



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

THE PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

REPORT ON COMPLIANCE AUDIT FOR NATIONAL FORESTRY AUTHORITY FOR THE FINANCIAL YEAR 2021/2022

NOVEMBER 2022

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Acronyms

AO	Accounting Officer
CC	Contracts Committee
CFRs	Central Forest Reserves
FY	Financial Year
Ha	Hectares
IFMS	Integrated Financial Management System
NFA	National Forestry Authority
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance audit of your Entity that covered ten (10) procurement transactions for the financial year 2021/2022. The overall objective of the audit was to assess and establish the degree of compliance of National Forestry Authority's procurement and disposal system and processes with the provisions of the PPDA Act, 2003 as amended and PPDA Regulations, 2014 and assess the level of procurement performance over the period under review.

From the findings of the compliance audit exercise, the performance of National Forestry Authority (NFA) for the financial year 2021/2022 was **satisfactory** with an overall weighted average risk rating of **21.74%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the audit report.

Despite the satisfactory performance, the following exceptions were noted:

1. Failure by the Entity to implement 26% of the procurement plan which could be an indicator of unrealistic planning which is an impediment on service delivery to the intended beneficiaries;
2. Delayed submission of monthly reports to the Authority which deters the Authority from monitoring the Entity's performance throughout the financial year;
3. In the seven (7) procurements worth UGX 112,500,000, the User Departments initiated procurement with inadequate terms of reference resulting in incomplete evaluation and qualification criteria the quality of solicitation documents prepared and hence limiting competition and the effectiveness of the procurement process;
4. In the procurement for supply of tree seeds and assorted local species (NCTPP) – NTSC Namanve worth UGX 42,332,700 the appointed evaluation committee did not adhere to evaluation criteria and deemed bidders who did not meet the evaluation criteria set in the issued solicitation document compliant which could result in award of an incompetent bidder and contract execution complexities.

In light of the above, the Authority recommends that:

1. The Accounting Officer should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 as amended to ensure improved performance;
2. The Accounting Officer should ensure that the Entity's monthly procurements are submitted to the Authority by the 15th day of the next month in accordance with Regulation 20 of the PPDA Procuring and Disposing Entities Regulations 2014, Regulation 45(3) of the PPDA Regulations, 2014 and Guideline 6/2014 Monthly Reports on Procurement and Disposal issued by the Authority on 3rd March 2014;
3. User Departments should initiate procurements with adequate terms of references in accordance with Sections 34 (c) and 35 (b) of the PPDA Act, 2003;
4. The Head Procurement and Disposal Unit should ensure that all evaluations are conducted in line with the criteria set in the bidding document in accordance with Regulation 7 (1) of the PPDA Evaluation Regulations, 2014 and in addition the Head Procurement and Disposal Unit should as well ensure that during preparation of a solicitation document, evaluation criteria for the procurement is adequate for the statement of requirements of the procurement.

CHAPTER 1: INTRODUCTION

1.1 Structure of the Entity

National Forestry Authority (NFA) was established under Section 52 of the National Forestry and Tree Planting Act. NFA is mandated to manage Central Forest Reserves (CFRs) on a sustainable basis and to supply high quality forestry-related products and services to government of Uganda, local communities and the private sector. The Entity manages 506 CFRs totaling to 1,262,090 ha of land cover, with objectives of improving management of the CFRs, expanding partnership arrangements, supplying forest and non-forest products and services and ensuring organizational stability.

According to Section 26 of the PPDA Act, 2003, the overall responsibility for the successful execution of procurement, disposal, and contract management in the Procuring and Disposing Entity is the Accounting Officer. The Accounting Officer of National Forestry Authority during the financial year under review was Mr. Tom O. Okello.

The Permanent Secretary/Secretary to Treasury of Ministry of Finance, Planning & Economic Development approved the following members of the Contracts Committee who also acted during the period under review:

List of Contracts Committee members

No	Name	Date of Appointment	Committee Position
1.	John Bosco Acuti	4 th February 2020	Chairperson
2.	Douglas Lukwago	4 th February 2020	Secretary
3.	Mike Musoke	4 th February 2020	Member
4.	Sylvia Tumusiime	9 th November 2018	Member
5.	Moses Muhumuza	9 th November 2018	Member

According to Section 31 (a) of the PPDA Act, 2003 all procurement or disposal activities of the Procuring and Disposing Entity except adjudication and the award of contract are to be managed by the Procurement and Disposal Unit.

1.2 Background

The Public Procurement and Disposal of Public Assets Authority carried out the compliance audit of National Forestry Authority that covered a representative sample of ten (10) procurement transactions under the financial year 2021/2022. The audit involved a review of the procurement structures, procurement processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act, 2003 as amended and Central Governments (PPDA) Regulations, 2014.

1.3 Main Objectives

The overall objective of the compliance audit was to assess and establish the degree of compliance of National Forestry Authority's procurement system and processes with the provisions of the

PPDA Act, 2003 as amended and the Central Governments (PPDA) Regulations, 2014 and assess the level of procurement and disposal performance over the period.

The specific objectives were to establish:

- The level of compliance by the Entity with the general provisions of the PPDA Act and Regulations;
- The level of compliance with the PPDA Act, 2003 in the conduct of procurement and disposal activities; and
- The level of efficiency and effectiveness in contract implementation.

1.4 Compliance Audit Scope

The audit involved a review of the procurement process, general compliance issues and contract implementation on sample basis. The audit covered a representative sample of ten (10) procurement transactions under the financial year 2021/22. The list of sampled transactions is contained in Annex 2.

1.5 Compliance Audit Methodology

Records and documents for each sampled procurement and disposal transaction were examined and relevant evidence obtained to derive audit conclusions. This involved a review of the Entity's procurement planning, initiation, bidding, evaluation, contract placement and implementation.

During the exercise, the auditors held interviews with the staff from the Procurement and Disposal Unit (PDU) and User Departments that were necessary in obtaining crucial qualitative

The report presents the key findings and conclusions arising from the compliance audit.

CHAPTER TWO: FINDINGS OF THE AUTHORITY

2.1 Compliance by the Entity with the general provisions of the PPDA Act, 2003 as amended and Regulations, 2014

2.1.1 Implementation of the previous audit recommendations

The Authority conducted a compliance audit of the Entity for the Financial Year 2020/21 in September 2021. Whereas seven (7) recommendations were made, three (3) representing 43% were implemented and four (4) representing 47% were partially implemented.

Table 1: Implementation of previous audit recommendations

No.	Recommendation	Implementation status
1.	The Procurement and Disposal Unit should ensure that Users submit comprehensive statement of requirements and include them in the solicitation document in accordance with Regulation 24 and 26 of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2014.	Partially implemented
2.	User Departments should ensure that where there are no common specification standards issued by the competent authority to support specifications i.e Ministry of Works and Transport for this case, alternative specifications should first be approved by the Competent Authority in accordance with Regulation 31, of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2014.	Partially implemented
3.	The Procurement and Disposal Unit should ensure that the evaluation criteria included in the bidding documents is applicable for the nature of bidders being invited. The criteria should also be appropriate for the procurement being undertaken in accordance with Regulation 32 (b) of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2014.	Partially implemented
4.	Heads of User Departments should ensure that Contract Managers effectively and efficiently manage the contracts in accordance with Section 46 of the PPDA Act, 2003.	Partially implemented

Implication

Failure to fully implement audit recommendations affects improved performance of the procurement function.

Management response

The Entity responded, Management takes note and will engage all stakeholders and develop strategies to implement all the Authority's recommendations

Recommendation

The Authority recommends that 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) (a) of the PPDA Act, 2003.

2.1.2 Procurement plan Implementation

The Entity prepared a procurement plan 15,878,005,168 and absorbed UGX 11,767,821,118 absorption according to Entity's IFMS purchase register implementation variance to UGX 4,110,184,050 representing 26% non-absorption of the Procurement Plan. The details are given in the table below:

Table 2: Procurement Plan Implementation Rate

Total procurement plan value inclusive of VAT (UGX)	15,878,005,168
Total procurement spend value inclusive of VAT (UGX)	11,767,821,118
Procurement plan implementation rate (%)	74%
Implementation variance (UGX)	4,110,184,050
Procurement plan implementation variance (%)	26%

Implication

This could also be an indicator of unrealistic planning by the Entity which is an obstruction on service delivery to the intended beneficiaries.

Management response

Management stated that the Audit team's observation was noted. However, NFA carried out Procurements worth UGX 11,767,821,118 which is 74.11% of approved Procurement Plan for FY 2021/2022

Recommendation

The Authority took note of the Entity's response however still established an implementation variance of 26% and therefore maintains to recommend that the Accounting Officer should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 as amended to ensure improved performance.

2.1.3 Failure to submit monthly reports

The compliance audit established that National Forestry Authority did not submit the entire financial years' monthly reports to the Authority contrary to Regulation 20 of the PPDA Procuring and Disposing Entities Regulations 2014, Regulation 45(3) of the PPDA Regulations, 2014 as indicated in the below:

Table 3: Monthly report submission

No.	Period	Date of submission
1.	July 2021	25 th August 2021
2.	August 2021	Not submitted
3.	September 2021	22 nd October 2021
4.	November 2021	28 th January 2022

No.	Period	Date of submission
5.	December 2021	1 st February 2022
6.	January 2022	30th March 2022
7.	February 2022	Not submitted
8.	March 2022	Not submitted
9.	April 2022	Not submitted
10.	May 2022	Not submitted
11.	June 2022	Not submitted

Implication

This affects accountability and hinders the Authority's ability to monitor the Entity's performance.

Management response

The Entity submitted the Monthly reports as per the table below however, Management took note of the observation and will ensure that the Monthly reports are submitted to the Authority by the 15th day of the next month.

No.	Period	Date Submitted
1	February 2022	Submitted on 29th June 2022
2	March 2022	Submitted on 29th June 2022
3	April 2022	Submitted on 29 th June 2022
4	May 2022	No Procurements
5	June 2022	Submitted on 21 st September 2022

Recommendation

The Authority took note of the Entity's response and still emerged an issue of late submission of monthly reports by the Entity. The Authority recommends that the Accounting Officer should ensure that the Entity's monthly procurements are submitted to the Authority by the 15th day of the next month in accordance with Regulation 20 of the PPDA Procuring and Disposing Entities Regulations 2014, Regulation 45(3) of the PPDA Regulations, 2014 and Guideline 6/2014 Monthly Reports on Procurement and Disposal issued by the Authority on 3rd March 2014.

2.2 Level of compliance with the PPDA Act, 2003 as amended and PPDA Regulations, 2014 in the conduct of procurement and disposal activities

2.2.1 Failure by User Departments to draft adequate terms of reference for procurements

In the seven (7) procurements worth UGX 112,500,000, the User Departments initiated procurements with no terms of reference resulting in incomplete evaluation and qualification criteria.

Table 4: Procurements with inadequate Terms of Reference (TORs) at Initiation

No.	Procurement Details	Amount (UGX)
1.	Materials for raising seedlings at Kumbu Regional Nursery NFA/NCONS/21-22/00061	15,000,000
2.	Raising and maintenance of 8,000 bamboo seedlings at Kumbu Nursery NFA/NCONS/21-22/00057	8,000,000

No.	Procurement Details	Amount (UGX)
3.	Maintenance by slash weeding in Abera CFR NFA/NCONS/21-22/00057	15,000,000
4.	Spot weeding of 100ha in Katuugo plantation NFA/NCONS/21-22/00036	10,000,000
5.	Maintenance of 200,000 seedlings under NCTPP Lendu Nursery NFA/NCONS/2020-21/00108	12,000,000
6.	Slashing weeding of 250ha in Mafuga & Muko CFRs NFA/NCONS/2020-21/00127	37,500,000
7.	Slash weeding of 100ha forest plantations, Opit Achwa River Range NFA/NCONS/2020-21/00117	15,000,000
Total		112,500,000

Implication

Incomplete, inadequate terms of reference for procurements affect the quality of solicitation documents prepared and hence limiting competition and the effectiveness of the procurement process.

Management response

Management took note of the observation. Internal capacity building will be done for the respective Users.

Recommendation

User Departments should initiate procurements with adequate terms of references in accordance with Sections 34 (c) and 35 (b) of the PPDA Act, 2003.

2.2.2 Irregular evaluation of procurement

In the procurement for supply of tree seeds and assorted local species (NCTPP) – NTSC Namanve worth UGX 42,332,700 the appointed evaluation committees did not adhere to evaluation criteria and deemed bidders who did not meet the evaluation criteria set in the issued solicitation document compliant.

Table 5 procurement with irregularities at evaluation

No.	Criteria	Submission
1.	Tax Clearance Certificate	Not attached
2.	Valid trading licence	Not attached
3.	National I.D(s) of the directors of the company	Not attached

Implication

This is an indicator of limited capacity in the Entity.

Management response

Management took note of the findings however; this procurement was handled by prequalified individual contractors so the evaluation against that criteria was not applicable.

Recommendations

- The Authority took note of the Entity's response and recommends that the Head Procurement and Disposal Unit should ensure that all evaluations are conducted in line with the criteria set in the bidding document in accordance with Regulation 7 (1) of the PPDA Evaluation Regulations, 2014
- The Head Procurement and Disposal Unit should ensure that during preparation of a solicitation document, evaluation criteria for the procurement is adequate for the statement of requirements of the procurement.

2.3 To assess the level of achievement of Value for Money (efficiency, cost and effectiveness) in contract execution.

2.3.1 Delayed completion of a contract

In the procurement for raising and maintenance of 8,000 bamboo seedlings at Kumbu Nursery worth UGX 8,000,000, the contract management plan indicated delivery schedule to be from 25th November 2021 to 15th February 2022, however, the contractor closed the contract on 12th March 2022.

Implication

This is indicative of laxity in the contract management process of the Entity and delays a service to the intended beneficiaries.

Management response

Management took note of the findings and will ensure that User departments are trained in contract management.

Recommendation

Appointed Contract Managers should ensure execution of contracts by contractors in accordance with Regulation 53 (1) (b) of the PPDA (Contracts) Regulations 2014.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This Section presents graphically the scores per area assessed under different compliance audit questions

3.1 Overall Compliance Audit Conclusion

- The performance of National Forestry Authority for the compliance audit of FY 21/22 was **satisfactory** with overall weighted average risk rating of **21.74%**.

The risk rating is as follows:

Risk Rating

Risk Rating (%)	Description of Performance
0 – 30	Satisfactory
31 – 70	Moderately Satisfactory
71 – 100	Unsatisfactory

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: -

3.3 Risk Computation

Risk category	No.	No. %	Value (UGX)	Value %	Weights	Total weighted Average	
						By No.	By Value
High	0	0	-	-	0.6	0	-
Medium	2	22	50,332,700	25.19	0.3	6.6	7.56
Low	6	67	104,500,000	52.29	0.1	6.7	5.23
Satisfactory	1	11	45,000,000	22.52	0	0	-
Total	9	100	199,832,700	100	1.0	13.3	12.79

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{13.3 \times 100}{60} = 22.17\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{12.79 \times 100}{60} = 21.31\%$$

$$\text{Combined Weighted Average} = \frac{22.17 + 21.31}{2} = 21.74\%$$

3.4 Chart Representation of Risk Rating

Figure 1: Chart Representation of Risk Rating by Value

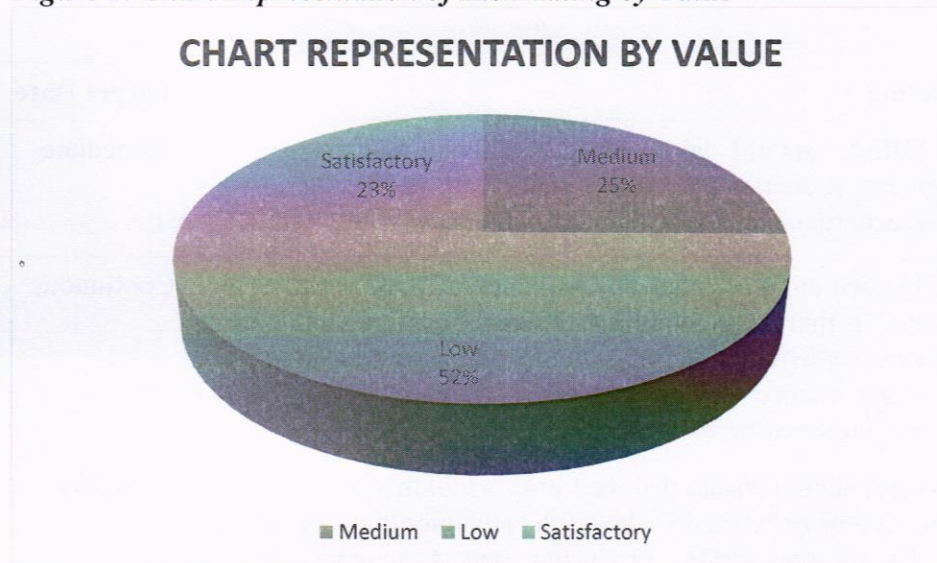
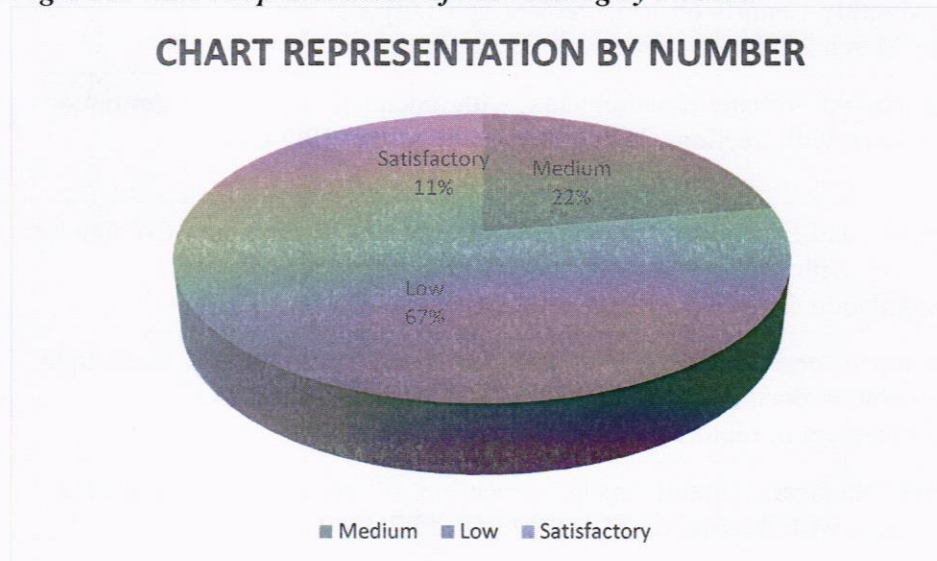


Figure 2: Chart Representation of Risk Rating by Number



National Forestry Authority should implement the recommended action plan on page 10 of the audit report.

3.5 Recommended Action Plan

National Forestry Authority should implement the following recommendations within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 6: Action Plan

No.	Recommended Action	Target Date
1.	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) (a) of the PPDA Act, 2003.	Immediate
2.	The Authority established an implementation variance of 26% and therefore maintains to recommend that the Accounting Officer should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 as amended to ensure improved performance.	Continuous
3.	The Accounting Officer should ensure that the Entity's monthly procurements are submitted to the Authority by the 15 th day of the next month in accordance with Regulation 20 of the PPDA Procuring and Disposing Entities Regulations 2014, Regulation 45(3) of the PPDA Regulations, 2014 and Guideline 6/2014 Monthly Reports on Procurement and Disposal issued by the Authority on 3 rd March 2014	Immediate
4.	User Departments should initiate procurements with adequate terms of references in accordance with Sections 34 (c) and 35 (b) of the PPDA Act, 2003	Continuous
5.	The Head Procurement and Disposal Unit should ensure that all evaluations are conducted in line with the criteria set in the bidding document in accordance with Regulation 7 (1) of the PPDA Evaluation Regulations, 2014	Continuous
6.	The Head Procurement and Disposal Unit should ensure that during preparation of a solicitation document, evaluation criteria for the procurement is adequate for the statement of requirements of the procurement	Immediate
7.	Appointed Contract Managers should ensure execution of contracts by contactors in accordance with Regulation 53 (1) (b) of the PPDA (Contracts) Regulations 2014	Immediate

Annex 1: Summary of case by case

MEDIUM RISK CASES

No.	Procurement Details	Reasons for medium risk rating
1.	<p>NFA/NCONS/21-22/00057</p> <p>Raising and maintenance of 8,000 bamboo seedlings at Kumbu nursery</p> <p>Request for Quotation</p> <p>Nakitto Frank</p> <p>UGX 8,000,000</p>	<p>Initiation The user departments initiated procurement with inadequate terms of reference resulting in incomplete evaluation and qualification criteria</p> <p>Contract Management Delayed completion of a contract</p>
2.	<p>NFA/NCONS/21-22/00061</p> <p>Supply of tree seeds of assorted local species (NCTPP) – NTSC Namanve</p> <p>Request for quotation</p> <p>Masanda Consulting Firm</p> <p>UGX 42,332,700</p>	<p>Evaluation The appointed evaluation committees did not adhere to evaluation criteria and deemed bidders who did not meet the evaluation criteria set in the issued solicitation document compliant</p>

LOW RISK CASES

No.	Procurement Details	Reasons for medium risk rating
3.	<p>NFA/NCONS/21-22/00061</p> <p>Materials for raising seedlings at Kumbu Regional Nursery</p> <p>Request for Quotation</p> <p>Namubiru Teddy</p> <p>UGX 15,000,000</p>	<p>Initiation The user departments initiated procurement with inadequate terms of reference resulting in incomplete evaluation and qualification criteria</p>
4.	<p>NFA/NCONS/21-22/00053</p> <p>Maintenance by slash weeding in Abera CFR</p> <p>Request for Quotation</p> <p>Akwero Fiona</p>	<p>Initiation The user departments initiated procurement with inadequate terms of reference resulting in incomplete evaluation and qualification criteria</p>

No.	Procurement Details	Reasons for medium risk rating
	UGX 15,000,000	
5.	NFA/NCONS/21-22/00036 Spot weeding of 100ha in Katuugo plantation Request for quotation Nyangoma Alice UGX 10,000,000	Initiation The user departments initiated procurement with inadequate terms of reference resulting in incomplete evaluation and qualification criteria
6.	NFA/NCONS/21-22/00108 Maintenance of 200,000 seedlings under NCTPP Lendu Nursery Request for quotation Kiiza Donozio UGX 12,000,000	Initiation The user departments initiated procurement with inadequate terms of reference resulting in incomplete evaluation and qualification criteria
7.	NFA/NCONS/21-22/00127 Slashing, weeding of 250ha in Nafuga & Muko CFRs Request for quotation Musiimenta Wilber UGX 37,500,000	Initiation The user departments initiated procurement with inadequate terms of reference resulting in incomplete evaluation and qualification criteria
8.	NFA/NCONS/21-22/00117 Slash weeding of 100ha forest plantations, Opit Achwa River Range Request for quotation Bicanduwun Godfrey UGX 15,000,000	Initiation The user departments initiated procurement with inadequate terms of reference resulting in incomplete evaluation and qualification criteria

SATISFACTORY CASES

No.	Procurement Details	Amount (UGX)
9.	NFA/NCONS/21-22/00120	45,000,000

No.	Procurement Details	Amount (UGX)
	Slash weeding of 300ha forest plantations in Mwenge Request for Quotation Birungi Rusoke	
10.	NFA/PLT/DISP/21-22/00003 Harvesting, clear felling of pine crop in Oruha, Kyehara, Kikumiro, Bugamba and Mafuga Open bidding	2,439,100,082

Annex 2: List of sampled procurements for compliance audit of National Forestry Authority for FY 2021/2022

S/N	Procurement Reference	Subject of Procurement	Method of Procurement	Contractor	Amount (UGX)	Risk Rating
1.	NFA/NCONS/21-22/00061	Materials for raising seedlings at Kumbu Regional Nursery	Request for Quotation	Namubiru Teddy	15,000,000	Low
2.	NFA/NCONS/21-22/00057	Raising and maintenance of 8,000 bamboo seedlings at Kumbu nursery	Request for Quotation	Nakitto Frank	8,000,000	Medium
3.	NFA/NCONS/21-22/00053	Maintenance by slash weeding in Abera CFR	Request for Quotation	Akwero Fiona	15,000,000	Low
4.	NFA/NCONS/21-22/00120	Slash weeding of 300ha forest plantations in Mwenge	Request for Quotation	Birungi Rusoke	45,000,000	Satisfactory
5.	NFA/NCONS/21-22/00036	Spot weeding of 100ha in Katuugo plantation	Request for quotation	Nyangoma Alice	10,000,000	Low
6.	NFA/NCONS/21-22/00108	Maintenance of 200,000 seedlings under NCTPP Lendu Nursery	Request for quotation	Kiiza Donozio	12,000,000	Low
7.	NFA/NCONS/21-22/00127	Slashing, weeding of 250ha in Nafuga & Muko CFRs	Request for quotation	Musiimenta Wilber	37,500,000	Low
8.	NFA/NCONS/21-22/00117	Slash weeding of 100ha forest plantations, Opit Achwa River Range	Request for quotation	Bicanduwun Godfrey	15,000,000	Low
9.	NFA/NCONS/21-22/00061	Supply of tree seeds of assorted local species (NCTPP) – NTSC Namanve	Request for quotation	Masanda Consulting Firm	42,332,700	Medium
TOTAL					199,832,700	38.99%

Annex 3: List of sampled disposal for compliance audit of National Forestry Authority for FY 2021/2022

S/N	Disposal Reference	Subject of Disposal	Method of Procurement	Contractor	Amount (UGX)	Risk Rating
1.	NFA/PLT/DISP/21-22/00003	Harvesting, clear felling of pine crop in Oruha, Kyechara, Kikumiro, Bugamba and Mafuga	Open bidding		2,439,100,082	Satisfactory

Annex 4: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry risk for the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	Planning: Lack of or failure to procure within the approved plan	This implies emergencies and use of the direct procurement method which affects competition and value for money.
		Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals and usurping the powers of the PDU.	This implies use of less competitive methods which affects transparency, accountability and value for money.
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries.
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material 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	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.

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above Ugx 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money.. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in 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.