



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**
"Regulating for Results"

**COMPLIANCE INSPECTION REPORT FOR FINANCIAL
YEAR 2024/2025**

NJERU MUNICIPAL COUNCIL

APRIL 2026

TABLE OF CONTENTS

TABLE OF CONTENTS.....	i
LIST OF TABLES.....	ii
LIST OF FIGURES	ii
ACRONYMS.....	iii
EXECUTIVE SUMMARY	iv
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background.....	1
1.2 Main Inspection Objectives	1
1.3 Scope of the Inspection.....	1
1.4 Methodology	1
CHAPTER TWO: FINDINGS AND RECOMMENDATIONS	2
2.1 COMPLIANCE WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP. 205 AND PPDA REGULATIONS 2014 AND 2023 WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT AND DISPOSAL PROCESSES	2
2.2 COMPLIANCE OF THE ENTITY’S DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT CAP 205 AND THE PPDA REGULATIONS 2023	22
2.3 EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION INCLUDING THE APPLICATION OF ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY (ESHS) REQUIREMENTS IN THE PROCUREMENT PROCESS	24
2.4 IMPLEMENTATION OF FORCE ACCOUNT MECHANISM.....	30
CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY	33
3.1 Overall Inspection Conclusion.....	33
3.2 Entity’s risk assessment	33
3.3 Recommended Action Plan.....	35
APPENDIX 1: PROCUREMENT SAMPLE LIST FOR NJERU MUNICIPAL COUNCIL FOR THE FINANCIAL YEAR 2024/2025	37
APPENDIX 2: CASE BY CASE ANALYSIS.....	38
APPENDIX 3: RISK RATING CRITERIA	42

LIST OF TABLES

Table 1: List of Contracts Committee Members for 2024/25	2
Table 2: List of Contracts Committee Members for 2025/26.....	3
Table 3: Staff in the Procurement and Disposal Unit	3
Table 4: Implementation of Previous Audit Recommendations.....	4
Table 5: Procurement plan implementation rate.....	7
Table 6: Planned procurements not implemented.....	8
Table 7: Incompleteness of the procurement requisition form	10
Table 8: Inadequate solicitation documents.....	11
Table 9: Irregularities observed during bidding	13
Table 10: Procurements conducted by members without Contracts Committee approval	15
Table 11: Procurements with the Ethical Code of Conduct not signed	16
Table 12: Procurements with non-compliance during the evaluation of bids	16
Table 13: Variance in bidder technical specifications and the Entity's technical requirements ..	18
Table 14: Procurements with new evaluation criteria during the evaluation of bids.....	20
Table 15: Procurements with low bidder participation.....	21
Table 16: unserviceable items recommended for disposal	22
Table 17: Procurements with missing records on the Procurement Action Files	25
Table 18: Procurements with missing records on the Procurement Action Files	27
Table 19: Risk rating Table	33
Table 20: Risk Computation	33
Table 21: Action Plan	35

LIST OF FIGURES

Figure 1: Procurement and disposal records in the PDU Office.....	7
Figure 2: Obsolete items parked at the Municipal Council Headquarter	22
Figure 3: Status of the construction of Community Hall at Njeru Municipal Council.....	28
Figure 4: Construction of stone masonry arch bridge at Nanva (Namasagali Road) using Force Account Mechanism.....	30
Figure 5: Graphical Representation of the Entity's Risk Assessment by Number.....	34
Figure 6: Graphical Representation of the Entity's Risk Assessment by Value	34

ACRONYMS

FY	Financial Year
GCC	General Conditions of Contract
ITB	Instruction to the Bidders
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
UGX	Uganda Shillings
ESHS	Environmental, Social, Health and Safety

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out a compliance inspection of the procurement and disposal activities of Njeru Municipal Council that covered a sample of 12 procurement transactions for Financial Year 2024/2025.

The overall objective of the compliance inspection was to assess and establish the degree of compliance of Njeru Municipal Council procurement and disposal systems and processes with the provisions of the PPDA Act, Cap. 205 and the attendant Regulations, 2023 and assess the level of procurement performance over the period.

From the findings of the compliance inspection exercise, the performance of Njeru Municipal Council for the Financial Year 2024/2025 was **Moderately Satisfactory** with an overall weighted average risk rating of **67.4%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter three of this report.

The following key exceptions were noted:

1. The Entity did not fully implement 64.3% of the previous audit recommendations with four recommendations not implemented and five recommendations partially implemented, contrary to Section 10 (1) (a) of the PPDA Act, Cap. 205, where there is persistent breach of this Act or Regulations or Guidelines made under this Act, the Authority may direct the concerned Procuring and Disposing Entity to take such corrective action as may be necessary in the circumstances, to rectify the breach. This impacted on performance improvement of the procurement function and portrayed a weak implementation mechanism by the Entity.
2. In the procurement for the Supply of Motor Grader worth UGX 1,085,036,100, the following irregularities were noted:
 - (i) Regulation 4(1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 prohibits initiation or commitment of procurements without adequate funds in the Entity's budget. The Authority found that the Contracts Committee awarded the contract at a price above the procurement plan estimate of UGX 400,000,000, resulting in a variance of UGX 685,036,100, thereby exposing the Entity to the risk of over-commitment and domestic arrears;
 - (ii) Regulation 12(3) of the PPDA (Evaluations) Regulations, 2023 requires that every page of an evaluation report be signed by all members of the Evaluation Committee. The Authority found that Mr. Fred O. Obala, a Principal Executive Engineer from the Ministry of Works and Transport and an approved technical member of the Evaluation Committee, did not sign the evaluation report; and
 - (iii) Regulation 19(3)(c) of the PPDA (Evaluations) Regulations, 2023 requires evaluation recommendations to be based on compliance with the specifications and requirements stated in the bidding documents. The Authority found that the Evaluation Committee recommended award of the contract to Victoria Equipments Limited despite variances from the specifications provided by the Ministry of Works and Transport.
3. Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023 requires the evaluation of bids to be conducted in accordance with the evaluation criteria specified in the bidding documents. The Authority found that three contracts worth UGX 110,590,258 were awarded to bidders

who did not meet the criteria in the bidding document such as attachment of beneficial ownership declaration form, submission of a site visit certificate, certificate of registration, and evidence of fulfilment of obligations to pay taxes and social security obligations. This hindered fairness and transparency in the evaluation process and exposed the Entity to the risk of awarding contracts to non-compliant bidders.

4. The Entity did not dispose of obsolete assets including motor vehicles and motor cycles contrary to Regulation 2, 3 and 24 of the PPDA (Disposal of Public Assets) Regulations, 2023. This inhibits the achievement of value for money due to further loss in value caused by deterioration, with the assets are exposed to the risk of theft and vandalism.
5. Section 44 (1) of the PPDA Act, Cap. 205 requires the Entity to maintain records on procurement and disposal proceedings. The Authority found that the Entity failed to maintain procurement and contract management records including program for works, investigation reports, performance securing declaration, payment records, progress reports and contract management plans, among others in seven procurements worth UGX 454,202,212, which hindered transparency and accountability in the procurement process.
6. Regulation 52 of the PPDA (Contracts) Regulations, 2023 requires a Contract Manager to make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract. The Authority found that the Entity did not monitor the contractor on compliance with the environmental, social and health safeguards for constructions works of the Community Hall at Njeru Municipal Council worth UGX 120,000,000, with no follow up reports on implementation of the ESHS yet provision of UGX 200,000 was made in the bills of quantities. This exposed the project to risk of environmental degradation and endangering lives of workers and the communities.

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

1. The Accounting Officer should:
 - (a) Task the Internal Audit to follow up and ensure full implementation of the Authority's audit recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205;
 - (b) Follow up with the Office of the Chief Mechanical Engineer for the valuation of the obsolete assets for disposal accordance with Regulation 24 of the PPDA (Disposal of Public Assets) Regulations, 2023;
 - (c) Task the Environment Officer and Community Development Officer to follow up on the implementation of ESHS aspects and prepare a comprehensive report with a copy submitted to Procurement and Disposal Unit for filing; and
 - (d) Maintain and manage the records, equipment and supplies of the works for the purpose of ensuring value for money in the application of the Force Account Mechanism in accordance with accordance to 130 (5) (e) of the PPDA Act, Cap. 205.
2. The Contracts Committee should:
 - (a) Desist from awarding contracts above the procurement plan estimates in accordance with Regulation 4 (2) of the PPDA (Rules and Methods for procurement of supplies, works and non-consultancy services) Regulations, 2023; and

- (b) Critically review bidding documents submitted by the Procurement and Disposal Unit to eliminate any inconsistencies in accordance with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.
3. The Head Procurement and Disposal Unit should:
 - (a) Guide the Evaluation Committees in conducting evaluation using the evaluation criteria specified in the bidding documents in accordance with Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023;
 - (b) After valuation of the assets for disposal, prepare a disposal plan in accordance with Section 60 (2) (e) of the PPDA Act, Cap. 205; and
 - (c) keep all documentation relating to a procurement on the procurement action file in accordance with Section 44 (1) of the PPDA Act, Cap. 205.
 4. User Departments should submit comprehensive statements of requirements to the Procurement and Disposal Unit in accordance with Section 36 (1) (c) and (d) of the PPDA Act, Cap. 205.
 5. Evaluation Committees should:
 - a) Conduct evaluation using the evaluation criteria specified in the bidding documents in accordance with Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023; and
 - b) Conduct detailed evaluation to determine whether bids comply with the minimum technical specifications stated in bidding documents in accordance with Regulation 19 (3) (c) of the PPDA (Evaluation) Regulations, 2023.
 6. Chairpersons of Evaluation Committees should, where a member of the Evaluation Committee does not or is not able to sign the report, the member should, in writing, give reasons why he or she did not or was not able to sign the report in accordance with Regulation 4 (15) of the PPDA (Evaluation) Regulations, 2023.
 7. Contract managers should:
 - (a) Keep and archive all contract management records and distribute copies to key stakeholders including the Procurement and Disposal Unit as required in accordance with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023; and
 - (b) Prepare Contract Management Plans using Form 49 and forward copies to the Procurement and Disposal Unit for purposes of monitoring in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.

Njeru Municipal Council should implement the recommended action plan on pages 35 to 36 of this report.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) undertook a compliance inspection on the procurement and disposal activities of Njeru Municipal Council that covered a sample of 12 procurement transactions for works, supplies and services under Financial Year 2024/2025, vide Appendix 1.

1.2 Main Inspection Objectives

The overall objective of the compliance inspection was to assess and establish the degree of compliance of Njeru Municipal Council procurement and disposal systems and processes with the provisions of the PPDA Act, Cap. 205 and the Public Procurement and Disposal of Public Assets Regulations and assess the level of procurement performance over the inspection period.

The specific objectives of the inspection were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap. 205 and PPDA Regulations 2014 and 2023 with regard to the performance of the procurement structures and conduct of procurement and disposal processes;
2. Assess the degree of compliance of the Entity' disposal process with the provisions of the PPDA Act, Cap. 205 and PPDA Regulations 2014 and 2023;
3. Assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process; and
4. Assess the implementation of the Force on Account Mechanism for road works.

1.3 Scope of the Inspection

The compliance inspection covered a sample of 12 procurement transactions worth UGX 1,697,714,255 conducted under the Financial Year 2024/2025 vide Appendix 1;

1.4 Methodology

Under the supervision of the Regional Manager, Central Region, two Senior Officers Performance Monitoring and an Officer Performance Monitoring conducted the exercise. They examined records and documents for each sampled procurement transaction and obtained relevant and sufficient evidence to derive the compliance inspection conclusions. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and management.

During the compliance inspection exercise, the inspection team met with the staff from the Procurement and Disposal Unit, Contracts Committee, Internal Audit and User Departments where necessary, to obtain crucial qualitative information about the internal control system and processes in place.

A debrief meeting to discuss preliminary findings was held with the Entity's management and staff on 11th September 2025 before the team could embark on preparation of the management letter. The management letter was sent to the Entity on 18th December 2025 with a request to submit a Management Response by 29th December 2025 which was submitted on 3rd February 2026.

This report presents the key findings and conclusions arising from the compliance inspection exercise.

CHAPTER TWO: FINDINGS AND RECOMMENDATIONS

2.1 COMPLIANCE WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP. 205 AND PPDA REGULATIONS 2014 AND 2023 WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT AND DISPOSAL PROCESSES

2.1.1 Procurement Structures

The key players in the procurement structure at Njeru Municipal Council included the Town Clerk as Accounting Officer, the Contracts Committee (CC), the Procurement and Disposal Unit (PDU) and the User Departments. The Authority found that the Entity's procurement structures were fully functional at the time of Inspection.

1. Accounting Officer

Section 28 of the PPDA Act, Cap. 205 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. The Town Clerk; Mr. William Kamara was designated as the Accounting Officer of the Entity for financial year 2024/2025.

2. Expiration of the membership of the Contracts Committee

Section 29 (1) and (2) of the PPDA Act, Cap. 205 and the PPDA (Amendment of Schedule 4) Instrument, 2023 provides that a Contracts Committee of a Procuring and Disposing Entity shall be composed of a Chairperson; a maximum of three other members, one of whom shall be a lawyer, except for a Contracts Committee of a Local Government, where the members may not include a lawyer; and the secretary to the Contracts Committee and the committee shall be approved by the Permanent Secretary/Secretary to the Treasury.

The Authority found at the time of inspection that the Town Clerk had not nominated and submitted new Contracts Committee members for approval by the Permanent Secretary/Secretary to the Treasury (PS/ST), as required under Section 29 (2) of the PPDA Act, Cap. 205, despite the Contracts Committee's term being due to expire on 2nd October 2025 (appointed on 3rd October 2022), as indicated in Table 1 below:

Table 1: List of Contracts Committee Members for 2024/25

No.	Name	Job Title	Position on Committee	Date of Appointment
1.	Mr. Edmund Musoke	Senior Physical Planner	Chairperson	3 rd October 2022
2.	Mr. Matia Ssesamba	IT Officer	Secretary	3 rd October 2022
3.	Mr. George William Nsumba	Senior Inspector of Schools	Member	3 rd October 2022
4.	Ms. Viola Nassali	Community Development Officer	Member	3 rd October 2022
5.	Ms. Hilder Nassozi	Commercial Officer	Member	3 rd October 2022

Implications

- Failure to fully constitute a Contracts Committee denied the Procuring and Disposing Entity a balance of skills and experience of persons of proven track record of sound judgment, decision-

making and a recognised professional discipline in accordance with Regulation 4 (4) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

- Failure to raise quorum impacts on timely execution of procurement decisions and therefore risking the Entity to delays in service delivery.

Management Response

The Entity acknowledged the Authority's observation and explained that a request to approve the second term for members of the Contracts Committee was sent to PS/ST and were approved.

Authority's comment: The Authority noted Management's response; however, verification showed that the Accounting Officer submitted four members to the PS/ST on 8th October 2025 (three renewals and one new nominee—Ms. Tabitha Mukebezi). PS/ST approved renewal for the three members on 28th November 2025, effective 3rd December 2025, indicating the approvals were not concluded before the previous term expired on 2nd October 2025, as indicated in Table 2 below:

Table 2: List of Contracts Committee Members for 2025/26

No.	Name	Job Title	Position on Committee	Date of Appointment
1	Mr. Edmund Musoke	Senior Physical Planner	Chairperson	3 rd December 2025
2	Mr. George William Nsumba	Senior Inspector of Schools	Member	3 rd December 2025
4	Ms. Hilder Nassozi	Commercial Officer	Member	3 rd December 2025

Notably, there were no details of approval for Ms. Tabitha Mukebezi and submission for approval of the fifth member/Secretary on the Contracts Committee.

Recommendation

The Accounting Officer should follow-up on the submission of Ms. Tabitha Mukebezi, the Senior Human Resource Officer and nominate the Secretary for approval for the full Contracts Committee composition in accordance with Schedule 4 of the PPDA (Amendment of Schedule 4) Instrument, 2023.

3. Under Staffing of the Procurement and Disposal Unit

Section 32 of the PPDA Act Cap 205 provides that a Procuring and Disposing Entity shall cause to be established a Procurement and Disposal Unit staffed at an appropriate level.

The Authority observed that the Procurement and Disposal Unit had only one staff i.e., Mr. Jowali Katwere, who was substantively appointed as a Senior Procurement Officer with the position of the Procurement Officer vacant contrary to Section 32 of the PPDA Act Cap. 205. The detail of the Senior Procurement Officer is as indicated in Table 3 below:

Table 3: Staff in the Procurement and Disposal Unit

No.	Name	Position	Qualification	Date of appointment
1.	Mr. Jowali Katwere	Senior procurement officer	<ul style="list-style-type: none"> • Post graduate diploma in procurement and supply chain management • Bachelors in procurement and logistics management 	16 th April 2018

Implication

This impacted on the efficiency of the procurement function and therefore the delays in service delivery.

Management response

Management acknowledged the Authority's observation and explained that there was a shortage in the wage bill for numerous positions in the Entity including the Procurement Officer position and that submission was made to the Ministry of Public Service requesting for wage to fill critical vacant posts with the feedback yet to be received.

Authority's comment: Noted the Entity's submission with details of critical posts for Njeru Municipal Council submitted to the Ministry of Public Service on the recruitment plan for Financial Year 2026/2027 dated 8th September 2025. However, there was no evidence of acknowledgement of receipt by the Ministry of Public Service.

Recommendation

The Accounting Officer should follow-up with the Ministry of Finance, Planning and Economic Development; Ministry of Local Government and Ministry of Public Service to ensure that the vacant position of the Procurement Officer in the Procurement and Disposal Unit is filled in accordance with Section 32 of the PPDA Act, Cap. 205.

2.1.2 Failure to fully implement 64.3% of the previous audit recommendations

Section 10 (1) (a) of the PPDA Act, Cap. 205 provides that; where there is persistent breach of this Act or regulations or guidelines made under this Act, the Authority may direct the concerned procuring and disposing entity to take such corrective action as may be necessary in the circumstances, to rectify the breach.

The Authority noted that Njeru Municipal Council was issued a compliance inspection report for FY 2022/2023 in April 2024. However, out of 14 recommendations, three (28.6%) were not implemented and six (35.7%) were partially implemented, as indicated in Table 4 below:

Table 4: Implementation of Previous Audit Recommendations

No.	Recommended Action	Status	Management Response
1.	The Accounting Officer should ensure timely submission of monthly procurement and disposal reports to the Authority in accordance with Regulation 15 (1) of the PPDA (Procurement and Disposing Entities) Regulations 2023	Partially Implemented	<i>Management acknowledged the Authority's observation and promised to fully comply</i>
2.	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	Not implemented	<i>Management acknowledged the Authority's observation and promised to regularly review the procurement plan</i>

No.	Recommended Action	Status	Management Response
3.	The Accounting Officer should put in place a strong internal mechanism and a dedicated team of staff for implementation of audit recommendations that will always ensure full implementation of the Authority's previous audit recommendations	Partially implemented	<p><i>Management acknowledged the Authority's observation and explained that a team was appointed including senior internal auditor</i></p> <p>Authority's comment: Noted the Entity's response i.e., the appointment of the team of three members dated 19th January 2026 after receipt of the Management Letter.</p>
4.	The Accounting Officer should review the assets of the Entity to identify the public assets to be disposed of in the following financial year each Financial Year in line with Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023	Partially implemented	<p><i>Management acknowledged the Authority's observation and explained that the board of survey was conducted with the Chief Government Valuer engaged in the valuation of the assets for disposal.</i></p>
5.	The Accounting Officer should ascertain the causes of the low bidder response and devise mechanisms of increasing competition in the Entity's procurement processes to achieve competition and value for money	Not implemented	<p><i>Management acknowledged the Authority's observation and promised to organize an engagement with bidders to ascertain the cause of low turn over</i></p>
6.	The Contracts Committee should critically review the submissions made by the Procurement and Disposal Unit to ensure that there are no inconsistencies in line with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023	Partially Implemented	<p><i>Management acknowledged the Authority's observation and explained the Contracts Committee has been directed to strictly review the submissions made by the head Procurement and Disposal Unit for inconsistencies.</i></p> <p>Authority's comment: The Authority noted the Entity's response; however, no written record was provided to substantiate the directive.</p>
7.	The Head Procurement and Disposal Unit should ensure that the Evaluation Committee Members strictly adhere to the set criteria, use standard evaluation report template, and participate in the evaluation and sign the evaluation report	Partially Implemented	<p><i>Management acknowledged the Authority's observation and provided that a training will be organized for key Heads of departments who participate in evaluation.</i></p>

No.	Recommended Action	Status	Management Response
8.	The Head Procurement and Disposal Unit should ensure that all procurement records are on the respective files in accordance with Section 41 of the PPDA Act 2003.	Not Implemented	<i>Management acknowledged the Authority's observation and promised to follow up with the head Procurement and Disposal Unit to comply</i>
9.	The Contract Managers should prepare a contract management plan using Form 49 in Section 2 to the Regulation and forward a copy of the contract management plan to the Procurement and Disposal Unit for purposes of monitoring in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.	Partially Implemented	<p><i>Management noted the Authority's observation and explained that the contract managers prepared the contract management plan with copies not provided to the Procurement and Disposal Unit by the time of the inspection.</i></p> <p>Authority's comment: Noted the Entity's response; however, some procurements had no contract management plans</p>

Implication

Failure to fully implement audit recommendations impacted on performance improvement of the procurement function and portrayed a weak implementation mechanism by the Entity.

Recommendation

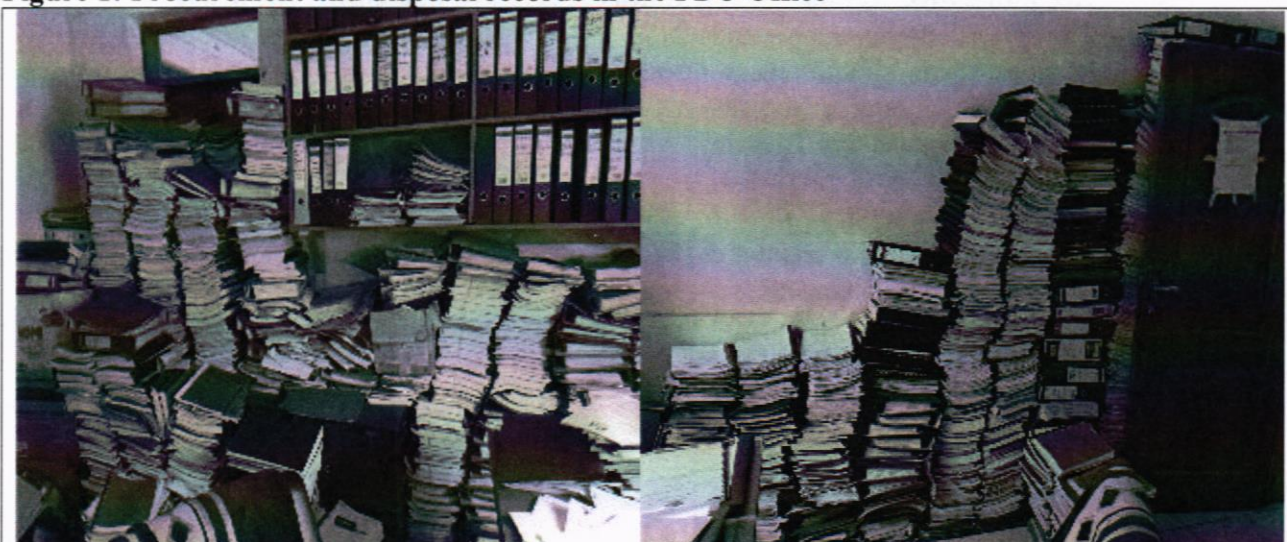
The Accounting Officer should task the Internal Auditor to follow up and ensure full implementation of the Authority's audit recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205.

2.1.3 Inadequate storage facilities for procurement and disposal records

Section 44(1) of the PPDA Act, Cap. 205 provides that; a Procuring and Disposing Entity shall maintain records on its procurement and disposal proceedings for a period of seven years from the date of a decision to terminate the procurement or disposal action, or the date of the contract completion, whichever comes later, except where a contract is on going or is challenged, in which case, the records shall be kept for an additional year after the completion of the contract or the settlement of the dispute, whichever comes earlier.

The Authority found that the Entity did not have sufficient storage facilities to keep the procurement and disposal records. The procurement files and documents were kept on the floor in the Procurement and Disposal Unit, exposing them to the risk of dampness and attack by termites as evidenced in Figure 1 below:

Figure 1: Procurement and disposal records in the PDU Office



Procurement records found on the floor of the Procurement and Disposal Unit as at 9th September 2025

Implication

There was misplacement of the procurement records and exposure to destruction, damage and theft of documentation which impacted on transparency and accountability.

Management response

Management acknowledged the Authority’s observation and explained that they were planning to expand the current administration block with the provision of storage for the procurement and disposal records.

Authority’s Comment: Noted the Entity’s response; however, timeline of the expansion was not indicated.

Recommendation

The Accounting Officer should, while planning to expand the current administration block, avail a temporary storage for the maintenance and archive of records of the procurement and disposal process in accordance with Section 44(1) of the PPDA Act Cap. 205.

2.1.4 Failure to implement 32% of the procurement plan

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

The Entity’s total procurement budget for the Financial Year 2024/2025 was UGX 2,795,615,970 as noted from the Entity’s consolidated procurement plan. The monthly reports submitted to the Authority indicated a total procurement spend of UGX 1,904,209,921 implying that the Entity did not implement planned procurements worth UGX 891,406,049 (31.89%). Details of implementation are summarized in Table 5 below:

Table 5: Procurement plan implementation rate

Total procurement plan value (UGX)	2,795,615,970
Actual procurement spends (UGX)	1,904,209,921

Variance (UGX)	891,406,049
Percentage implementation rate (%)	68.11%
Variance (%)	31.89%

Notably, some of the planned procurements were also not implemented as indicated in Table 6 below:

Table 6: Planned procurements not implemented

No.	Subject of Procurement	Planned value (UGX)	Source of Funding	Management response
1.	Supply of camera	2,000,000	Sector Development grant	<p><i>Management noted the Authority's observation and explained that the procurement was conducted under micro procurement arrangement with records of the invoices, delivery note and goods received note on file.</i></p> <p>Authority's comment: The Authority noted the Entity's response; however, the cited records were not availed for verification.</p>
2.	Repair and maintenance of equipment/hire	100,000,000	Rehabilitation grant	<p><i>Management noted the Authority's observation and explained that the procurement was implemented under framework arrangement with records of the purchase order, pre-inspection report, post-inspection report and framework contract on file</i></p> <p>Authority's comment: The Authority noted the Entity's response; however, the cited records, including Form 5 and the call-off order, were not availed for verification.</p>
3.	Compound cleaning and sanitation plus beautification and cleaning of offices	30,000,000	Local revenue	<p><i>Management acknowledged the Authority's observation and explained that funds were not realised with the procurement deferred to financial year 2025-2026.</i></p>
4.	Procurement of land for the dumping and cemetery	100,000,000	Local revenue	<p><i>Management acknowledged the Authority's observation and explained that funds were not realised with the procurement deferred to financial year 2025-2026.</i></p>
5.	Renovation of abattoir	38,142,565	Local revenue	<p><i>Management acknowledged the Authority's observation and explained that funds were not realised with the procurement deferred to financial year 2025-2026.</i></p>

Implication

This undermined effectiveness of procurement planning and service delivery, since the Entity did not adequately review and update the procurement plan to align planned activities with available funding and implementation realities.

Recommendation

The Accounting Officer should regularly review the implementation of the planned procurements by updating the procurement plan to incorporate approved changes with available funding and in accordance with Section 60 (7) of the PPDA Act, Cap. 205.

2.1.5 Award of contract above the procurement plan estimate

Regulation 4 (1) of the PPDA (Rules and Methods for procurement of supplies, works and non-consultancy services) Regulations, 2023 provides that; a Procuring and Disposing Entity shall not initiate any procurement for which funds are not available or adequate in the budget of the procuring and disposing entity except where -

- (a) the delivery of supplies, works or non-consultancy services and the consequent payments to a provider are to be effected under subsequent financial years;
- (b) in the case of framework contracts, funds are to be committed at the time of issue of each specific call off order; or
- (c) the Secretary to the Treasury confirms in writing that the required funding shall be made available.

In the procurement for the supply of a motor grader worth UGX 1,085,036,100, the Contracts Committee awarded the contract above the procurement plan estimate of UGX 400,000,000, resulting in a variance of UGX 685,036,100, contrary to Regulation 4(1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

Implication

This exposed the Entity to over-commitment and budget overruns, increasing the likelihood of domestic arrears, delayed payments and contract disputes. It also undermined procurement planning and value for money.

Management response

Management noted the Authority's observation and explained that this was a multiyear procurement for two financial years i.e., 2024/2025 and 2025/2026.

Authority's comment: Noted the Entity's response; however, the procurement was not captured in the current financial year 2025-2026's procurement plan submitted to the Authority via e-reporting link. In addition, there was no evidence of approval of the additional fund (variance) worth UGX 685,036,100.

Recommendation

The Authority therefore recommends that the Contracts Committee should desist from awarding contracts above the procurement plan estimates unless the availability of the extra funds is evidenced by budgeted or supplementary funds for the current financial year or an allocation for subsequent years in accordance with Regulation 4 (2) of the PPDA (Rules and Methods for procurement of supplies, works and non-consultancy services) Regulations, 2023.

2.1.6 Incomplete Procurement Requisition Forms

Regulation 3 (2) (a) of the PPDA (Rules and Methods for procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023 provides that initiation for a procurement requirement shall include a description of the supplies, works or non-consultancy services required.

The Authority found that in 11 transactions worth UGX 1,578,169,237, the procurement requisitions did not have the funds availability section completed with the required details (Vote/Head No., Programme, Sub-programme, Item and balance remaining), contrary to Regulation 3(2)(a) of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023, as indicated in Table 7 below:

Table 7: Incompleteness of the procurement requisition form

No.	Subject of Procurement	Amount (UGX)	Irregularity	
1.	Construction of a 5 stance Lined Pit Latrine with Urinal at Naluvule Islamic P/S	29,802,941	• Funds availability section not filled • Sections for Entity code, procurement category, financial year and sequence number were left blank	
2.	Supply of water dispensers	22,200,000		
3.	Renovation of Nyenga C/U classroom block	31,823,184	Funds availability section not filled	
4.	Extension of a public toilet at Njeru Headquarters	57,963,851		
5.	Supply of medical equipment	51,900,000		
6.	Renovation of Nakalanga classroom block	48,723,533		
7.	Supply of materials for construction of stone arch bridge at Naava stream, Njeru Central Division Njeru MC	61,949,402		
8.	Supply of motor grader	1,085,036,100		
9.	Re-roofing and shuttering of classroom block at Nyenga boys' Primary School	49,957,233		
10.	Construction of a two-classroom block with an office at St. Jude Ssunga P/S	89,848,860		
11.	Renovation of Wakisi R/C classroom block	48,964,133		
Total		1,578,169,237		

Implication

This weakened commitment control and accountability, since decision-makers could not reliably confirm budget availability and correct charging of funds before initiating procurements. It increased the risk of initiating procurements without adequate funding, mischarging expenditure, budget overruns and accumulation of domestic arrears.

Management Response

Management acknowledged the Authority's observation and promised to organise training for the User Departments emphasising the complete filling of the procurement requisition forms.

Recommendations

1. The Accounting Officer should confirm that the funds availability section is complete before approving the initiation request in accordance with Regulation 4 (3) of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023
2. The Procurement and Disposal Unit should ensure that the requisition form is accurately completed in accordance with Regulation 3 (2) of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023.

2.1.7 Inadequate solicitation documents

Section 67 (2) of the PPDA Act, Cap. 205 provides that all solicitation documents shall detail the terms and conditions, which shall apply to any resulting contract; and contain the General Conditions of Contract, or a statement of the General Conditions of Contract which shall apply.

The Authority found that in eight procurements worth UGX 1,457,047,871, the Procurement and Disposal Unit prepared inadequate bidding documents with gaps in areas such as the technical evaluation criteria, incomplete provisions under the Special Conditions of Contract, unreasonable performance security and not considering margin of preference contrary to section 67 (2) of the PPDA Act, Cap. 205 as indicated in Table 8 below:

Table 8: Inadequate solicitation documents

No.	Subject of Procurement	Amount (UGX)	Irregularity
1.	Renovation of Nakalanga Classroom Block	48,723,533	<p>Under the Special Conditions of Contract, the following provisions were left blank:</p> <ul style="list-style-type: none"> • GCC 1.1 (bb): site location was not indicated • GCC 1.1 (ee): Start date was not indicated • GCC 1.1 (ii): Details of works was not indicated • GCC 2.3: Contract type was not indicated • GCC 6.1: Address for notices was not filled for both Employer and Contractor • GCC 17.1: The intended completion date for the whole works was not indicated • GCC 21.1: The Site Possession date was not indicated • GCC 35.1: The defect liability period was not indicated • GCC 48.1: Retention period was not indicated • GCC 49.1: Liquidated damages details were not indicated
2.	Supply of motor grader	1,085,036,100	<ul style="list-style-type: none"> • Manufacturer’s authorization was not included among requirements • Under ITB 35.1, margin of preference was considered not applicable yet an open domestic method was used

No.	Subject of Procurement	Amount (UGX)	Irregularity
			<ul style="list-style-type: none"> Under ITB 21.1 and ITB 21.3, a bid security worth UGX 5,000,000 was required, however, it was not indicated whether it was to be in form of bank guarantee or bid bond. 1% performance security was required. This may not be adequate to cover up supply risks for such a complex technical supply in case of technical problems after delivery.
3.	Supply of medical equipment	51,900,000	Under technical evaluation, previous experience in medical supplies was not a requirement
4.	Supply of materials for construction of stone arch bridge at Naava stream, Njeru central division Njeru MC	61,949,402	A site investigation report as evaluation criterion was inappropriate for the supply category
5.	Construction of a 5-stance lined pit latrine with urinal at Naluvule Islamic P/s	29,802,941	Under technical evaluation, the past work experience needed from the bidders, type of machinery required, experience and qualifications of personnel, were not indicated.
6.	Renovation of Nyenga C/U classroom block	31,823,184	
7.	Construction Of a Two Classroom Block with An Office at St. Jude Ssunga P/S	89,848,860	
8.	Extension of a public toilet at Njeru headquarters	57,963,851	
Total		1,457,047,871	

Implications

- Failure to include margin of preference under open domestic bidding risks the local firms or bidders a competitive advantage over foreign firms hence undermining the promotion of local content.
- This undermined the quality and compliance of the procurement process, since the omission of key requirements (such as previous work experience, experience and qualifications of personnel) limited bidders' ability to prepare responsive bids and reduced the Entity's ability to properly assess bidder eligibility and technical.
- Setting inappropriate criteria exposed the Entity to the risk of inappropriate evaluation of bids, hence awarding contracts to ineligible and unsuitable bidders.

Management Response

Management acknowledged the Authority's observation and promised to improve on the quality of solicitation documents with thorough review and approval by Contracts Committee before issuance to bidders.

Recommendations

The Authority noted the Entity's response and therefore recommends that:

1. The Contracts Committee should critically review bidding documents submitted by the Procurement and Disposal Unit to eliminate any inconsistencies in accordance with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.
2. The Head, Procurement and Disposal Unit should prepare quality solicitation documents by including all key requirements to assess the bidder eligibility and technical in accordance with Regulations 33-38 of the PPDA (Rules and Methods for procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023.

2.1.8 Irregularities in the bidding process

The Authority found irregularities in the bidding processes for five procurements worth UGX 338,736,244, as detailed in Table 9 below:

Table 9: Irregularities observed during bidding

No.	Subject of Procurement	Amount (UGX)	Irregularity	Management Response
1.	Proposed construction of Community Hall at Njeru Municipal Council	120,000,000	<ul style="list-style-type: none">• No evidence of communication to the shortlisted bidders of the invitation to bid by any means including electronic means.• Bidders' quotations not indicated in the Record of Bid Opening (Form 12).	<ul style="list-style-type: none">• <i>Management acknowledged the Authority's observation and promised to keep records of electronic communications on file</i>• Authority's comment: Management did not respond to the missing bidders' details on Form 12
2.	Renovation of Nakalanga Classroom Block	48,723,533	Logyi Construction Ltd was issued a solicitation document yet it was not among the firms on the shortlist approved by Contracts Committee	<i>Management acknowledged the Authority's observation and promised to record and keep all communications on file</i>
3.	Construction of a two-classroom block with an office at St. Jude Ssunga P/S	89,848,860	No communication of the invitation to bid to shortlisted bidders by any means including electronic means	<i>Management acknowledged the Authority's observation and promised to keep</i>

No.	Subject of Procurement	Amount (UGX)	Irregularity	Management Response
				<i>records of electronic communications on file</i>
4.	Supply of 12 water dispensers to all departments	22,200,000	Record of Bid Opening (Form 12) not on file	<i>Management noted the Authority's observation and explained that the Form 12 which had been displayed on the Entity notice board was collected for filing.</i> Authority's comment: Noted the Entity's response; however, no record was provided for verification
5.	Extension of a public toilet at Njeru headquarters	57,963,851	Record of Bid Opening (Form 12) not on file	
Total		338,736,244		

Implications

- Failure to keep documentation relating to a procurement or disposal activity was a sign of non-transparency and weaknesses in the internal controls that illustrates an ineffective accountability system within the Entity.
- Failure to communicate the invitation to bid to all shortlisted bidders concealed bid opportunities, limited competition, thus leading to low bidder participation.

Recommendations

The Authority noted the Entity's management responses and therefore recommends that:

1. The Accounting Officer should have all the shortlisted bidders for a specific procurement, access the invitation to bid including electronic means of transmission in accordance with Section 59 (1) of the PPDA Act, Cap. 205.
2. The Head Procurement and Disposal Unit should:
 - a) Issue the bidding documents to bidders on the shortlist approved by Contracts Committee in accordance with Regulation 53 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
 - b) Complete the procurement and disposal forms required during the bidding for transparency, accountability and fairness in line with Section 48 of the PPDA Act, Cap. 205

2.1.9 Irregularities during the evaluation process

i) Evaluations conducted by members not approved by the Contracts Committee

Section 30 (b) of the PPDA Act, Cap. 205 provides that a Contracts Committee shall be responsible for approving the Evaluation Committee.

In two procurements worth UGX 142,200,000, persons that had not been approved by the Contracts Committee participated in evaluation of bids contrary to Section 30 (b) of the PPDA Act, Cap. 205 as detailed Table 10 below:

Table 10: Procurements conducted by members without Contracts Committee approval

No.	Subject of Procurement	Amount (UGX)	PPDA Finding	Management Response
1.	Proposed construction of Community Hall at Njeru Municipal Council	120,000,000	One of Officers recommended as part of the Evaluation Committee as indicated in Part II of Form 5 was Mr. Andrew Wandira Kaitaita as Senior Health Inspector; however, he never took part in evaluation of bids. Instead, Mr. Samuel Sekajja as Senior Community Development Officer participated in the evaluation of bids without being approved by Contracts Committee	<i>Management acknowledged the Authority's observation and explained that Mr. Andrew Wandira Kaitaita was substituted so that the User Department was represented at evaluation and promised to subsequently follow the procedures with Contracts Committee approvals.</i>
2.	Supply of 12 water dispensers to all departments	22,200,000	Mr. Kenneth Kikulwe, an Accountant participated in the evaluation of bids and signed the evaluation report without him being approved by Contracts Committee	<i>Management acknowledged the Authority's observation and explained that Mr. Kenneth Kikulwe participated in the evaluation as a User Department representative and promised to subsequently follow the procedures with Contracts Committee approvals.</i>
Total		142,200,000		

Implication

This undermined the integrity, transparency and accountability of the evaluation process, since bids were assessed by persons who lacked formal approval and mandate from the Contracts Committee and was a red flag for ulterior motive.

Recommendation

The Head, Procurement and Disposal Unit should engage only members approved by the Contracts Committee on the Evaluation Committee in accordance with Section 30 (b) of the PPDA Act, Cap. 205 before they participate in evaluation of bids.

ii) Failure to sign the ethical code of conduct

Section 39 (6) of the PPDA Act, Cap. 205 provides that all members of the Evaluation Committee shall sign the Code of Ethical Conduct provided under the regulation made under this Act, declaring that they do not have a conflict of interest in the procurement requirement.

The Authority found that in two procurements worth UGX 54,023,184, the Evaluation Committee members did not sign the Code of Ethical Conduct contrary to Section 39 (6) of the PPDA Act, Cap. 205, as indicated in Table 11 below:

Table 11: Procurements with the Code of Ethical Conduct not signed

No.	Subject of Procurement	Amount (UGX)	PPDA Finding	Management Response
1.	Renovation of Nyenga C/U classroom block	31,823,184	Mr. Hassan K Nkuutu, one member of the evaluation committee did not sign the ethical code of conduct	<i>Management acknowledged the Authority's observation as an oversight and explained that this was corrected with a dully filed copy on file.</i>
2.	Supply of 12 water dispensers to all departments	22,200,000	None of the evaluation committee members signed the ethical code of conduct	Authority's comment: Noted the Entity's response; However, there were no records provided for verification.
Total		54,023,184		

Implication

This weakened assurance of integrity and confidentiality in the evaluation process, since the Evaluation Committee members did not formally declare commitment to ethical conduct and avoidance of conflicts of interest.

Recommendation

The Head, Procurement and Disposal Unit should confirm that the Evaluation Committee members sign the Code of Ethical Conduct declaring that they do not have a conflict of interest in the procurement requirement in accordance with Section 39 (6) of the PPDA Act, Cap. 205.

iii) Award of contracts to non-compliant bidder

Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023 provides that; the evaluation of bids shall be conducted in accordance with the evaluation criteria specified in the bidding documents.

The Authority found that in three procurements worth UGX 110,590,258, contracts were awarded to bidders who did not meet the criteria in the bidding document, contrary to Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023 as detailed in Table 12 below:

Table 12: Procurements with non-compliance during the evaluation of bids

No.	Subject	Amount (UGX)	PPDA Findings
1.	Construction of a 5-stance lined pit latrine with urinal at Naluvule Islamic P/s	29,802,941	The best evaluated bidder did not submit the following as required in the evaluation criteria: <ul style="list-style-type: none"> • An environment, social health and management plan • Signed by technical personnel • Beneficial owners' particulars
2.	Renovation of Nyenga C/U classroom block	31,823,184	Site investigation report was not provided by the best evaluated bidder as required

No.	Subject	Amount (UGX)	PPDA Findings
3.	Renovation of Wakisi R/C Classroom block	48,964,133	The best evaluated bidder did not submit the following as required in the evaluation criteria: <ul style="list-style-type: none"> • A copy of the bidder's certificate of registration or equivalent for bidders • Evidence of fulfilment of obligations to pay taxes and social security obligations in Uganda • A brief site investigation report
Total		110,590,258	

Implication

This hindered fairness and transparency in the evaluation process and exposed the Entity to the risk of awarding contracts to non-compliant bidders.

Management response

Management acknowledged the Authority's observation and promised to always use the evaluation criteria stated in the bid documents and organise training for evaluation committee members.

Recommendations

The Authority noted the Entity's response and recommends that:

1. The Procurement and Disposal Unit should guide Evaluation Committees in conducting the evaluation using the evaluation criteria specified in the bidding document in accordance with Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023.
2. Evaluation Committees should conduct evaluations using the evaluation criteria specified in the bidding document in accordance with Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023

iv) Irregular evaluation and award of contract for Supply of motor grader

Regulation 19 (3) (c) of the PPDA (Evaluation) Regulations, 2023 provides that; the detailed evaluation shall for a bid for supplies, determine whether the bid complies with the minimum technical specification stated in the bidding document.

In the procurement for Supply of motor grader worth UGX 1,085,036,100, the following irregularities were noted:

- a) Mr. Fred O. Obala, a Principal Executive Engineer from Ministry of Works and Transport, did not sign the evaluation report despite being approved by the Contracts Committee as a technical person; and
- b) The Evaluation committee recommended for award of contract to Victoria Equipments Limited despite variances between the specifications provided by the Ministry of Works and Transport as detailed in Table 13 below:

Table 13: Variance in bidder technical specifications and the Entity's technical requirements

No.	Minimum Technical Specifications required	Specification offered by the bidder	Variance	Remarks by the Evaluation Committee
1.	Machine dimension L=9245MM W= 3960MM H=3460MM	Machine dimension L=10575MM W=3710MM H=3280MM	Machine dimension L=1330MM W=250MM H=150MM	Small grader length narrow width Low Height, However, it does not affect performance and is more efficient. therefore, it is not material deviation and the bidder is considered responsive
2.	Wheel base between the middle and rear required 1560mm (minimum)	Wheel base between the middle and rear 1525mm	35mm	Reduced swing clearance, its minimal and does not affect range of operation of machine. Therefore, considered responsive and is not material deviation
3.	Hydraulic system type: Open loop	Closed loop	System set up	Operating system variation for the new mode does not affect performance
4.	Work system pressure: 24.0mpa	20.6mpa	3.4mpa	Its low, however it's the new operating range for new mode
5.	Transmission box pressure 1.4 – 1.8Mpa	2.48Mpa	≥ 0.6Mpa	Above average
6.	Blade maximum lift above ground: 520mm	505mm	15mm	The difference is minimal and does not affect functionality
7.	Blade side shift distance left/right: 655/655mm (minimum)	550/590mm	105/65mm	Variance is minimal and does not affect operating length. Therefore, it's not material deviation
8.	Blade length x height: 3960x610mm (minimum)	3710x645	250/25mm	Variance is minimal and does not affect operating length. Therefore, it's not material deviation

Implication

This undermined the credibility and defensibility of the evaluation outcome, since the evaluation report was not fully endorsed by the approved technical member, weakening accountability for the technical assessment. More critically, recommending award despite variances from the Ministry of Works and Transport specifications indicates that the bid may have been treated as technically responsive when it was not, exposing the Entity to the risk of procuring equipment that is not fit for purpose.

Management Response

Management acknowledged the Authority's observation and explained that the User Department representation with the technical Engineers who designed the specifications, who came to conclusion that the difference in specifications was more of the latest technologies on the market with little impact on the performance of the machine. However, going forward evaluation committee will be advised to follow User Department specifications during evaluation.

Recommendations

The Authority noted the Entity's response and recommends that:

1. User Departments should submit comprehensive statements of requirements to the Procurement and Disposal Unit in accordance with Section 36 (1) (c) and (d) of the PPDA Act, Cap. 205.
2. The Head, Procurement and Disposal Unit should confirm with User Departments that the statements of requirements are up to date in accordance with Section 33 (h) of the PPDA Act, Cap. 205.
3. Evaluation Committees should conduct detailed evaluation to determine whether bids comply with the minimum technical specification stated in the bidding document in accordance with Regulation 19 (3) (c) of the PPDA (Evaluation) Regulations, 2023.
4. Chairpersons, Evaluation Committees should, where a member of the Evaluation Committee does not or is not able to sign the report, the member should, in writing, give reasons why he or she did not or was not able to sign the report in accordance with Regulation 4 (15) of the PPDA (Evaluation) Regulations, 2023

v) Irregularities in the negotiation process

Section 30 (c) of the PPDA Act, Cap. 205 provides that: a Contracts Committee shall be responsible for approving Negotiation Teams.

The Evaluation Committee in its report recommended award for the procurement of proposed construction of Community Hall at Njeru Municipal Council to Mersharid Services Ltd worth UGX 149,841,356 subject to negotiations. However, the Authority noted the following:

- a) The negotiation team was not approved by Contracts Committee;
- b) Two members out of the four on the negotiation team did not sign the negotiation minutes.

Implications

- The use of unapproved negotiation team was a violation of the procurement procedure by usurping the functions of the Contracts Committee.
- Failure to fully sign the negotiation report rendered the credibility of the evaluation process doubtful.

Management Response

Management noted the Authority's observation and explains that:

- a) *The negotiation team was approved by Contracts Committee on 4th April 2025 under minute number NJMC727/CC/2024-25/0049; and*
- b) *That it was an oversight that the two members of the negotiation team did not sign the negotiation minutes and therefore, were mobilised and signed the minutes.*

Authority's comment: Noted the Entity's response; however, no records were provided for verification.

Recommendations

1. The Head, Procurement and Disposal Unit should conduct negotiations using negotiation teams approved by the Contracts Committee in accordance with Section 30 (c) of the PPDA Act, Cap. 205.
2. The negotiation team should have record of the meeting of the negotiations signed by the bidder or the authorised representative of the bidder in accordance with Regulation 4 (1) of the PPDA (Negotiations) Regulations, 2023.

vi) Introduction of additional criteria during bid evaluation

Regulation 5 (1) and 5 (2) of the PPDA (Evaluation) Regulations, 2023 provides that;

1. The evaluation of bids shall be conducted in accordance with the evaluation criteria specified in the bidding documents.
2. An Evaluation Committee shall not, during an evaluation, make any amendment including any addition to the evaluation criteria stated in the bidding document, and shall not use any other criteria other than the criteria specified in the bidding document.

In two procurements worth UGX 81,702,941 the Evaluation Committee introduced new criteria during evaluation of bids to include recommendation from previous employer, copy of beneficial ownership of the company among others which criteria had not been included under the evaluation methodology in the bidding document contrary to Regulation 5 (1) and 5 (2) of the PPDA (Evaluation) Regulations, 2023 as indicated in Table 14 below:

Table 14: Procurements with new evaluation criteria during the evaluation of bids

No.	Subject of procurement	Amount (UGX)	PPDA Findings
1.	Construction of a 5-stance lined pit latrine with urinal at Naluvule Islamic P/S	29,802,941	The following were not a requirement in the bidding document but were considered during evaluation: <ul style="list-style-type: none"> • Code of Ethical Conduct in business for bidders and providers • Copy of bid securing declaration form however, these were not required in the evaluation criteria
2.	Supply of medical equipment	51,900,000	The following were not a requirement in the bidding document but were considered during evaluation: <ul style="list-style-type: none"> • Recommendation from previous employer • Copy of beneficial ownership of the company • Copy of bid securing declaration form • Copy of Ethical Conduct in business for bidders and providers
Total		81,702,941	

Implication

The above actions amount to unfairness of the evaluation process as a result of bids being declared non-response on the ground of criteria that was not communicated to the bidders.

Management response

Management acknowledged the Authority's observation and explained that it was oversight during preparation of evaluation criteria; however, promised to improve with the bid documents and organise training for Evaluation Committee.

Recommendations

The Authority noted the Entity's response and recommends that:

1. Evaluation Committees should always conduct evaluations based on evaluation criteria specified in the bidding documents in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2023.
2. The Contracts Committee should desist from approving evaluation recommendations not in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2023.

3. The Accounting Officer should organize a training and capacity building of key technical staff involved in evaluation.

2.1.10 Low bidder participation

Regulation 20 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 provides that procurement using the quotation method shall be by selection of bidders using a shortlist which shall have at least six providers.

The Authority found that in four procurements worth UGX 280,630,168, the Entity received fewer than six bids under the quotation method despite having an approved shortlist of six bidders, thereby limiting competition and value for money contrary to Sections 48 and 49 of the PPDA Act, Cap. 205, as indicated in Table 15:

Table 15: Procurements with low bidder participation

S/N	Subject of procurement	Amount (UGX)	No. of bids received
1.	Proposed construction of Community Hall at Njeru Municipal Council	120,000,000	2
2.	Renovation of Nakalanga Classroom Block	48,723,533	2
3.	Supply of materials for construction of stone arch bridge at naava stream, Njeru central division Njeru MC	61,949,402	3
4.	Re-roofing and shuttering of Classroom block at Nyenga Boys Primary School	49,957,233	2
Total		280,630,168	

Implication

Low bidder participation hindered competition in the procurement process and exposed the entity to the risk of not achieving of value for money.

Management response

Management acknowledged the Authority's observation and promised to organise a workshop for suppliers to ascertain the reason for low bidder turn up.

Recommendation

The Accounting Officer should direct the Head, Procurement and Disposal Unit to strengthen competition under the quotation method by:

- a) Issuing RFQs to all providers on the approved shortlist and confirming their capacity/availability before invitation;
- b) Allowing adequate response time and ensuring requirements are clear and non-restrictive; and
- c) Where fewer than six bids are received, documenting the reasons and re-inviting or applying an alternative method where appropriate, to comply with Sections 48 and 49 of the PPDA Act, Cap. 205 and achieve value for money.

2.2 COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT CAP 205 AND THE PPDA REGULATIONS 2023

2.2.1 Failure to dispose obsolete assets

Section 60 (2) (e) of the PPDA Act, Cap. 205 provides that a Procuring and Disposing Entity shall plan its procurement and disposal in a rational manner and in particular shall integrate the disposal of assets, both listed and unlisted, in its assets register as well as in its income and expenditure budget.

The Authority's review of the Board of Survey report for FY 2023/2024 revealed that the Entity had not taken action to dispose of obsolete assets recommended for boarding off, contrary to Section 60(2)(e) of the PPDA Act, Cap. 205, as indicated in Table 16 and Figure 2 below:

Table 16: unserviceable items recommended for disposal

Item	Unique identifier (Tag/Registration Number)	Quantity
Jiefang Truck	LG 0018-36	1
Pick up Nissan Sunny	LG 0002- 36	1
Tuku-tuku Motorcycle	UEX 500 S	1
Suzuki Motorcycle	UAC 320 C	1
Yamaha Motorcycle	LG 128- 36	1
Used up tyres	N/A	20
Used batteries	N/A	6
Yamaha Motorcycle	UDA 419 U	1
Motorcycle	LG 0102-36	1

Figure 2: Obsolete items parked at the Municipal Council Headquarter



Obsolete tipper lorry as at 9th September 2025



Double cabin pick up and wornout vehicle tyres as at 9th september 2025

Implication

This resulted in continued holding of obsolete assets, leading to avoidable storage and maintenance costs, reduced accountability for public assets, and increased risk of loss, misuse, deterioration or pilferage.

Management Response

Management acknowledged the Authorities observation and explained that a request was made to the chief Government Valuer for the valuation of items to be disposed of but the Entity had not yet received valuation report and a reminder was to be drafted on the same matter.

Recommendations

The Authority noted the Entity's response and recommends that:

1. The Accounting Officer should follow up with the Office of the Chief Mechanical Engineer for the valuation of the obsolete assets for disposal accordance with Regulation 24 of the PPDA (Disposal of Public Assets) Regulations, 2023.
2. The Head, Procurement and Disposal Unit, after valuation of the assets for disposal, should prepare disposal plan in accordance with Section 60 (2) (e) of the PPDA Act, Cap. 205.

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

2.3.1 Inconsistencies in the signed Contracts

Section 67 (2) of the PPDA Act, Cap. 205 provides that all solicitation documents shall detail the terms and conditions, which shall apply to any resulting contract; and contain the General Conditions of Contract, or a statement of the General Conditions of Contract which shall apply.

The Authority found that the Accounting Officer signed a contract for the re-roofing and shuttering of a classroom block at Nyenga Boys Primary School worth UGX 49,957,233 with contract terms that differed from those issued to bidders in the solicitation documents, contrary to Section 67(2) of the PPDA Act, Cap. 205. The variations included:

- i) Retention (GCC 48.1): the bidding document provided for 10% retention, whereas the signed contract provided for 5% retention payable at completion and the balance at the end of the defects liability period upon issuance of the defects liability certificate; and
- ii) Contract type (GCC 2.3/2.4): the bidding document indicated a lump sum contract, whereas the signed contract indicated an admeasurement contract.

Implication

This undermined transparency and fairness in the procurement process, since bidders submitted bids based on one set of contract conditions while the signed contract reflected different terms. The changes also exposed the Entity to contract administration and payment risks, including potential disputes over measurement and pricing under an admeasurement contract and reduced financial protection where retention terms were altered.

Management Response

Management acknowledged the Authority's observation and promised that to avoid the inconsistencies in the subsequent contracts.

Recommendation

The Accounting Officer should maintain consistency between the solicitation documents issued to bidders and the signed contract, and refrain from altering key contract terms (such as contract type and retention provisions) after bid submission, in compliance with Section 67(2) of the PPDA Act, Cap. 205. Where a change is unavoidable, it should be addressed during the bidding period through a formal addendum issued to all bidders, with the necessary approvals, so that all bidders compete on the same terms and the Entity's interests are adequately safeguarded.

2.3.2 Failure to Maintain Contract Management Records

Section 44(1) of the PPDA Act, Cap. 205 provides that a Procuring and Disposing Entity shall maintain records on its procurement and disposal proceedings for a period of seven years from the date of a decision to terminate the procurement or disposal action, or the date of the contract completion, whichever comes later, except where a contract is ongoing or is challenged, in which case, the records shall be kept for an additional year after the completion of the contract or the settlement of the dispute, whichever comes earlier.

The Authority found that in seven contracts worth UGX 454,202,212, the contract files lacked key contract management records, including progress reports, contract management plans, payment records, performance security declarations, works programmes and site investigation

reports, among others, contrary to Section 44(1) of the PPDA Act, Cap. 205, as indicated in Table 17 below:

Table 17: Procurements with missing records on the Procurement Action Files

No.	Subject of Procurement	Amount (UGX)	Missing Records
1.	Proposed construction of Community Hall at Njeru Municipal Council	120,000,000	<ul style="list-style-type: none"> • Copy of investigation report as required in accordance with GCC 14.1 of the Special Conditions of Contract. • Program for works submitted by contractor in accordance with GCC 27.1 of the Special Conditions of Contract • Performance securing declaration submitted by contractor as required under GCC 52.1 of the Special Conditions of Contract.
2.	Renovation of Nakalanga Classroom Block	48,723,533	<ul style="list-style-type: none"> • Program for works submitted by contractor in accordance with GCC 27.1 of the Special Conditions of Contract • Site investigation report • Contract management plan prepared by contract manager • Payment records including requests for payments by the contractor, payment certificates, and payment vouchers • Progress reports
3.	Supply of materials for construction of stone arch bridge at naava stream, Njeru central division Njeru MC	61,949,402	Progress reports from the project management team on the construction of stone arch bridge at Naava Stream
4.	Re-roofing and shuttering of Classroom block at Nyenga Boys Primary School	49,957,233	<ul style="list-style-type: none"> • Contract management plan prepared by contract manager • Program for works submitted by contractor in accordance with GCC 27.1 of the Special Conditions of Contract • Progress reports
5.	Renovation of Nyenga C/U classroom block	31,823,184	<ul style="list-style-type: none"> • Contract management plan prepared by contract manager • Progress reports
6.	Construction Of a Two Classroom Block with An Office at St. Jude Ssunga P/S	89,848,860	Progress report

No.	Subject of Procurement	Amount (UGX)	Missing Records
7.	Supply of medical equipment	51,900,000	<ul style="list-style-type: none"> • Contract management plan prepared by contract manager • Payment records including requests for payments by the contractor, payment certificates, and payment vouchers • Goods delivery note
Total		454,202,212	

Implications

- Lack of progress reports casted doubt on whether contracts were executed in accordance with contractual requirements and terms and conditions.
- Failure to maintain payment records was a sign of non-transparency and weaknesses in the internal controls that illustrates an ineffective accountability system within the Entity.
- Without a contract management plan the Entity could not effectively manage, monitor and report on contractor performance.

Management Response

Management noted the Authority's observation and explained that all the information required were within management files with contract manager and payment voucher were within finance department but were retrieved and filed.

Authority's comment: Noted the Entity's response; however, the contract management records in Table 19 above were not provided for verification.

Recommendations

1. The Head, Procurement and Disposal Unit should liaise with User Departments, Engineering Department and Finance Department for copies of all documentation relating to a procurement and archive on the procurement action file in accordance with Section 44 (1) of the PPDA Act, Cap. 205.
2. The Contract Managers should:
 - i. Keep and archive all contract management records and distribute copies to key stakeholders including the Procurement and Disposal Unit as required in accordance with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023; and
 - ii. Prepare Contract Management Plans using Form 49 and forward a copy to the Procurement and Disposal Unit for purposes of monitoring in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.

2.3.3 Signing a contract above the procurement plan estimates

Regulation 4 (1) (a) and 4 (1) (c) of the PPDA (Rules and Methods for procurement of supplies, works and non-consultancy services) Regulations, 2023 provides that a Procuring and Disposing Entity shall not initiate any procurement for which funds are not available or adequate in the budget of the Procuring and Disposing Entity except where the delivery of supplies, works or non-consultancy services and the consequent payments to a provider are to be effected under subsequent financial years; or the Secretary to the Treasury confirms in writing that the required funding shall be made available.

The Authority found that in procurement for the proposed construction of Community Hall at Njeru Municipal Council, the Entity signed the contract at UGX 120,000,000, with the budget estimate indicating UGX 100,000,000, therefore leading to a variance of UGX 20,000,000 contrary to Regulation 4 (1) of the PPDA (Rules and Methods for procurement of supplies, works and non-consultancy services) Regulations, 2023.

Implication

This indicated weak commitment control and procurement planning, and exposed the Entity to the risk of undertaking procurements without adequate budget provision.

Management response

Management acknowledged the Authority's observation and explained that; initially the estimated budget was UGX 100,000,000. During preparation of the architectural, mechanical and electrical drawings and bills of quantities, the real estimate was UGX 126,980,480. At evaluation, the bidder quoted UGX 149,841,356 (VAT inclusive) which was negotiated to UGX 120,000,000. Management planned the extra UGX 20,000,000 for the FY 2025-2026.

Authority comment: Noted the Entity's response; however, documentation regarding approval of the extra funds was not provided for verification.

Recommendation

The Accounting Officer should prevail over User Departments to base their budget estimates on Engineers estimates for works projects and further not sign a contract before confirmation of the availability of funds, formal commitment of funds; or without evidence of supplementary funds for the current financial year in accordance with Regulation 4 (2) and 4 (4) of the PPDA (Rules and Methods for procurement of supplies, works and non-consultancy services) Regulations, 2023.

2.3.4 Failure to label the classroom block

Regulations 52 (3) (a) (vi) of the PPDA (Contracts) Regulations, 2023 provides that; a contract manager shall ascertain that all the contract obligations are completed before the expiry of the contract.

The Authority found that in the two procurements worth UGX 169,957,233, the contractors did not label the structures yet provisions were made in the bill of quantities as indicated in Table 18 below:

Table 18: Procurements with missing records on the Procurement Action Files

No.	Subject of Procurement	Amount (UGX)	PPDA Findings
1.	Proposed construction of Community Hall at Njeru Municipal Council Contractor: Mersharid Services Ltd	120,000,000	Bill No. 1 of the Preliminaries provides for Engraving/ labelling of the new building worth UGX100,000
2.	re-roofing and shuttering of classroom block at Nyenga Boys Primary School Contractor: Interbuild Technical Services Ltd	49,957,233	Element No. 1 of the Preliminaries provides for engravement on a marble stone, worded to

No.	Subject of Procurement	Amount (UGX)	PPDA Findings
			Engineer's approval worth UGX 400,000
	Total	169,957,233	

Implication

Failure to engrave/label Government property conceals information on project for accountability, including details on the source of funding, year of implementation and the contractor, which leads to financial losses for the engravement funds allocated.

Management response

Management acknowledged the Authority's observation and provided that the contractor was to be instructed to install marble stones on the buildings before payment of retention monies.

Authority's comment: Noted the Entity's response; however, letters of instructions from the Accounting Officer to the respective contractors were not provided for verification.

Recommendation

The Contract Managers should follow up with the contractor for the engravement/ labelling the structures in fulfilment of the contract obligations before the expiry of the contract in accordance with Regulations 52 (3) (a) (vi) of the PPDA (Contracts) Regulations, 2023.

2.3.5 Failure to maintain ESHS reports for construction works

Regulation 52 of the PPDA (Contracts) regulations, 2023 provides that a contract manager shall make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract.

The Authority found that the Entity did not monitor the construction works for the Community Hall at Njeru Municipal Council worth UGX 120,000,000 for compliance with environmental, social and health safeguards. The required ESHS reports were not prepared, and evidence of environmental screening and management of social and health aspects was not available, despite provision of UGX 200,000 for ESHS activities in the Bill of Quantities. The status of the works is shown in Figure 3 below:

Figure 3: Status of the construction of Community Hall at Njeru Municipal Council



Implication

Failure to conduct monitoring of ESHS aspects exposed the project to risk of environmental degradation and endangering lives of workers and the communities.

Management Response

Management noted the Authority's observation and explained that the reports were with Senior Environment Officer, however, they were retrieved.

Authority's comment: Noted the Entity's response; however, the following deviations by the contractor to the initial plan/ contract provisions were noted in the Environment Social monitoring report dated 21st May 2025 which was prepared by the Senior Environment Officer and Senior Community Development Officer using an EMP Compliance status table:

- Vegetable loss: Compound was not yet restored with its grass and planting of some trees;
- Community and health and safety: Contractor needed to revisit the project environmental safeguards needs and implement them accordingly;
- Public access to site: There was need to erect warning and safety signs, and restricting movement/ access to the site without permission.

The contractor did not rectify the above deviations as indicated in the EMP Compliance status table and therefore the ESHS aspects not implemented as shown in Figure 3 above.

Recommendation

1. The Accounting Officer should recover from the contractors, or obtain a refund of, amounts paid for ESHS items where the required ESHS activities were not implemented in accordance with the contract and the Bill of Quantities, and retain evidence of recovery/refund on the contract file.
2. The contract manager should task the contractors to meet their contractual obligations as stipulated in the contracts including the contractor's adherence to environmental, health and social safeguard measures and its compliance in accordance with Regulation 52 of the PPDA (Contracts) regulations, 2023;

2.4 IMPLEMENTATION OF FORCE ACCOUNT MECHANISM

On 25th May 2025, the Authority received an updated procurement and disposal plan from the Entity for the financial year 2024/2025 and noted that part of the funds estimated at UGX 850,000,000 was allocated for supplies including fuel, gravel and culverts, and UGX 100,000,000 for maintenance or hiring services for equipment under framework.

The total distance of 33Km was the planned total coverage of roads for rehabilitation in the three Divisions of Njeru Municipal Council. The details of the roads for each Division are as below:

- (i) Central Division roads: - Kinanabi-Butema, Wampala-Kamwanyi, Kasanja circular, Musoke Rd, Naava Rd, Kyabaggu-Namwezi, Kawooya Rd, Owen, Muteesa II Crescent and Lorry Park;
- (ii) Wakisi Division roads: - Malindi, Kikubamutwe, Wakisi, Victors and Buloba-Mpumudde; and
- (iii) Nyenga Division roads: - Namaziba-Buziika, Kitovu-Buyinza, Kikwanya, Kufu, Butabila, Nangulwe.

During physical verification within the Divisions of the Municipal Council, the Authority found that the Entity was executing works on rehabilitation of Division roads and structures using Force Account Mechanism. This included the construction of stone masonry arch bridge at Nanva (Namasagali Road) as indicated in Figure 4 below:

Figure 4: Construction of stone masonry arch bridge at Nanva (Namasagali Road) using Force Account Mechanism



2.4.1 Failure to Appoint the Force Account Supervisor

Regulations 5 of the PPDA (Force Account Mechanism) Regulations, 2014 provides that; an Accounting Officer shall, in writing, appoint a member of the Procuring and Disposing Entity as supervisor, to supervise the works to be executed using these Regulations.

The Authority found that the Entity did not appoint a Force Account Supervisor for the construction of stone masonry arch bridge at Nanva (Namasagali Road) implemented using Force Account Mechanism, contrary to Regulations 5 of the PPDA (Force Account Mechanism) Regulations, 2014.

Implication

There was lack of oversight and supervision which poses a risk of poor-quality works and potential mismanagement of resources.

Management Response

Management noted the Authority's observation and explained that the force account supervisor was appointed as Mrs. Elizabeth Sikyajula, the Senior Engineer.

Authority's comment: Noted the Entity's response; however, found that Mrs. Elizabeth Sikyajula, the Senior Engineer was instead appointed as the Force Account Manager under the supervision of the Force Account Supervisor as indicated in the appointment letter dated 8th November 2024. Notably, there were no details on the appointment of Force Account Supervisor.

Recommendation

Accounting Officer should, in writing, appoint a supervisor to supervise the works executed using the force account mechanism in accordance with Regulations 5 and 6 of the PPDA (Force Account Mechanism) Regulations, 2014.

2.4.2 Missing records on implementation of Force Account Mechanism

Section 130 (5) (e) of the PPDA Act, Cap. 205. provides that; for the purpose of ensuring value for money in the application of the Force Account Mechanism, the Accounting Officer of a Procuring and Disposing Entity shall maintain and manage the records, equipment and supplies of the works in accordance with the Public Finance Management Act, 2015.

The Authority found that there were no records supplies for the road works under rehabilitation for all roads executed using Force Account Mechanisms including the construction of stone masonry arch bridge at Nanva (Namasagali Road). The missing records included the following:

- Call off orders for supply of fuel;
- Call off orders supply of road construction materials including culverts, marram and gravel among other;
- Progress reports on the rehabilitation of the roads.

Implication

Failure to maintain and manage records relating to Force Account Mechanism activities casts doubt on transparency and value for money.

Management Response

Management noted the Authority's observation and explained that the records and files for works executed using Force Account where with External Auditors but were later retrieved.

Authority's comment: Noted the Entity's response; however, the above records were not provided for verification.

Recommendation

The Accounting Officer should task the District Engineer to maintain all records on the implementation of Force Account Mechanism and share copies with the Procurement and Disposal Unit for filing in accordance with accordance with Section 130 (5) (e) of the PPDA Act, Cap. 205. Furthermore, the records should be made accessible efficiently whenever various mandated stakeholders require access.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section will present graphically the scores per area assessed under different compliance inspection objectives.

3.1 Overall Inspection Conclusion

The performance of Njeru Municipal Council for the Financial Year 2024/2025 was **Moderately Satisfactory** with overall weighted average risk rating of **67.4%**.

The risk rating is as in Table 19 below:

Table 19: Risk rating Table

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

3.2 Entity's risk assessment

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 20 below:

Table 20: Risk Computation

Risk Category	No.	No. %	Value (UGX)	Value %	Weights	Total Weighted Average	
						By No.	By Value
High	2	17	1,136,936,100	66.97	0.6	10.2	40.18
Medium	8	67	453,850,171	26.73	0.3	20.1	8.02
Low	2	17	106,927,984	6.30	0.1	1.7	0.63
Satisfactory	0	-	0	-	0	0	-
Total	12	100	1,697,714,255	100	1	32	48.83

$$\text{Weighted Average (By No.)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{32 \times 100}{60} = 53.33\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{48.83 \times 100}{60} = 81.38\%$$

$$\text{Combined Weighted Average} = \frac{53.33+81.38}{2} = 67.4\%$$

Figure 5: Graphical Representation of the Entity's Risk Assessment by Number

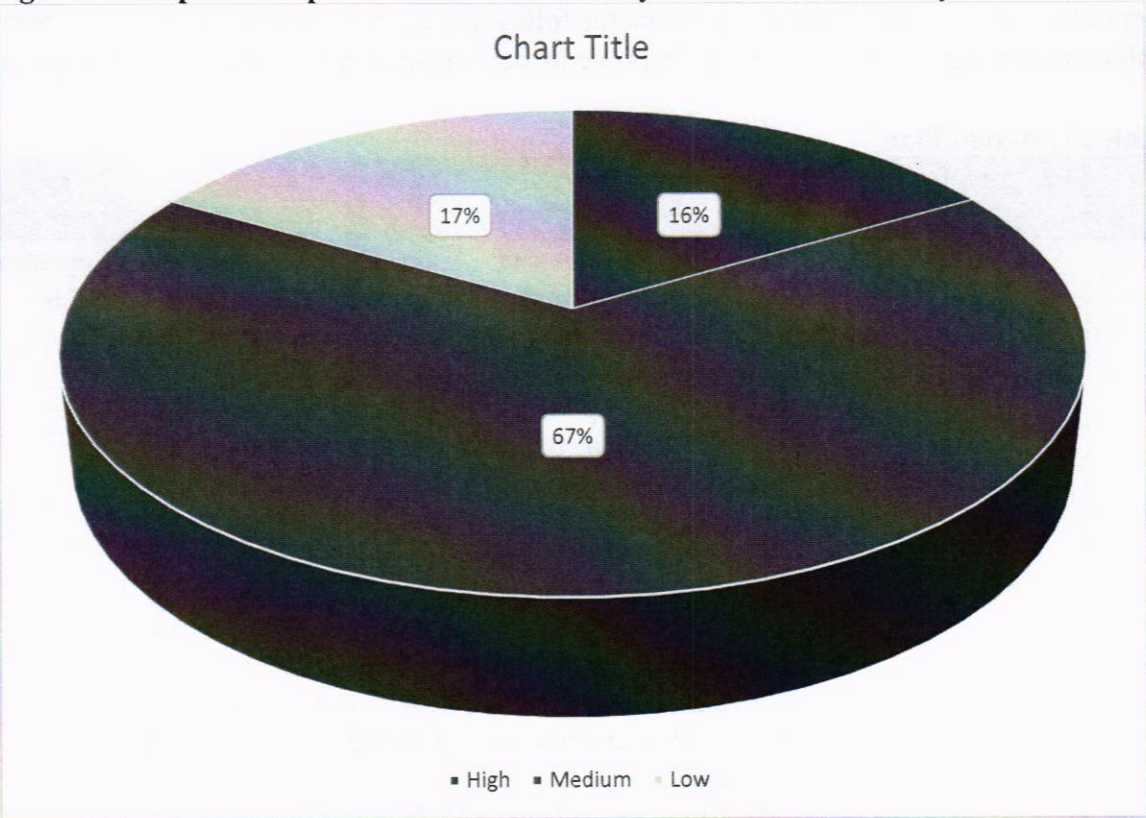
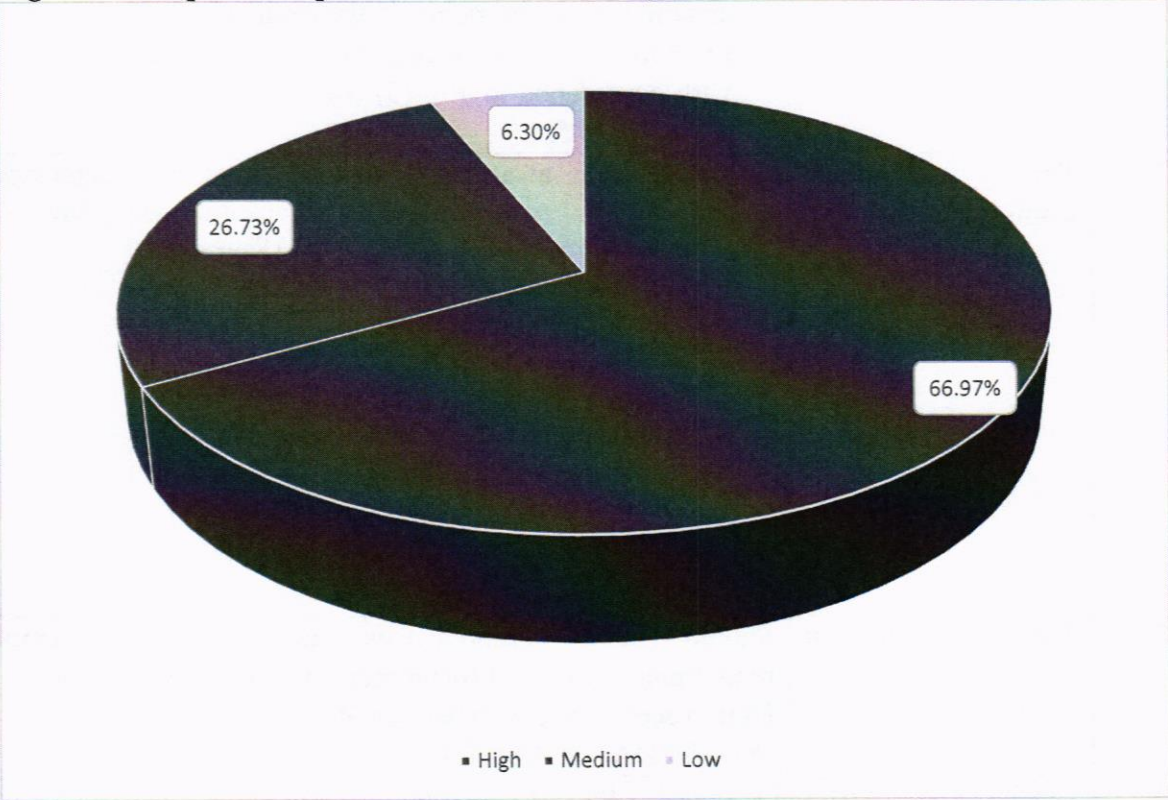


Figure 6: Graphical Representation of the Entity's Risk Assessment by Value



3.3 Recommended Action Plan

Njeru Municipal Council should implement the following recommendations in Table 21 below within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 21: Action Plan

No.	Responsible Officer	Recommendation	Target Date
1.	Accounting Officer	<ul style="list-style-type: none"> a) Task the Internal Audit to follow up and ensure full implementation of the Authority's audit recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205; b) Follow up with the Office of the Chief Mechanical Engineer for the valuation of the obsolete assets for disposal accordance with Regulation 24 of the PPDA (Disposal of Public Assets) Regulations, 2023; c) Task the Environment Officer and Community Development Officer to follow up on the implementation of ESHS aspects and prepare a comprehensive report with a copy submitted to Procurement and Disposal Unit for filing; and d) Maintain and manage the records, equipment and supplies of the works for the purpose of ensuring value for money in the application of the Force Account Mechanism in accordance with accordance to 130 (5) (e) of the PPDA Act, Cap. 205. 	September 2026
2.	The Contracts Committee	<ul style="list-style-type: none"> a) Desist from awarding contracts above the procurement plan estimates in accordance with Regulation 4 (2) of the PPDA (Rules and Methods for procurement of supplies, works and non-consultancy services) Regulations, 2023; and b) Critically review bidding documents submitted by the Procurement and Disposal Unit to eliminate any inconsistencies in accordance with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 	September 2026
3.	The User Department	Should submit comprehensive statements of requirements to the Procurement and Disposal Unit in accordance with Section 36 (1) (c) and (d) of the PPDA Act. Cap. 205	September 2026
4.	Head Procurement and Disposal Unit	(a) Guide the Evaluation Committees in conducting evaluation using the evaluation criteria specified in the bidding documents in	September 2026

No.	Responsible Officer	Recommendation	Target Date
		<p>accordance with Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023;</p> <p>(b) After valuation of the assets for disposal, prepare a disposal plan in accordance with Section 60 (2) (e) of the PPDA Act, Cap. 205; and</p> <p>(c) keep all documentation relating to a procurement on the procurement action file in accordance with Section 44 (1) of the PPDA Act, Cap. 205.</p>	
5.	Evaluation Committees	<p>a) Conduct evaluation using the evaluation criteria specified in the bidding documents in accordance with Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023; and</p> <p>b) Conduct detailed evaluation to determine whether bids comply with the minimum technical specifications stated in bidding documents in accordance with Regulation 19 (3) (c) of the PPDA (Evaluation) Regulations, 2023</p>	September 2026
6.	Chairpersons of Evaluation Committees	Should, where a member of the Evaluation Committee does not or is not able to sign the report, the member should, in writing, give reasons why he or she did not or was not able to sign the report in accordance with Regulation 4 (15) of the PPDA (Evaluation) Regulations, 2023.	September 2026
7.	The Contract Managers	<p>(a) Keep and archive all contract management records and distribute copies to key stakeholders including the Procurement and Disposal Unit as required in accordance with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023: and</p> <p>(b) Prepare Contract Management Plans using Form 49 and forward copies to the Procurement and Disposal Unit for purposes of monitoring in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023</p>	September 2026

APPENDIX 1: PROCUREMENT SAMPLE LIST FOR NJERU MUNICIPAL COUNCIL FOR THE FINANCIAL YEAR 2024/2025

No.	Reference No.	Subject of procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk Rating
1.	NMC727/WRKS/2024-2025/00035	Renovation of classroom block at Nyenga C/U P/S	Direct Procurement	Nabosim Engineering Ltd	31,823,184	Medium
2.	NMC727/WRKS/2024-2025/00033	Re roofing of classroom block at Nyenga C/U P/S	Direct Procurement	Interbuild Technical Services Ltd	49,957,233	Medium
3.	NMC727/SPLS/24-25/0004	Supply of 12 water dispensers to all departments	Request for Quotation/Proposal	Felom Company Ltd	22,200,000	Medium
4.	NMC727/SPLS/24-25/00014	Supply of medical equipment to health Department	Request for Quotation/Proposal	Felom Company Ltd	51,900,000	High
5.	NMC727/WRKS/24-25/0007	Construction of 5 stance Lined Pit Latrine at Naluvule P/S	Request for Quotation/Proposal	Buyima bulaire General Company Ltd	29,802,941	Medium
6.	NMC727/WRKS/24-25/0008	Construction of a 2-classroom block with office at St. Jude Sunga P/S	Request for Quotation/Proposal	Basham Associate U Ltd	89,848,860	Medium
7.	NMC727/WRKS/24-25/00018	Renovation of Nakalanga classroom block	Request for Quotation/Proposal	Nabitende Investment and Suppliers Ltd	48,723,533	Medium
8.	NMC727/WRKS/24-25/00018	Supply of materials for construction of stone arch bridge at naava stream, Njeru central division Njeru MC	Request for Quotation/Proposal	Basham Associate U Ltd	61,494,420	Medium
9.	NMC727/SPLS/24-25/00034	Supply of Motor Grader	Open Domestic Bidding	Victoria Equipments Limited	1,085,036,100	High
10.	NMC727/WRKS/2024-2025/00032	Proposed construction of a community block at Njeru Municipal council head quarters	Request for Quotation/Proposal	Mersharid Services Ltd	120,000,000	Medium
11.	NMC727/WRKS/2024-2025/00033	Extension of a public toilet at Njeru Municipal Council Head quarter (4 stances and 2 new shower unit	Request for Quotation/Proposal	Longyi construction Limited	57,963,851	Low
12.	NMC727/WRKS/24-25/000	Renovation of classroom block at Wakisi RC P/S	Request for Quotation/Proposal	Uptech Engineering	48,964,133	Low

APPENDIX 2: CASE BY CASE ANALYSIS

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	<p>Subject: Supply of Motor Grader</p> <p>Ref: NMC727/SPLS/24-25/00034</p> <p>Actual: UGX 1,085,036,100</p> <p>Method: Open Domestic Bidding</p> <p>Provider: Victoria Equipments Limited</p>	<ul style="list-style-type: none"> • Award above the procurement plan estimate • Funds availability section not filled • Manufacturer's authorization was not included among requirements • Under ITB 35.1, margin of preference was considered not applicable yet an open domestic method was used • Under ITB 21.1 and ITB 21.3, a bid security worth UGX 5,000,000 was required, however, it was not indicated whether it was to be in form of bank guarantee or bid bond. • 1% performance security was required. This may not be adequate to cover up supply risks for such a complex technical supply in case of technical problems after delivery. • Mr. Fred O. Obala, a Principal Executive Engineer from Ministry of Works and Transport, did not sign the evaluation report despite being approved by the Contracts Committee as a technical person • Evaluation committee recommended for award of contract to Victoria Equipments Limited despite variances between the specifications provided by the Ministry of Works and Transport
2.	<p>Subject: Supply of medical equipment to health Department</p> <p>Ref: NMC727/SPLS/24-25/00014</p> <p>Actual: UGX 51,900,000</p> <p>Method: Request for Quotation/Proposal (RFQ-RFP)</p> <p>Provider: Felom Company Ltd</p>	<ul style="list-style-type: none"> • Funds availability section not filled • Under technical evaluation, previous experience in medical supplies was not a requirement • The Evaluation Committee introduced new criteria during evaluation of bids • Contract management plan not prepared by contract manager • No payment records including requests for payments by the contractor, payment certificates, and payment vouchers • No goods delivery note
No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	<p>Subject: Renovation of Nakalanga classroom block</p> <p>Ref: NMC727/WRKS/24-25/00018</p> <p>Actual: UGX 48,723,533</p> <p>Method: Request for Quotation/Proposal (RFQ-RFP)</p>	<ul style="list-style-type: none"> • Funds availability section not filled • Under the Special Conditions of Contract, some provisions were left blank • Logyi Construction Ltd was issued a solicitation document yet it was not among the firms on the shortlist approved by Contracts Committee • Low bidder participation • Missing Records

	<p>Provider: Nabitende Investment and Suppliers Ltd</p>	<ul style="list-style-type: none"> - Program for works not submitted by contractor in accordance with GCC 27.1 of the Special Conditions of Contract - Site investigation report not on file - Contract management plan not prepared by contract manager - Missing Payment records including requests for payments by the contractor, payment certificates, and payment vouchers - No progress reports
2.	<p>Subject: Proposed construction of a community block at Njeru Municipal council head quarters</p> <p>Ref:NMC727/WRKS/2024-2025/00032</p> <p>Actual: UGX 120,000,000</p> <p>Method: Request for Quotation/Proposal (RFQ-RFP)</p> <p>Provider: Mersharid Services Ltd</p>	<ul style="list-style-type: none"> • No evidence of communication to the shortlisted bidders of the invitation to bid by any means including electronic means. • Bidders' quotations not indicated in the Record of Bid Opening (Form 12) • One of Officers recommended as part of the Evaluation Committee as indicated in Part II of Form 5 was Mr. Andrew Wandira Kaitaita as Senior Health Inspector; however, he never took part in evaluation of bids. Instead, Mr. Samuel Sekajja as Senior Community Development Officer participated in the evaluation of bids without being approved by Contracts Committee • The negotiation team was not approved by Contracts Committee • Two members out of the four on the negotiation team did not sign the negotiation minutes • Low bidder participation • Missing Records <ul style="list-style-type: none"> - Copy of investigation report not file as required according to GCC 14.1 of the Special Conditions of Contract. - Program for works not submitted by contractor in accordance with GCC 27.1 of the Special Conditions of Contract - Performance securing declaration not submitted by contractor as required under GCC 52.1 of the Special Conditions of Contract • Signing a contract above the procurement plan estimates • Failure to label the classroom block • Failure to maintain ESHS reports for construction works
3.	<p>Subject: Re roofing of classroom block at Nyenga C/U P/S</p> <p>Ref: NMC727/WRKS/2024-2025/00033</p>	<ul style="list-style-type: none"> • Funds availability section not filled • Low bidder participation • Inconsistencies in the signed Contracts • Contract management plan not prepared by contract manager

	<p>Actual: UGX 49,957,233</p> <p>Method: Direct Procurement</p> <p>Provider: Interbuild Technical Services Ltd</p>	<ul style="list-style-type: none"> • Program for works not submitted by contractor in accordance with GCC 27.1 of the Special Conditions of Contract • No progress reports • Failure to label the classroom block
4.	<p>Subject: Renovation of classroom block at Nyenga C/U P/S</p> <p>Ref: NMC727/WRKS/2024-2025/00035</p> <p>Actual: UGX 31,823,184</p> <p>Method: Request for Quotation/Proposal (RFQ-RFP)</p> <p>Provider: Nabosim Engineering Ltd</p>	<ul style="list-style-type: none"> • Funds availability section not filled • Under technical evaluation, the past work experience needed from the bidders, type of machinery required, experience and qualifications of personnel, were not indicated. • Mr. Hassan K Nkuutu, one member of the evaluation committee did not sign the ethical code of conduct • Site investigation report was not provided by the best evaluated bidder as required • Contract management plan not prepared by contract manager • No progress reports
5.	<p>Subject: Supply of 12 water dispensers to all departments</p> <p>Ref: NMC727/SPLS/24-25/0004</p> <p>Actual: UGX 22,200,000</p> <p>Method: Request for Quotation/Proposal (RFQ-RFP)</p> <p>Provider: Felom Company Ltd</p>	<ul style="list-style-type: none"> • Funds availability section not filled • Sections for Entity code, procurement category, financial year and sequence number were left blank • Record of Bid Opening (Form 12) not on file • Mr. Kenneth Kikulwe, an Accountant participated in the evaluation of bids and signed the evaluation report without him being approved by Contracts Committee • None of the evaluation committee members signed the ethical code of conduct
6.	<p>Subject: Construction of 5 stance Lined Pit Latrine at Naluvule P/S</p> <p>Ref: NMC727/WRKS/24-25/0007</p> <p>Actual: UGX 29,802,941</p> <p>Method: Request for Quotation/Proposal (RFQ-RFP)</p> <p>Provider: Buyima bulaire General Company Ltd</p>	<ul style="list-style-type: none"> • Funds availability section not filled • Sections for Entity code, procurement category, financial year and sequence number were left blank • Under technical evaluation, the past work experience needed from the bidders, type of machinery required, experience and qualifications of personnel, were not indicated. • The best evaluated bidder did not submit the following as required in the evaluation criteria: <ul style="list-style-type: none"> - An environment, social health and management plan - Site visit certificate signed by technical personnel - Beneficial owners' particulars • The Evaluation Committee introduced new criteria during evaluation of bids

7.	<p>Subject: Construction of a 2-classroom block with office at St. Jude Sunga P/S</p> <p>Ref: NMC727/WRKS/24-25/0008</p> <p>Actual: UGX 89,848,860</p> <p>Method: Request for Quotation/Proposal (RFQ-RFP)</p> <p>Provider: Basham Associate U Ltd</p>	<ul style="list-style-type: none"> • Funds availability section not filled • Under technical evaluation, the past work experience needed from the bidders, type of machinery required, experience and qualifications of personnel, were not indicated. • No communication of the invitation to bid to shortlisted bidders by any means including electronic means • No progress report
8.	<p>Subject: Supply of materials for construction of stone arch bridge at naava stream, Njeru central division Njeru MC</p> <p>Ref: NMC727/WRKS/24-25/00018</p> <p>Actual: UGX 61,494,420</p> <p>Method: Request for Quotation/Proposal (RFQ-RFP)</p> <p>Provider: Basham Associate U Ltd</p>	<ul style="list-style-type: none"> • Funds availability section not filled • A site investigation report as evaluation criterion was inappropriate for the supply category • Low bidder participation • No progress reports from the project management team on the construction of stone arch bridge at Naava Stream
No.	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	<p>Subject: Extension of a public toilet at Njeru municipal council head quarter (4 stances and 2 new shower unit)</p> <p>Ref: NMC727/WRKS/2024-2025/00033</p> <p>Actual: UGX 57,963,851</p> <p>Method: Request for Quotation/Proposal (RFQ-RFP)</p> <p>Provider: Longyi construction Limited</p>	<ul style="list-style-type: none"> • Funds availability section not filled • Under technical evaluation, the past work experience needed from the bidders, type of machinery required, experience and qualifications of personnel, were not indicated. • Record of Bid Opening (Form 12) not on file
2.	<p>Subject: Renovation of classroom block at Wakisi RC P/S</p> <p>Ref: NMC727/WRKS/24-25/000</p> <p>Actual: UGX 48,964,133</p> <p>Method: Request for Quotation/Proposal (RFQ-RFP)</p> <p>Provider: Uptech Engineering</p>	<ul style="list-style-type: none"> • Funds availability section not filled • The best evaluated bidder did not submit the following as required in the evaluation criteria: <ul style="list-style-type: none"> - A copy of the bidder's certificate of registration or equivalent for bidders - Evidence of fulfilment of obligations to pay taxes and social security obligations in Uganda - A brief site investigation report

APPENDIX 3: RISK RATING CRITERIA

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry risk for the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	Planning: Lack of or failure to procure within the approved plan	This implies emergencies and use of the direct procurement method which affects competition and value for money.
		Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals and usurping the powers of the PDU.	This implies use of less competitive methods which affects transparency, accountability and value for money.
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies lack of transparency and value for money.
		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	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	This implies lack of efficiency, standardisation and avoiding competition.

RISK	DESCRIPTION	AREA	IMPLICATION
	framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded “medium” provided that there is sufficient evidence of “hands on management control and oversight” at an appropriate level of seniority.	non-pre-qualified firms and splitting procurement requirements.	
		Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General’s approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed	Planning: Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

RISK	DESCRIPTION	AREA	IMPLICATION
	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.		

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.