into financial loss as detailed below:

- i. **Contracting providers outside the framework contract.** The Entity signed a 3 year framework contract with 3 providers i.e Martcom Office Solutions UGX 63,838,500 Maxspeed Investments Ltd UGX 73,082,120 Gold Centre (U) Ltd UGX 76,852,250 (Ref no. MTIC/SUPLS/18-19/00090) on **2nd August 2019** ending **1st August 2022**. The Authority noted that the Entity issued a Call off order to Shangi Holdings Ltd worth UGX 4,785,000 who was not part of the Suppliers under the framework agreement. In addition, price variances were noted between the unit prices offered by Shangi Holdings Ltd and the lowest bidder under the framework agreement thus resulting into a financial loss worth UGX 628,000.

Table 7: Variances in Prices

No.	Item	Qty required	Unit Price by Martcom Office Solutions (FW)	Call off order to Shangi Holdings Ltd (Unit price)	Variance	% Variance
1.	A4 size envelopes	20pack	12,000	25,000		108%
			240,000	500,000	260,000	
2	A5 size envelopes	15 pack	12,000	15,000		25%
			180,000	225,000	45,000	
3	Office Pens (Blue black & Red)	12pck	23,500	25,000		6.4%
			282,000	300,000	18,000	
4	Big Office Punch	6pcs	90,000	120,000		
			540,000	720,000	180,000	33%
5	Visitors Book	5pcs	25,000	50,000		
			125,000	250,000	125,000	

- ii. **Irregular award of new framework contract.** The Authority noted that while there was an existing 3 year framework contract that was signed with 3 providers i.e Martcom Office Solutions UGX 63,838,500 Maxspeed Investments Ltd UGX 73,082,120 Gold Centre (U)

Ltd UGX 76,852,250 on 2nd August 2019 ending 1st August 2022, it was established that the Contracts Committee at its 3rd MTIC Contracts Committee meeting held on 21st October 2021 approved the evaluation report and award of a framework contract for assorted stationary (Ref no. MTIC/SUPLS/21-22/00001) to eight new firms listed below while there was still an ongoing framework agreement with 3 bidders that had neither expired nor cancelled by the Contracts Committee which was irregular.

Table 8: List of bidders irregularly awarded Contracts by the Contracts Committee

S/no	Name of bidder	Awarded Contract Value (UGX)
1.	Bhoomi Supply Ltd	13,706,086
2.	Picfare industries Ltd	15,238,402
3.	Akazax Investments Ltd	17,301,160
4.	Tabline International Ltd	18,127,950
5.	Shangi Holdings Ltd	18,389,474
6.	Gulf Africa Ltd	18,899,615
7.	Dallena Enterprises	19,009,800
8.	Kevmark Investments Ltd	19,231,640

- iii. **Splitting of procurement.** The Authority established that while there was an ongoing 3 year framework contract with 3 providers i.e Martcom Office Solutions UGX 63,838,500 Maxspeed Investments Ltd UGX 73,082,120 Gold Centre (U) Ltd UGX 76,852,250 signed on 2nd August 2019 ending 1st August 2022, the Entity initiated a procurement process using request for quotation method for the supply of assorted stationary (Ref no. MTIC/SUPLS/21-22/00018) initiated on 29th July 2021 with funds confirmed by the then Ag.PS (Ms. Grace A. Choda on 13th August 2021) which resulted into the award of contract to Visible Investments Ltd at UGX 17,468,800. In addition variances in price for two items were noted when compared with unit prices from the framework agreement resulting into a price variance of UGX 50,000 as detailed below:

Table 9: List of items

No	Description	QTY	Unit	Visible Investments	Martcom Office Solutions (FMW)	Price Variance
1	Delivery books	5	Pcs	25,000	15,000	10,000
2.	Visitors books	5	Pcs	65,000	25,000	40,000

In addition, the Authority noted that the Entity only invited 2 firms i.e Visible Investments Ltd and Dallena Enterprises Ltd which is contrary to Regulation 15 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014 that requires a procuring and disposing entity to obtain at least three quotations. A further analysis on the shortlisted 2 firms indicated that Visible Investments Ltd the best evaluated bidder was not on the prequalified list of providers for assorted stationary which was in breach of Regulation 43 (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014 that requires that a procuring and disposing entity shall when developing a shortlist for procurement requirements use the list of providers prequalified by the procuring and disposing entity.

Implications

- The split could have been intended to avoid the use of a more competitive method of procurement.
- Unfair and non transparent practices could result into low bidder responsiveness as a result of lack of trust in the Entity's procurement systems

Management Response

The Entity acknowledges the audit findings and pledges to improve.

Recommendations

- Contracts Committee should play its oversight role to mitigate the anomalies listed above.
- The Head Procurement and Disposal Unit should always use appropriate procurement methods in accordance with Regulations 6, 9 and 10 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014.

2.3. To assess the level of efficiency and effectiveness in contract implementation

2.3.1 Irregular payment of Advance

In the procurement of renovation of office space at Farmers House Plot 68 Parliamentary Avenue worth UGX 6,063,319,346, the bidder was paid more than 30% advance i.e (UGX 1,818,995,803) which was contrary to GCC 60.1 in the bidding document. The Authority noted that while the bidder submitted two guarantees from Cairo Bank Uganda worth UGX 1,818,995,803 as advance payment guarantee and UGX 2,981,004,197 as a payment guarantee both dated 17th June 2022 and valid until 17th December 2022, the bidder according to the bidding document was only to be paid UGX 1,818,995,803 as advance payment.

It was further established that the Entity advanced Sarick Construction Limited UGX 4,800,000,000 which was irregular and this was before commencement of works as the site was handed over on 12th August 2022. This contravened the Public Finance Management Act that requires that money advanced should be recovered within 60days after payment.

Implication

The Ministry is exposed to a risk of not achieving value for money and not recovering the equivalent in completion certificates or works completed before the expiry of the bank guarantees.

Management Response

The Ministry has mitigated the risk since the money is being held by the Bank and Ministry will release the UGX 2,981,004,197 in installments based on the completion certificates issued by the contract manager and upon authorization from the Accounting Officer.

Recommendations

- The Accounting Officer should take full responsibility for authorizing payment in excess of the 30% advance worth UGX 2,981,004,197 before completion of works in the event of non performance by the contractor.
- The Accounting Officer should effect payments in accordance with Regulation 43 (3) of the PPDA (Contracts) Regulations 2014.

2.3.5 Failure to fulfill contractual obligations

This was noted in the procurement of supply of Printing of Ministerial Policy Statement worth UGX 30,000,000. The Ministry signed a contract with UPPC to print 500 copies of the Ministerial Policy Statement however the company only printed 50 copies out of the 500 copies as per its contractual terms.

Implication

This raises doubts on whether there was effective supervision of the supplier.

Management Response

The UPPC delivered the first batch of 50 copies which did not meet the specifications and standards agreed upon and the delivery of rest was temporary stopped. However, the Accounting Officer has taken note of the audit finding and will ensure that the User Departments and Contract Managers implement the existing contracts within the stated time.

Recommendations

The Accounting Officer should task the Heads of User Departments and Contract Managers to ensure that contracts are implemented within the contractual terms and conditions in accordance with Regulation 53 of the PPDA (Contracts) Regulations, 2014.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section presents the scores per area assessed under different inspection questions.

3.1 Overall Compliance audit Conclusion

The performance of Ministry of Trade, Industry and Cooperatives for the Financial Year 2021/22 was **unsatisfactory** with overall weighted average risk rating of **60.2%**.

3.2 Entity's Performance

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

Table 8: Summary of Performance

Risk category	No.	No. %	Value (UGX)	Value%	Weights	Total weighted Average	
						By No	By Value
High	2	16.7	6,080,788,146	41.9	0.6	10	25.1
Medium	8	66.7	8,252,054,479	56.8	0.3	20	17
Low	2	16.7	192,212,900	1.3	0.1	1.67	0.13
Satisfactory	0	0	0	0	0	0	0
Total	12	100.0	14,525,055,525	100.0	1	30	42.3

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

$$\text{Performance by Value} = \frac{42.3 \times 100}{60} = 70.5\%$$

$$\text{The average weighted risk rating} = \frac{50 + 70.5}{2} = 60.2\%$$

Table 9: Overall Entity Ranking

Risk Rating	Description of Performance
Below 10%	Highly Satisfactory
11-39%	Satisfactory
40-79%	Unsatisfactory
80 and above	Highly Unsatisfactory

Figure 1: Graphical representation of the cases by value

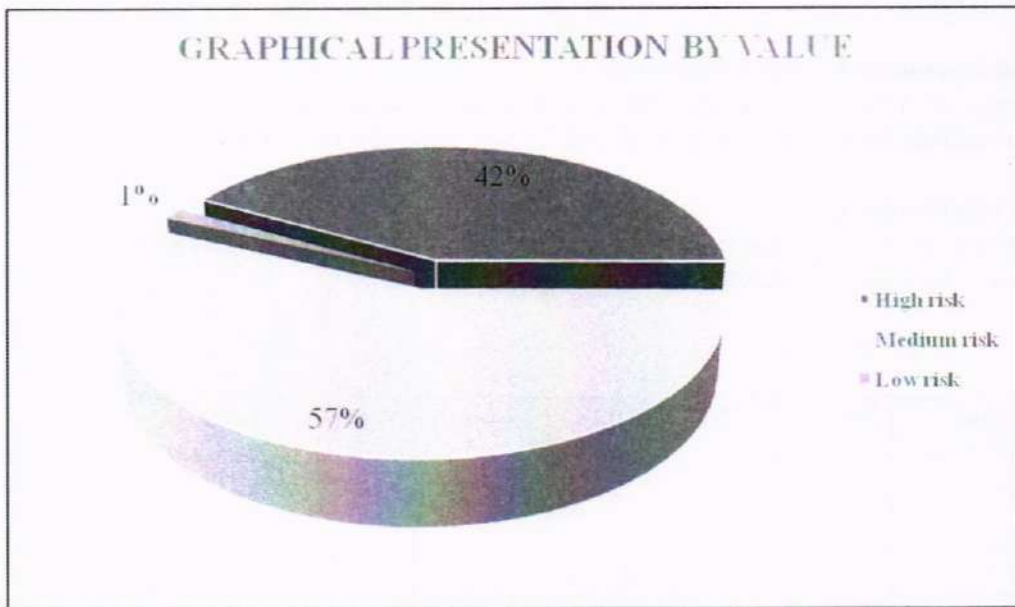
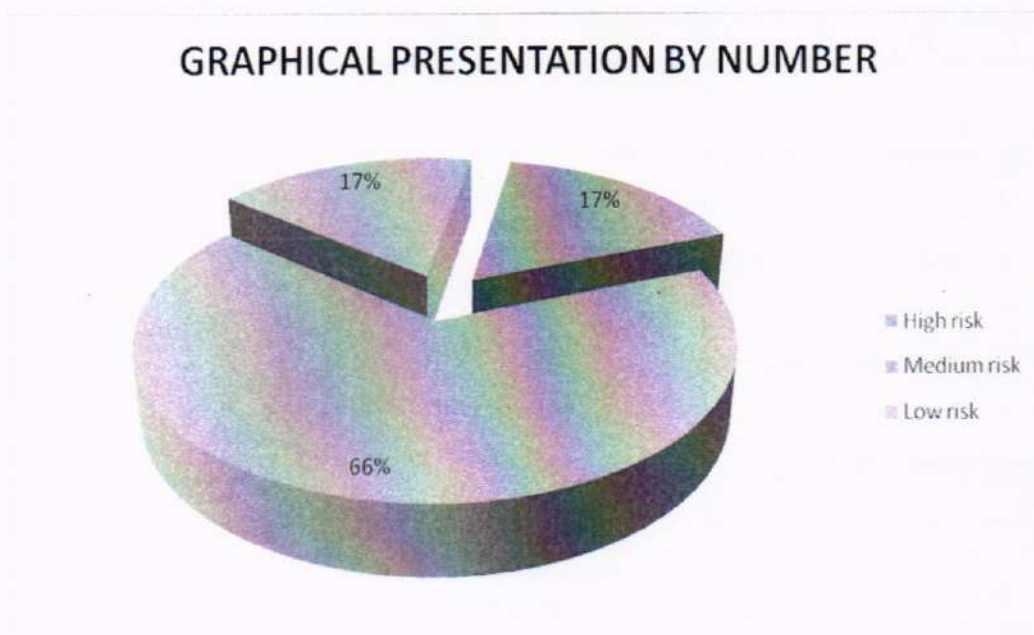


Figure 2: Graphical representation of the cases by number



Appendix 1: Findings and rating on the individual contracts reviewed

No	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	Procurement of Assorted Stationary	<ul style="list-style-type: none"> Irregular cancellation of procurement processes without seeking Contracts Committee approval. Contracting providers outside the framework contract. In addition, price variances were noted between the unit prices thus resulting into a financial loss worth UGX 628,000. Irregular award of new framework contract while there was an existing framework contract. Splitting of procurements while there was an ongoing 3 year framework contract. The Entity initiated a procurement process using request for quotation method for the supply of assorted stationary. In addition, only 2 firms were invited contrary to Regulation 15 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014.
2.	Renovation of office space at Farmers House Plot 68 Parliamentary Avenue worth UGX 6,063,319,346	Irregular payment of Advance payment in excess of the 30% advance worth UGX 2,981,004,197

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	Supply and delivery of furniture, curtains, fittings and accessories for the Ministry worth UGX 1,622,545,108	Use of less competitive procurement methods.
2.	Supply and delivery of T-shirts Corporate shirts, Diaries , calendars & reflector jackets worth UGX 54,542,373	<ul style="list-style-type: none"> Award of Contracts to bidders with forged documents i.e Blue Son Company Limited and the Best Evaluated Bidder Abednego Investments Limited. Divine Heights (U) Ltd did not submit any eligibility documents and was found compliant at all stages of evaluation.
3.	Supply and delivery of 5 double cabin pick-ups worth UGX 993,750,000	<ul style="list-style-type: none"> Use of less competitive procurement methods. Cancellation of procurement processes without prior approval of the Contracts Committee
4.	Procurement of five station wagons and one double cabin by M/s Suma Bolt Logistics worth UGX. 2,820,000,000	<ul style="list-style-type: none"> Inconsistencies in the bid security. Inconsistency in the number of vehicles advertised visa vie the clearance from Public Service. Inconsistencies in the evaluation report.
5.	Supply of laptops worth UGX	Disregard of Contracts Committee decisions. The

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	191,900,000	<p>Procurement and Disposal Unit used a request for quotation document which was contrary to the Contracts Committee approval that approved the method of procurement as restricted domestic bidding.</p> <ul style="list-style-type: none"> • Irregularities at bid opening. The Ministry irregularly received a bid from Business Centre Limited yet it was not part of the firms shortlisted and approved by the Contracts Committee. • Evaluation of a bidder not approved by the Contracts Committee. • Irregular display of Notice of Best Evaluated Bidder for 3 working days i.e 13th to 15th June 2022 contrary to the mandatory 10 working days required in the law.
6.	Printing of Ministerial Policy Statement worth UGX 25,000,000	<ul style="list-style-type: none"> • Introduction of new evaluation criteria at evaluation of bids. • Failure to fulfill contractual obligations.
7.	Supply and delivery of laptops for AGOA Secretariat worth UGX 31,742,944	<ul style="list-style-type: none"> • Irregular cancellation of procurement processes without seeking Contracts Committee approval. • Delayed confirmation of funding by the Accounting Officer by 11 days. • Award of contract to a non-complaint bidder.
8.	Additional works for the construction of Mpondwe Border Export zone phase one worth UGX 2,512,574,054	Signing of Contracts above the budget

No	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	Consultancy services for environmental and social audit of Mpondwe BEZ and Mpondwe OSBP worth UGX 68,836,000	<ul style="list-style-type: none"> • Irregularities at bid opening. • Signing of Contracts above the budget.
2.	Provision of services for clearing and forwarding for implementation of BADEA Technical Assistance to support leather foot wear industry incubator worth UGX 123,376,900	Disregard of Contracts Committee decisions. Mr. Alfred Lapyem was replaced on the evaluation committee by Mr. Daniel Kalule without prior approval by the Contracts Committee contrary to Section 37 (2) of the PPDA Act 2003.

Appendix 2: List of sampled procurements for Ministry of Trade, Industry and Cooperatives for Financial Year 2021/2022

No.	Procurement Reference No.	Subject of Procurement	Procurement Method	PROVIDER	Contract Value (UGX)	Risk Rating
1.	MTIC/SUPLS/2021-22/00010	Supply of office furniture, curtains, fittings and accessories	Restricted Domestic Bidding method	Footsteps Furniture Co. Ltd	1,622,545,108	Medium
2.	MTIC/SUPLS/2021-22/00135	Supply and delivery of five motor vehicles(Double cabin pick-ups)	Restricted Domestic Bidding method	MAC East Africa Ltd	993,750,000	Medium
3.	MTIC/SUPLS/2021-22/00010	Supply and delivery of laptops for the Ministry	Request for Quotation	Avalanche Investments Limited	191,900,000	Medium
4.	MTIC/WRKS/2021-22/0007	Repair and renovation of properties(Office space at Farmer's House)	Restricted Domestic Bidding method	Sarick Construction Limited	6,063,319,346	High
5.	MTIC/SRVCS/2021-22/00118	Printing and delivery of ministerial policy statement	Direct Procurement method	Uganda Printing and Publishing Corporation	25,000,000	Medium
6.	MTIC/SRVCS/2021-22/00118	Provision of consultancy services to undertake Environmental and social Audit for Mpondwe	Restricted Domestic Bidding method	Nova Consult and Partners.	68,836,000	Low
7.	MTIC/AGOA/SUPLS/2021-22/00100	Supply and delivery of laptops for AGOA Secretariat	Request for Quotation method	DroBix 1991 Telecom Limited	31,742,944	Medium
8.	MTIC/GLTTP/SRVCS/2021-22/00067	Printing of t-shirts, Calendars and Diaries under GLTP	Request for Quotation method	Abednego Investments Ltd	54,542,373	Medium

		project.				
9	MTIC/SRVCS/2021-22/00054	Provision of clearing and forwarding services	Restricted Domestic Bidding method	D&M Logistics Ltd	123,376,900	Low
10.	MTIC/GLTFP/SVRCS/2021-22/00052	Additional works to the current contract for construction of Mpondwe Border Export zone phase one	Direct Procurement method	Ambitious Construction Company Ltd	2,512,574,054	Medium
11.	MTIC/SVRCS/2021-22/00001	Supply and delivery of five motor vehicles (station wagons)	Open Domestic Bidding method	Suma Bolt Logistics Ltd	2,820,000,000	Medium
12.	MTIC/SUPLS/2021-22/00018	Supply and delivery of assorted stationery for Quarter I	Request for Quotation method	Visible Investments	17,468,800	High
	TOTAL				14,525,055,525	

Appendix 3: List of User Departments

No	Title of User Department	Job Title of Head of Department
8.	Finance And Administration	Under Secretary
9.	External Trade	Commissioner
10.	Internal Trade	Commissioner
11.	Cooperatives Development	Commissioner
12.	Industry	Commissioner
13.	Business Development and Marketing	Commissioner
14.	Processing and Marketing	Commissioner

Appendix 4: List of the Contracts Committee members

No.	Name	Designation	Position on Contracts Committee	Appointment date
1.	CleopasNdorere	Assistant Commissioner Processing and Marketing	Chairman	8 th November 2019
2.	BernaNakkazi	Senior Industrial Officer	Secretary	3 rd March 2022
3.	JacksonNabongo	Ag. Senior Assistant Secretary	Member	20 th March 2020
4.	Akaziah Masereje	Senior Commercial Officer	Member	3 rd March 2022
5.	Faith Nyamwenge	Legal Officer	Member	14 th November 2016

Appendix 4: Procurement and Disposal Unit Members

No	Name	Position in PDU
1.	Mr. Alfred Lapyem	Principal Procurement Officer
2.	Mr. Tom Acwera	Procurement Officer
3.	Mr. Tom Opio	Office Assistant

Appendix 5: 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

RISK	DESCRIPTION	AREA	IMPLICATION
			failure to recommend award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.	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-pre-qualified firms and splitting procurement requirements.	This implies lack of efficiency, standardisation and avoiding competition.
		Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors.	This leads to unjustified contract amendment and variations which

RISK	DESCRIPTION	AREA	IMPLICATION
		failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	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 place and monitor compliance with detailed procedures.	Planning: Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

SATISFACTORY

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