



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

"Procurement That Delivers"

**REPORT ON THE COMPLIANCE AUDIT OF NAGGULU SEED
SECONDARY SCHOOL FOR THE CALENDER YEAR 2023**

AUGUST 2024

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ACRONYMS

PPDA	Public Procurement and Disposal of Public Assets Authority
UGX	Uganda Shillings

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EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (hereinafter “PPDA or Authority”) carried out the compliance audit of Naggulu Seed Secondary School (hereinafter “School”) that covered a sample of six procurement transactions conducted during the year 2023.

The overall objective of the compliance audit was to assess and establish the degree of compliance of the school’s procurement system and processes with the provisions of the PPDA Act, 2003, the PPDA Regulations, 2014 and the Procurement and Disposal Guideline for Schools in Uganda, 2014 in order to assess the level of procurement performance over the period under review

From the findings of the compliance audit, the performance of the school during the year 2023 was **unsatisfactory** with overall weighted average risk rating of **93.91%**. The risk rating was weighted to determine the overall risk level of the school as detailed in Chapter 3 of this compliance audit report.

The following key exceptions were noted:

1. The Head Teacher appointed two Board of Governors as Contracts Committee members and did not appoint the Deputy Head Teacher as the Contracts Committee Chairperson which deterred segregation of duties in adjudicating contract awards.
2. The school did not have an established Procurement and Disposal Unit which affected the level of efficiency and professionalism in the conduct of procurements.
3. The Contracts Committee did not dully perform their functions which adversely impacted their ability to follow the procurement rules and regulations in awarding contracts.
4. The Procurement Committee did not diligently perform the functions of the Procurement and Disposal Unit under planning, initiation, managing bidding procedures, evaluation, contract management and supporting the functioning of the Contracts Committee which risked mismanagement of procurements and influencing the independence of the other user roles.
5. The User Departments did not diligently perform their functions under planning, initiation, evaluation and contract management which exposed the school to poor performance attributes in public procurement.
6. The school did not prepare and submit to the Authority its procurement plan as well as the quarterly procurement and disposal reports for the year 2023 which undermined the principles of transparency and accountability in the procurements conducted by the school
7. The school did not maintain and archive all procurement records on individual procurement action files with unique reference numbering which inhibited accountability and affected the audit trail.
8. The school did not prepare a disposal plan for the year 2023 which impeded tracking obsolete assets and further increased the financial risk of poor maintenance of public assets.
9. The User Departments did not nominate and appoint contract managers to monitor and report on contract implementation which deterred the achievement of value for money in public service delivery.

In conclusion, the Authority attributed the school’s procurement performance to failure to properly constitute the Contracts Committee, absence of a functioning Procurement and Disposal Unit,

failure by the Contracts Committee, Procurement Committee and User Departments to perform their core functions in public procurement, lack of segregation of duties, failure to prepare and submit the procurement and disposal plans as well as quarterly procurement and disposal reports, poor records management and non-existent contract management efforts.

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

1. Write to the Authority requesting for a training for the Board of Governors, newly constituted Contract Committee and Procurement and Disposal Unit/ Procurement Committee so that it is included in the Authority's work plan as early as possible.
2. Subject to availability of funds, prioritize the recruitment of a qualified procurement professional to handle the Entity's procurement activities. In case of budgetary constraints, the school can recruit a qualified procurement personnel on a voluntary basis.
3. Task the Contracts Committee to perform their oversight role as laid down under Section 26 of the PPDA Act Cap. 205.
4. Task the Procurement Committee to execute the functions of the Procurement and Disposal Unit in accordance to Paragraph 5.19 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014.
5. Task the User Departments to diligently execute their functions on planning, initiation, bidding, evaluation and contract management in accordance with Paragraph 5.20 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014.
6. Task the Procurement Committee to prepare and submit to PPDA an annual consolidated procurement plan for the school, based on the approved budget and the User Department procurement workplans, at the start of each year in accordance with Section 58(1) of the PPDA Act Cap. 205.
7. Task the Procurement Committee to prepare and submit to PPDA a disposal plan of the school to support the planning and disposing of obsolete items in accordance with Section 58(1) of the PPDA Act Cap. 205.
8. Task the Procurement Committee to prepare and submit to PPDA quarterly procurement and disposal reports on all implemented procurement activities in accordance with Paragraph 5.2 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014.
9. Task the Procurement Committee to allocate a specific reference number to each procurement requirement on a separate procurement action file in accordance with Paragraph 5.19.1 (n) of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014.
10. Task the Heads of User Departments to nominate staff members to be appointed as contract managers for each procurement to conduct contract monitoring and reporting in accordance with Paragraph 12.12 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014.

The Accounting Officer should therefore follow up closely with the implementation of the recommended action plan on pages **14** and **15** of this compliance audit report as mandated by the PPDA law and Regulations.

CHAPTER 1: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority conducted a compliance audit of Naggulu Seed Secondary School for the year 2023. The compliance audit covered a sample of six procurement transactions carried out during the year 2023. The exercise involved a review of the procurement systems and processes in accordance with the PPDA Act Cap. 205, the PPDA Regulations, 2014 and the Procurement and Disposal Guideline for Schools in Uganda, 2014.

1.2 Objective of the Compliance Audit

The overall objective of the compliance audit was to assess and establish the degree of compliance of the school's procurement system, procurement processes and disposal processes with the provisions of the PPDA Act Cap. 205, the PPDA Regulations, 2014 and the PPDA Guidelines, 2014 while assessing the level of procurement performance over the period under review.

The specific objectives of the compliance audit of the school were to:

1. Establish the level of compliance by the school with the general provisions of the PPDA Act, Cap. 205 and Regulations 2014 with regard to the performance of the procurement structures and conduct of procurement processes;
2. Assess the degree of compliance of the school's disposal process with the provisions of the PPDA Act Cap. 205 and Regulations 2014; 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 Compliance Audit

The compliance audit covered a sample of six procurement transactions conducted during the year 2023, review of procurement structures and systems as well as assessment of the procurement plan performance. The list of sampled transactions is contained in **Annex 1**.

1.4 Compliance Audit Methodology

Naggulu Seed Secondary School was notified about the compliance audit on **28th May 2024**. An entry meeting was held on **5th June 2024** where the objectives of the compliance audit, the timelines, roles and responsibilities of all parties involved were discussed.

Upon request, the school's management provided the required records in time from which a representative sample of six procurement transactions were selected using the stratified random sampling method during the compliance audit. The audit team reviewed the school's records to assess compliance at all procurement stages. Interviews were held with the staff where necessary to obtain clarification on findings and later presented preliminary findings on **5th June 2024** to the school's management in a debrief meeting.

The audit team prepared and issued the management letter to the school on **25th June 2024** which required a response to be submitted by **2nd July 2024**. The school requested for an extension to submit the management response on **15th July 2024**; however, the school submitted the management response on **25th July 2024**.

CHAPTER 2: COMPLIANCE AUDIT FINDINGS AND RECOMMENDATIONS

This section presents the findings arising from the compliance audit of the Naggulu Seed Secondary School for the calendar year 2023.

2.1 Compliance by the school with the General Provisions of the PPDA Act Cap. 205 and PPDA Regulations, 2014 with regard to the Performance of the Procurement Structures and Conduct of Procurement Processes

2.1.1 Procurement structures

A review of the school's structures revealed that the Accounting Officer has put in place some structures albeit with several gaps. It was also noted that the different players in the procurement processes lack a clear understanding of their roles and responsibilities. As such, they did not dully execute their functions as enshrined in the PPDA Act Cap. 205, Regulation, 2014 and Guidelines for Schools, 2014 as indicated below:

2.1.1.1 Accounting Officer

Section 26 of the PPDA Act, 2003 and Paragraph 5.3 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014 spell out the functions of the Accounting Officer in the procurement process. However, the Authority noted that the Accounting Officer did not perform the following responsibilities:

i. Failure to properly constitute the Contracts Committee

Paragraph 5.5.2 and 5.8.3 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014 provide that a member of the governing board of the school shall not be a member of the Contracts Committee and that the Accounting Officer shall appoint the Deputy Head Teacher as the chairperson of the Contracts Committee respectively.

The Authority found that the Head Teacher appointed two Board members of the Contracts Committee contrary to Paragraph 5.5.2 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014. Furthermore, the Deputy Head Teacher (Ms. Zulaika Nanyondo) was not appointed as the Contracts Committee Chairperson contrary to Paragraph 5.8.3 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014.

ii. Failure to dully establish a Procurement and Disposal Unit

Paragraph 5.18.1 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014 requires the Accounting Officer to establish a Procurement and Disposal Unit whose staffing level shall be determined by the anticipated number, value and complexity of procurement transactions.

The Accounting Officer appointed a five-member committee from staff to manage the Entity's procurement activities. However, the Authority noted that none of the Committee members has required qualifications or training in conducting procurements. The committee comprises of the following members listed in Table 1 below.

Table 1: Procurements Committee members

No	Name	Position on the Committee	Substantive Position
1.	Ms Zulayika Nanyondo	Chairperson	Deputy Head Teacher
2.	Mr. Najib Bombokka	Member	Teacher
3.	Ms. Jenniffer Nankumbi	Member	Teacher
4.	Mr. Fauzu Nsubuga	Member	Teacher
5.	Mr. Jimmy Yiga	Member	Teacher

Risk Implications

- Improper constitution of the Contracts Committee may bring legal challenges to the decisions taken by the Committee.
- Not having a dedicated and qualified person to manage the school's procurement activities affects the level of efficiency and professionalism in the conduct of procurements.

Management Response

- Two Board members who were on the Contracts Committee were replaced by the Nanono Rita and Katemwa Joel. As per the PPDA Guidelines for schools, the Deputy Headteacher was appointed as the Chairperson contacts Committee on 1st July 2024. We propose to engage the new and old members on the contracts committee in several trainings subject to the availability of funds.*
- Regarding the required qualifications or training in conducting procurements. Not all members were interviewed on this subject matter. Secondly, disbanding the five-member procurement committee might cause crisis in whole management process. On the same committee, Ms. Zulayika Nanyondo who is the Deputy Head teacher was replaced by Ms. Nayeale Grace as guided. In this regard, it would be prudent to organize training in procurement than dissolving the committee and plans are underway to affect this proposal. As recommended, a qualified procurement personnel would be appropriate as we re-organize ourselves.*

Authority's Comment

The Authority appreciates the school's efforts to reconstitute the Contracts Committee. However, the school did not submit evidence in this regard hence this finding was retained to assess how the school will implement the Authority's recommendations.

Recommendations

1. The Accounting Officer should write to the Authority requesting for a training for the Board of Governors, newly constituted Contract Committee and Procurement and Disposal Unit/ Procurement Committee so that it is included in the Authority's work plan as early as possible.
2. The Accounting Officer should, subject to availability of funds, prioritize the recruitment of a qualified procurement professional to handle the Entity's procurement activities. In case of budgetary constraints, the school can recruit a qualified procurement personnel on a voluntary basis.

2.1.1.2 Failure by the Contracts Committee to dully perform their functions

Section 28 of the PPDA Act Cap. 205 requires the Contracts Committee to adjudicate on all submissions/recommendations from the Procurement and Disposal Unit and make award decisions.

The Authority found that the Contracts Committee did not approve the school's procurement plan, did not approve procurement methods, shortlists, bidding documents, Evaluation Committee and did not make award decisions during the period under review. Notably, the Committee held a single meeting during the year 2023.

Risk implication

Without the oversight of the Contracts Committee, there is a likelihood that the school may not follow the procurement rules and regulations in awarding contracts.

Management Response

I promise to regularly task the Contracts Committee to perform their oversight role as laid down under Section 26 of the PPDA Act Cap. 205.

Recommendation

The Accounting officer should task the Contracts Committee to perform their oversight role as laid down under Section 26 of the PPDA Act Cap. 205.

2.1.1.3 Failure by the Procuring and Disposing Unit/Procurement Committee to perform its functions

The Authority reviewed the operations of the Procurement Committee/ Procurement and Disposal Unit and noted that Committee did not perform the following functions enshrined in Paragraph 5.19.1 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014:

- i. Recommend appropriate procurement and disposal procedures;
- ii. Prepare and issue bidding documents, manage bid closing and opening and prepare contract documents;
- iii. Perform the functions of secretary to the Contracts Committee;
- iv. Recommend evaluation and negotiation Committees to the Contracts Committee for approval; and
- v. Prepare reports on procurement activities conducted by the Entity

Risk Implications

- Failure to recommend appropriate procurement and disposal procedures exposes procurements to the risk of mismanagement if handled without the Procurement and Disposal Unit guidance and intervention from the Contracts Committee.
- Failure to maintain and archive Procurement and disposal records implies that the school cannot effectively account for the funds allocated; and
- Failure to prepare reports on procurement activities makes it difficult for responsible stakeholders to conduct timely interventions in case of challenges during implementation.

Management Response

The Head procuring and Disposing Unit shall periodically prepare and submit to Contracts Committee, reports on procurement activities. Kindly take note that the failure to prepare and issue bidding documents, manage bid closing, opening was basically due to having received no adequate responses from a good number of service and goods providers. Hence the adoption of asking the few who responded to the advertisement to supply their respective goods and services as discussed and noted with evidence.

Recommendations

1. The Procurement Committee/ Procurement and Disposal Unit should propose and seek Contracts Committee approval of the procurement and disposal procedures to be followed during all procurement and disposal activities of the school in accordance to Paragraph 5.19.1(f) of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014.
2. The Procurement Committee/ Procurement and Disposal Unit should periodically prepare and submit to Contracts Committee, reports on procurement activities conducted by the school in accordance to Paragraph 5.19.1(o) of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014.

2.1.1.4 User Departments

Paragraph 5.19.1 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014 spells out the functions and powers of the User Department in a post-primary institution.

The Authority noted that user departments did not perform their functions in the procurement process contrary to Paragraph 5.19.1 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014. Specifically, the user departments did not:

- i. Prepare departmental workplans for onward submission to the Procurement and Disposal Unit for consolidation;
- ii. Use the standard forms to initiate procurements, and did not include the estimated cost of the procurement and the proposed statement of requirements on procurement requisitions;
- iii. Participate in the evaluation of bids; and
- iv. Nominate contract managers and manage contract implementation

Risk Implication

Failure by the user departments to fully participate in the procurement process leads to procurement of items that do not meet user' needs.

Management Response

School departments fully participate in the procurement process as a guide for the annual work plan / budget that is always approved by the Board of Governors. However, we intend to refer to Paragraph 5.20.1 (c) of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014 so that business is not conducted outside the law.

Authority's Comment

The school did not submit evidence of the departmental workplans for the year 2023 during the audit and at submission of the management response; therefore, this query was retained to assess how the Authority's recommendation on involving Users in the procurement planning process will be implemented.

Recommendations

1. The Accounting Officer should task the User Departments to prepare and submit their departmental workplans to the Procuring and Disposing Unit for consolidation into the annual procurement plan in accordance with Paragraph 5.21 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014.
2. The Accounting Officer should task the User Departments to initiate procurements and Procuring and Disposing Unit to not conduct/commence procurement process without duly signed and approved requisitions in accordance with Paragraph 5.20.1 (b) of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014.
3. The Accounting Officer should task the Heads of User Departments to propose technical specifications to the Procuring and Disposing Unit at the time of requisitioning in accordance with Paragraph 5.20.1 (c) of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014.

2.1.2 Independence of functions

Section 38 of the PPDA Act Cap. 205 requires that the different players in the procurement process act independently in relation to their functions and powers. Additionally, Paragraph 5.1.1 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014 provides that the Accounting Officer, Contracts Committee, Procurement and Disposal Unit, Evaluation Committee and User Department shall each act independently in relation to their respective functions and powers.

The Authority found that two Board members were appointed to the Contracts Committee and, participated in the adjudication of procurement matters contrary to Section 38 of the PPDA Act Cap. 205.

Additionally, the Procurement Committee constituted itself into the Evaluation Committee, and assessed bids for all procurements contrary to Paragraph 5.22 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014 which provides that all evaluations shall be conducted by the Evaluation Committee, which shall report to the Procurement and Disposal Unit.

Risk Implication

This leads to conflict of interest which affects fairness and competition in the procurement process.

Management Response

The Board of Governors withdrew their membership from the Contracts Committee. Evaluation Committee shall be constituted in accordance with PPDA Guidelines for schools in Uganda, 2024.

Recommendation

The Procurement Committee/ Procurement and Disposal Unit and the Contracts Committee should nominate and approve Evaluation Committee for each procurement transaction respectively in accordance with Paragraph 5.19.1(s) and 5.10.1(e) of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014

Procurement Planning

Section 58 of the PPDA Act Cap. 205 requires Entities to prepare and submit to the Authority, and the Secretary to the Treasury, procurement plans for each financial year.

The Authority noted that the school did not prepare, and submit to the Authority, its procurement plan for the year 2023.

Additionally, the User Departments did not prepare departmental workplans for consolidation into the Annual Procurement plan by the Procurement and Disposal Unit.

Risk Implication

Failure to prepare an annual procurement plan leads to unplanned and emergency expenditures.

Management Response

User Departments tasked to prepare departmental procurement plans each academic year. A consolidated procurement plan for the school basing on budgets and user department procurement work plan is always coordinated by the school bursar and the approved copy was availed to the PPDA officers during the audit process.

Authority's Comment

The school did not submit evidence of the departmental workplans for the year 2023 during the audit and at submission of the management response; therefore, this query was retained to assess how the Authority's recommendation on involving Users in the procurement planning process will be implemented.

Recommendations

1. The Accounting Officer should task User Departments to prepare departmental procurement plans in line with the approved workplans for each academic year in accordance with Paragraph 5.21 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014.
2. The Accounting Officer should task the Procurement Committee/ Procurement and Disposal Unit to prepare a consolidated procurement plan for the school basing on the approved budget and the user department procurement workplans in accordance with Paragraph 7.5 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014.
3. The Accounting Officer should submit to the Authority the School's procurement plan at the beginning of each year in accordance with Section 58(1) of the PPDA Act Cap. 205.

2.1.3 Inadequate Reporting Mechanism

Regulation 20 of the PPDA (Procuring and Disposing Entity) Regulations, 2014 and Paragraph 5.2 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014 require the

school to prepare and submit to the Authority, quarterly reports on procurement and disposal activities undertaken by the school.

However, the school did not prepare nor submit quarterly procurement and disposal reports to the Authority during the period under review.

Risk Implication

This is a sign of lack of transparency and accountability in the procurements conducted by the school.

Management Response

Quarterly procurement reports shall be prepared and submitted to the authority in accordance with PPDA Guidelines.

Recommendation

The Accounting Officer should ensure that all quarterly procurement reports are prepared and submitted to the Authority in accordance with Paragraph 5.2 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014

2.1.4 Lack of a proper referencing mechanism

The Procurement Committee did not assign unique procurement reference numbers to all procurement transactions conducted during the year 2023 contrary to Guideline No.2 of the PPDA (Reference Numbers for Procurement and Disposal Transactions) Guidelines, 2014.

Risk Implications

- This hinders the effective tracking and monitoring of the progress of procurement transactions
- It also affects records keeping which undermines accountability and transparency in the Entity.

Management Response

Specific reference numbers to each procurement requirement were indicated at the time of advertisement. However, we intend to adopt the numbering system under the Guideline No.2 of 2024 on Reference Numbers for Procurement and Disposal Transactions.

Recommendation

The Accounting Officer should task the Procurement Committee/ Procurement and Disposal Unit to allocate a specific reference number to each procurement requirement at the initiation stage using the numbering system specified under Guideline No.2/2024 on Reference Numbers for Procurement and Disposal Transactions.

2.1.5 Records Management

The Authority found that for each the implemented procurements during the year 2023, the Procurement and Disposal Unit did not maintain individual procurement action files containing the records outlined under Paragraph 7.3.1 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014.

Risk Implication

Poor records management inhibits accountability and also affects the audit trail.

Management Response

The Head of Procurement and Disposal Unit to prepare a separate procurement action file.

Recommendation

The Accounting Officer should task the Procurement Committee/ Procurement and Disposal Unit to prepare a separate procurement action files for each of the implemented procurements in accordance with Paragraph 7.3.1 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014.

2.2 Compliance of the school's Disposal Process with the Provisions of the PPDA Act Cap. 205 And Regulations 2014.

The Authority made the following findings in regard to the level of compliance of Naggulu Seed Secondary School's disposal process with the provisions of the PPDA Act Cap. 205 and Regulations 2014.

2.2.1 Absence of a disposal plan for the calendar year 2023

The school did not prepare a disposal plan for the year 2023 contrary to Section 58 (1) of the PPDA Act Cap. 205.

Risk Implication

Failure to track obsolete assets will further depreciate and lose value alongside the financial risk of over or under maintenance of public assets.

Management Response

Disposal plan shall be prepared for obsolete items.

Recommendation

The Accounting Officer should task the Procurement Committee/ Procurement and Disposal Unit to prepare and submit to PPDA the school's disposal plan to help in the planning and disposing of obsolete items in accordance with Section 58 (1) of the PPDA Act Cap. 205.

2.3 Level of efficiency and effectiveness in contract implementation including the application of environmental, social, health and safety (ESHS) requirements in the procurement process

The Authority made the following findings in regard to the level of efficiency and effectiveness in contract implementation at Naggulu Seed Secondary School including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process.

2.3.1 No evidence of nominating and appointing contract managers

The Authority reviewed six procurements worth UGX 38,925,000 conducted during the year 2023 and found no evidence of the User Departments nominating to the Accounting Officer a member from the User Department, with appropriate skills and experience to be appointed as contract manager contrary to Regulation 52 (1) of the PPDA (Contracts) Regulations, 2014 and Paragraph

12.12.1 of the PPDA Procurement and Disposal Guidelines for Schools in Uganda, 2014. The procurements are listed in Table 2 below.

Table 2: Procurements without contract management records

No.	Subject of Project	Provider	Award Value
1.	Emptying toilets	Mr. Godfrey Kiseegerwa	2,600,000
2.	Specialized sanitary items	Mr. Karim Kanatta Abdul Karim	1,500,000
3.	Chemicals & equipment	Rafiki Provisional Store	18,000,000
4.	Stationery	Wana prime Investments (U) Ltd	7,125,000
5.	Furniture and repairs	Naika Investments	6,700,000
6.	School MIS	Zeraki Technologies	3,000,000
Total			38,925,000

Risk Implication

These indicate laxity by the User Departments to take overall responsibility for the implementation of contracts in accordance with the contractual terms and conditions therein hence affecting maximization of value for money.

Management Response

Heads of User Departments have been tasked to provide an explanation as to why there was no evidence of nomination of staff members to be appointed as contract managers.

Recommendation

The Accounting Officer should task the Heads of User Departments to nominate staff members to be appointed as contract managers for each procurement to conduct contract monitoring and reporting in accordance with Paragraph 12.12 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014.

CHAPTER 3: OVERVIEW OF THE RATING OF THE SCHOOL

This section will graphically present the procurement performance of Naggulu Seed Secondary School for the calendar year 2023.

3.1 Overall Compliance Audit Conclusion

Naggulu Seed Secondary School had an overall weighted average risk rating of 93.91% which is unsatisfactory. The risk rating analysis is demonstrated in Table 3 below:

Table 3: Risk Rating Descriptions

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

3.2 School's Performance

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

Table 4: Weighted Average Score by Number and Value of Sampled Procurements

Risk Category	No.	%No	Value (UGX)	%Value	Weights	Total Average	
						By No.	By Value
High	5	83.33	35,925,000	92.29	0.6	50.00	55.38
Medium	1	16.67	3,000,000	7.71	0.3	5.00	2.31
Low	0	0	0	0	0.1	0.00	0.00
Total	6	100	38,925,000	100	1	55.00	57.69

$$\text{Weighted Average (By No.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{55}{60} \times 100 = 91.7\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{57.69}{60} \times 100 = 96.2\%$$

$$\text{Combined Weighted Average} = \frac{91.7\% + 96.2\%}{2} = 93.95\%$$

Figure 1 below is the graphical representation of the risk rating of Naggulu Seed Secondary School by number of contracts and contract value for the calendar year 2023.

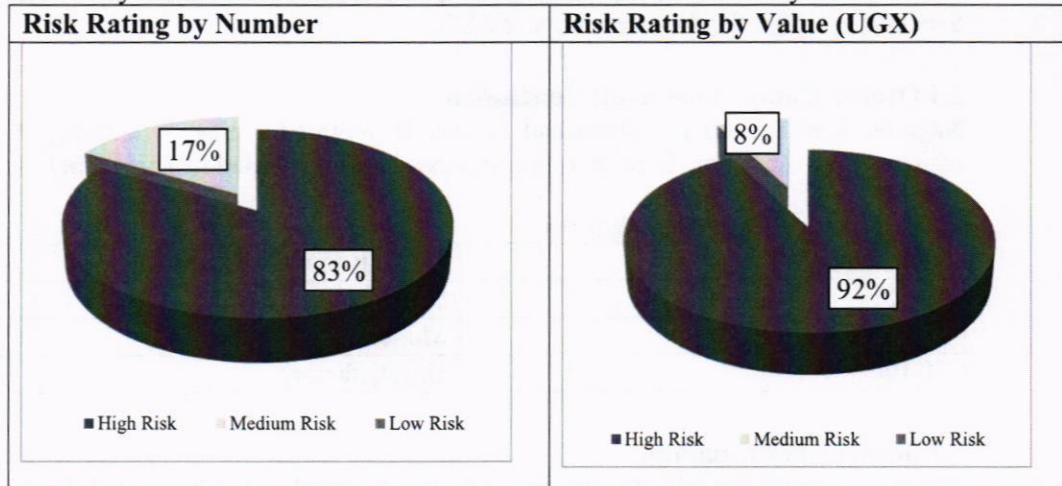


Figure 1: Graphical representation of the risk rating of Naggulu Seed Secondary School by number of contracts and contract value for the calendar year 2023

3.1. Recommended Action Plan

Naggulu Seed Secondary School should implement the following recommendations within the timeframe given in order to improve its performance in procurement and disposal listed in Table 5 below.

Table 5: Recommended Action Plan

Origin	Recommended Action	Target Date
The Board of Governors	The two Board of Governors should withdraw their membership from, and cease participating in the operations of the Contracts Committee.	Immediately
Accounting Officer	<ol style="list-style-type: none"> 1. The Accounting Officer should write to the Authority requesting for a training for the Board of Governors, newly constituted Contract Committee and Procurement and Disposal Unit/ Procurement Committee so that it is included in the Authority's work plan as early as possible. 2. The Accounting Officer should, subject to availability of funds, prioritize the recruitment of a qualified procurement professional to handle the Entity's procurement activities. In case of budgetary constraints, the school can recruit a qualified procurement personnel on a voluntary basis. 3. The Accounting Officer should liaise with PPDA to provide capacity building for the Board of Governors, Contracts Committee, Procurement Committee and User Departments on their functions in public procurement. 	Immediately
Contracts Committee	The Contracts Committee to perform their oversight role as laid down under Section 26 of the PPDA Act Cap. 205.	Immediately

Origin	Recommended Action	Target Date
Procurement and Disposal Unit	<ol style="list-style-type: none"> 1. The Procurement Committee should execute the functions of the Procurement and Disposal Unit in accordance to Paragraph 5.19 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014. 2. The Procurement Committee should prepare and submit to PPDA an annual consolidated procurement plan for the school, based on the approved budget and the User Department procurement workplans, at the start of each year in accordance with Section 58(1) of the PPDA Act Cap. 205. 3. The Procurement Committee should prepare and submit to PPDA a disposal plan of the school to support the planning and disposing of obsolete items in accordance with Section 58(1) of the PPDA Act Cap. 205. 4. The Procurement Committee should prepare and submit to PPDA quarterly procurement and disposal reports on all implemented procurement activities in accordance with Paragraph 5.2 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014. 5. The Procurement Committee should allocate a specific reference number to each procurement requirement on a separate procurement action file in accordance with Paragraph 5.19.1 (n) of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014 	Immediately
User Departments	<ol style="list-style-type: none"> 1. The User Departments should diligently execute their functions on planning, initiation, bidding, evaluation and contract management in accordance with Paragraph 5.20 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014 2. The Heads of User Departments should nominate staff members to be appointed as contract managers for each procurement to conduct contract monitoring and reporting in accordance with Paragraph 12.12 of the PPDA Procurement and Disposal Guideline for Schools in Uganda, 2014. 	Immediately

ANNEX

Annex 1: Transaction list of procurements reviewed during the compliance audit for the calendar year 2023

No.	Subject of Procurement	Provider	Award Value (UGX)
1.	Emptying toilets	Mr. Godfrey Kiseegerwa	2,600,000
2.	Specialized sanitary items	Mr. Karim Kanatta Abdul Karim	1,500,000
3.	Chemicals & equipment	Rafiki Provisional Store	18,000,000
4.	Stationery	Wana prime Investments (U) Ltd	7,125,000
5.	Furniture and repairs	Naika Investments	6,700,000
6.	School MIS	Zeraki Technologies	3,000,000
Total			38,925,000