



**PROCUREMENT AND DISPOSAL AUDIT REPORT FOR FINANCIAL YEAR
2024/25**

OBONGI DISTRICT LOCAL GOVERNMENT

MAY 2026

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ACRYONYMS

ESHS	Environmental, Social, Health and Safety
FY	Financial Year
GCC	General Conditions of Contract
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets
PPDA Act	Public Procurement and Disposal of Public Assets Act, Cap. 205
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a procurement and disposal audit of Obongi District Local Government that covered 15 procurement transactions for the Financial Year 2024/25, vide Appendix 1.

The overall objective of the procurement and disposal audit was to assess the effectiveness and efficiency of procurement and disposal processes at the Entity and adherence to the PPDA Act, Cap. 205, PPDA Regulations, and public procurement policies so as to determine the procurement performance over the audit period.

From the findings of the procurement audit exercise, the performance of the Entity for the financial year 2024/25 was **moderately satisfactory** with overall weighted average risk rating of **49.4%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of this audit report.

The following key exceptions were noted:

1. Section 60 (10) of the PPDA Act, Cap. 205, provides that a procurement shall not be carried out outside the procurement plan except in emergency situations. The Authority found out that 14 procurements worth UGX. 137,386,000 were procured outside the procurement plan of the financial year 2024/2025. This was largely due to failure of the Procurement and Disposal Unit to update the annual procurement plan which compromises the effectiveness of procurement planning and potentially diverts resources to non-essential activities;
2. Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 requires Internal Auditor to Audit the methods used for procurements and the payments made to establish whether the supplies, works or services were properly ordered, received and verified. The Authority found that the Internal Auditor did not audit all the 15 sampled procurement processes worth UGX. 1,217,518,684 in the Financial Year 2024/2025. According to management this was due to understaffing of the Audit Department. This is an indicator of weak internal controls in the Entity, which affects accountability;
3. Section 10 (1) (a) of the PPDA Act, Cap. 205 mandates the Authority to direct and recommend the concerned Entity to take such corrective action as may be necessary in the circumstances to rectify the breach. The Authority found that the Entity failed to implement all the PPDA audit recommendations for FY 2023/24, out of the 13 audit recommendations made, seven (54%) recommendations were partially implemented and four (31%) were not implemented. However, this was as a result of failure of the Accounting Officer to institute a committed team to implement the recommendations. This gap, deterred the Entity from achieving efficiency in its procurement and disposal function;
4. Section 51 of PPDA Act, Cap. 205, states that *all procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money*. The Authority found out that in five procurements worth UGX. 571,052,496, initiation of procurement and confirmation of availability of funds were delayed by the User Department and Accounting Officer. This was due to inefficient internal approvals which

affects timely completion of work and may lead to low absorption of fund and this affects service delivery;

5. Section 49 of the PPDA Act, Cap. 205 requires that all procurement and disposal processes to be conducted in a manner that maximises competition and achieves value for money. The Authority found that in two sampled procurements worth UGX 51,984,000 the Entity had low bidder participation. This was attributed to weak internal controls over the dispatch of bid invitations and failure to use invitation methods such as emails that provide proof of receipt by all intended bidders. The Entity may not obtain the best price or quality due to a reduced competition;
6. Regulations 18 (4) and 19 (4) of the PPDA (Evaluation) Regulations, 2023 provide for conditions for rejection of non-compliant bids under administrative compliance and detailed evaluation respectively. The Authority found that in seven procurements worth UGX. 733,949,109, the Evaluation Committee inadequately evaluated bids submitted for compliance such as passing non-compliant bid and introduction of new evaluation criteria. This was due to inadequate knowledge by the evaluation team that were not guided by the Procurement and Disposal Unit. This exposes the Entity to the risk of not getting the best bidder in terms of quality and cost and is also unfair to the undeservingly eliminated bidders;
7. Regulation 10 (1) Public Procurement and Disposal of Public Assets (Contracts) Regulations, 2023 requires a contract to be formed and signed by the representatives of the Entity and of the provider with the capacity to sign. The Authority found out that, in eight procurements worth UGX. 745,267,613, there were anomalies at contracting such as signing contracts with a person who had no Power of Attorney, changing contract terms, delay to sign contracts and signing contracts before the approval of the Solicitor General. This was because the Procurement and Disposal Unit did not quality assure the contract. Signing contracts with persons with no Powers of Attorney exposes the Entity to the risk of potential litigation in case of disagreement between the Entity and the Provider; and;
8. Regulation 50 of the PPDA (Contracts) Regulations, 2023 mandates the Accounting Officer to appoint a Contract Manager. Regulation 52 of the PPDA (Contracts) Regulations, 2023 empowers a Contract Manager to manage and ascertain that the provider performs the contract in accordance with the terms and conditions specified in the contract. However, the Authority found anomalies such as issuing commencement orders retrospectively, failure to task the contractors to submit a Performance Security and failure to pay retention to the contractors in nine procurements worth UGX. 407,109,489. This was due to weak contract monitoring which affected service delivery; and
9. Regulations 2 (1) and (2) of the PPDA (Disposal of Public Assets) Regulations, 2023 provides that for the purposes of disposal planning, an Accounting Officer shall, in each financial year, cause the public assets of a Procuring and Disposing Entity to be reviewed, to identify the public assets to be disposed of in the following financial year. The Authority reviewed the Entity's Board of survey report for the Financial Year 2023/2024 and noted the existence of several assets due for disposal that had not been disposed. The assets that are due for disposal to which the Entity had not conducted a disposal process in the

financial year 2024/2025 are indicated Appendix V. This is due to weak asset management and inventory controls which exposes the assets to further deterioration and loss of value.

In summary, the Authority notes that procurement outside the approved procurement plan, quality of the bidding document and anomalies at contracting contributed to the performance of the Entity.

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

1. The Accounting Officer should:
 - i. Always confirm that no procurements are conducted outside the Entity's approved procurement plan except in cases of emergency situations in accordance with Section 60 (10) of the PPDA Act, Cap. 205;
 - ii. Task the Head, Procurement and Disposal Unit to always update the procurement plan in accordance with Section 60 (7) of the PPDA, Act, Cap. 205.
 - iii. Task the Internal Audit Unit to always audit the procurement and disposal procedures as well as the payments made in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023;
 - iv. Institute strong internal mechanisms and a dedicated team of staff that will always fulfill the implementation of the Authority's previous audit recommendations;
 - v. Address delays in procurement at various stages in accordance with Section 51 of the PPDA Act, Cap.205; and
 - vi. Not allow un authorized persons with no Powers of Attorney to sign the contract.

2. The Head of Procurement and Disposal Unit should:
 - i. Always confirm that all standard forms are duly filled out with required information, in accordance with Section 58 (1) of the PPDA Act, Cap 205;
 - ii. Prepare solicitation documents that precisely define the requirements in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023;
 - iii. Set appropriate evaluation criteria that suits the objectives of the procurement in accordance with Regulation 42 (b) of the PPDA (Rules and Methods for Procurement of Supplies. Works and Non-Consultancy Services) Regulations, 2023;
 - iv. The HPDU should always submit Form 5 (II) for the Proposed method of procurement, bidding document and members of the Evaluation Committee together with the costed Engineer estimates to Contracts Committee for approval in accordance with Regulation 11 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.
and
 - v. Always submit Evaluation Committee members to the Contracts Committee for approval prior to evaluation in accordance with Section 34 (a) PPDA Act, Cap. 205.

3. The Contracts Committee should quality assure all:
 - i. Bidding documents to assess completeness and accuracy of the bidding requirements with emphasis on the section for Statement of Requirements; and

- ii. Contract documents before the contracts are signed in accordance with Section 30 (e) of PPDA Act, Cap. 205.
4. The Evaluation Committee should adhere to Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023 by evaluating bids based on set criteria in the bidding documents; and
5. In order to reduce the risk of ineffective contract monitoring and supervision in accordance with Section 51 of Public Procurement and Disposal of Public Assets (Contracts) Regulations 2023, The Contract Manager must prepare all records such as the Contract Management Plan, payment progress reports and completion reports, completion certificate and file in the procurement action files in the Procurement and Disposal Unit in accordance with Section 33 (0) of the PPDA Act, Cap.205.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Obongi District Local Government that covered a sample of 15 procurement transactions under Financial Year 2024/25. The audit involved a review of procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Public Assets Act, Cap. 205 and PPDA Regulations.

1.2 Audit Objectives

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

The specific objectives of the audit were to assess the:

1. Compliance of the Entity's procurement processes with the provisions of the PPDA Act, Cap. 205 and any other applicable laws and identify areas for improvement to enhance procurement practices at the Entity;
2. Efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) safeguard requirements in the procurement process; and;
3. Compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap. 205 and Regulations.

1.3 Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation on sample basis. The audit covered a sample of 15 procurement transactions under Financial Year 2024/25. The list of sampled transactions is contained in Appendix 1.

1.4 Audit Methodology

The auditors examined records and documents for each sampled procurement transaction and/or disposal and obtained the relevant evidence to derive audit conclusions. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and execution. At the end of the document review, a physical verification was undertaken to ascertain the level of contractual delivery and fitness for purpose. Special attention was given to reporting mechanisms within the Entity and internal controls due to repeated failures by the Entity as highlighted in previous reports.

During the audit, the auditors held interviews with the staff from the Procurement and Disposal Unit (PDU) and User Departments where necessary, to obtain crucial qualitative information about the internal control system and processes in place.

A debrief meeting to clear any pending issues that arose during the audit and share preliminary findings was held with the Entity management and staff on 19th December, 2025 before the auditors could embark on preparation of the management letter. The auditors prepared the management letter, which was sent to the Entity on 11th February, 2026 with a request to submit a management response by 27th February, 2026. An exit meeting was held on 27th February, 2026 at the PPDA Northern Regional Offices, Plot 1, Lower Churchill Drive.

This report presents the key findings and conclusions arising from the procurement and disposal audit exercise.

CHAPTER 2: AUDIT FINDINGS, IMPLICATIONS AND RECOMMENDATIONS

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

2.1.1 Procurement structures

The key players in the procurement structure at Obongi District Local Government included the Chief Administrative Officer as Accounting Officer (AO), the Contracts Committee (CC), the Procurement and Disposal Unit (PDU) and the User Departments (UD). The Authority found that the Entity's procurement structures were fully functional at the time of Audit.

i. Accounting Officer

Section 28 of the PPDA Act, Cap. 205 gives the Accounting Officer the overall responsibility for the successful execution of procurement and disposal process in the Procuring and Disposing Entity (PDE). During the Financial Year 2024/2025, the Chief Administrative Officer, Mr. Benson Humphrey Otim was designated as the Accounting Officer of the Entity.

ii. Composition of the Contracts Committee

Section 29 of the PPDA Act, Cap. 205 provides for establishment of the Contracts Committee. The Authority found out that the Entity's Contracts Committee was fully constituted and their tenure was still active as indicated in Table 1 below:

Table 1: Contracts Committee Members

No.	Name	Job Title	Position on Committee	Date of Appointment
1.	Mr. Job Tabu	Senior Assistant Secretary	Chairperson	22 nd August, 2022
2.	Mr. Felix Abraham Idraku	Senior Education Officer	Member	22 nd August, 2022
3.	Mr. Johnson Opigo	Fisheries Officer	Member	22 nd August, 2022
4.	Mrs. Rose Adrupio Vuciri	Senior Nursing Officer	Member	22 nd August, 2022
5.	Mr. John Data	Physical Planner	Secretary	17 th October, 2022

iii. Staffing of the Procurement and Disposal Unit

The Procurement and Disposal Unit was manned by the following staff during the period under review:

Table 2: Staff in the Procurement and Disposal Unit

No.	Name	Position	Qualification
1.	Mr. Karim Taban Shaban	Senior Procurement Officer	Post Graduate Diploma in Procurement & Logistics Management
2.	Mr. William Madrwa	Procurement Officer	Master Degree in Public Procurement Management

2.1.2 Failure to implement 85% of the Authority’s previous audit recommendations for the FY 2023/2024

Section 10 (1) (a) of the PPDA Act, Cap. 205 mandates the Authority to direct and recommend the concerned Entity to take such corrective action as may be necessary in the circumstances to rectify the breach. The Authority found that out of the thirteen recommendations made for the FY 2023/2024; three (23%) recommendations were not implemented and eight (62%) recommendations were partially implemented and two (15%) were implemented as detailed in Table 3 below. This was as a result of failure by the Accounting Officer to institute a committed team to implement the recommendations

Table 3: Partially implemented and unimplemented previous audit recommendations FY 2023/2024

No.	Previous recommendations and action plan	Status	Management Response
1.	Accounting Officer should		
i	Avoid approving procurement requisition form (PP Form 5) for procurements outside the procurement plan, in accordance with Section 60 (10) of the PPDA Act Cap. 205. In case of new activities identified and approved, the procurement plan should be updated and approved accordingly as required under Regulations 4 and 5 of the PPDA (Procurement Planning) Regulations, 2023, and a copy submitted to the Authority, accordingly.	Partially implemented	<i>The procurement activity was implemented in accordance with previous F/Y 2024/2025 plan.</i> Authority’s Comment The Authority commends the Entity for the effort made. However, during the year under audit, renovation of one block of three classroom at Chinyi Primary School was not in the procurement plan.
ii	Task the Heads of the User Departments (UDs), Contract Managers and the Head Procurement and Disposal Unit to take responsibility for the weaknesses identified in the Entity's procurement function and to accordingly implement the Authority's recommendations in accordance to the requirements of Section 10 of the PPDA Act Cap. 205, otherwise failure to abide to the foregoing guidance, the Authority will take appropriate action against the Entity in accordance to the stipulations of Section 10 (l) (b) of the PPDA Act Cap. 205.	Partially implemented	<i>The management implemented the recommendation.</i> Authority’s comment The Authority commends the Entity for the effort made. However, cases of contract managers not preparing implementation plans still persists like in the supply and installation of inverter and change over switch complete with accessories under DWSCDG.
iii	Task the HPDU to seek timely invitation of bidders and submission of	Partially implemented	<i>The Procurement and Disposal Unit acted timely on</i>

No.	Previous recommendations and action plan	Status	Management Response
	approved procurement requests to the Contracts Committee for consideration are done in compliance with Regulation 11 (1-2) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.		<i>the submission received from the User Departments and Accounting Officer.</i>
iv	Always task the Heads of UDs upon the approval of the board of survey report, to delist disposal items from the assets register for valuation and determination of reserve price, and accordingly, prepare a list of disposal items, submit it to the PDU, to guide the disposal process. This should be done in accordance to Regulations 3 (1-3) of the PPDA (Disposal of Public Assets) Regulations, 2023.	Not implemented	<i>Procurement and disposal unit will act after the determination of reserve price.</i>
2.	The Head Procurement and Disposal Unit		
i	Prepare bidding documents with clear and appropriate evaluation criteria. This should be done in compliance with Regulations 47 (5) of the PPDA (Rules and Methods of Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	Partially implemented	<i>No response.</i>
ii	Always include provisions for Performance Securities or performance securing declarations in the bidding document under SCC (GCC 61.1), where applicable, to ensure that the Entity deals with committed and capable providers. Entity are audited regularly in accordance with Regulation 28 of the Local Governments (PPDA) Regulations, 2006.	Partially implemented	<p><i>The Performance Securing Declaration has been provided in last financial year 2024/2025.</i></p> <p>Authority's Comment The management response was noted, however, there was no evidence provided for consideration.</p>
iii	Prepare annual disposal plan in accordance with the provisions under Regulation 2 of the PPDA (Disposal) Regulations, 2023 and submit the disposal plan to the Authority	Not implemented	<i>The Unit shall prepare disposal plan and submit to the Authority in accordance with regulation.</i>
3.	User department should task contract Managers to:		
i	Prepare contract management plans for the various projects, together with the	Partially implemented	<i>The Entity implement contracts using PPDA Form</i>

No.	Previous recommendations and action plan	Status	Management Response
	progress reports as required by Regulation 52(3)(g) of the PPDA (Contracts) Regulations,2023;		<i>49 and issuance of interim or final certificate.</i>
ii	Prepare and issue project completion certificates and sites handed over accordingly, in compliance with Regulations, 52 (3) (d) of the PPDA (Contracts) Regulations, 2023;	Partially implemented	<p><i>The Entity implement contract using PPDA Form 49 and issuance of interim or final certificate.</i></p> <p>Authority's comment. The management response above was noted, however, no evidence of filled Form 49 was provided for consideration.</p>
iii	Enforce compliance of the providers to the environment and safety requirements during project implementation and environmental social screening reports prepared for all projects, where applicable, in accordance to Regulation 37 (2) (i) of the PPDA (Rule and Methods for Procurement of Supplies, Works and Non-Consultancy Services), 2023; and	Partially implemented	<i>No response</i>
iv	Based upon the approved board of survey report, delist disposal items from the assets register for valuation and determination of reserve prices and accordingly, prepare a list of disposal items, submit it to the Procurement and Disposal Unit to guide the disposal process. This should be done in accordance with Regulations 3 (1-3) of the PPDA (Disposal of Public Assets) Regulations, 2023.	Not implemented	<i>The Entity planned to dispose all the approved council assets in this current financial year 2025/2026.</i>

Implication.

Failure to fully implement previous audit recommendations denies the Entity an opportunity to continuously improve the procurement processes.

Management response

The Entity recruited additional staff across various departments to enhance efficiency and ensure the effective operations of the Procuring and Disposing Entity. Furthermore, management conducted training session to strengthen compliance and improve overall performance.

Recommendation.

The Accounting Officer should put in place a strong internal control mechanisms and a dedicated team of staff that will always ensure full implementation of the Authority's previous audit recommendations.

2.1.3 Implementation rate of the Procurement Plan

Section 60 (7) of the PPDA Act, Cap. 205, requires 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 Authority reviewed the Entity's procurement plan and reports submitted for the Financial Year 2024/2025 and established that the procurement plan implementation for the financial year was UGX. 2,400,090,700 (45%) out of the planned procurements of UGX. 5,385,798,476 leaving procurements worth UGX. 2,985,707,776 (55%) un-implemented as summarized in Table 4 below: Management attributed this to inadequate funding.

Table 4: Analysis of the Procurement Planned and Spend

Procurement planned and spend	Value (UGX)
Total procurement plan value inclusive of VAT (UGX)	5,385,798,476
Total procurement spend value inclusive of VAT (UGX)	2,400,090,700
Implementation variance (UGX)	2,985,707,776
Procurement plan implementation rate (%)	45

Implication

The intended beneficiaries were potentially denied the benefit from the services worth UGX. 2,985,707,776.

Management response

Management acknowledged the variance of unimplemented procurements of UGX. 2,985,707,776 and stated that it was due to inadequate funding for some procurements in the procurement plan for example some projects were budgeted basing on local revenue projections so failure to meet the plan revenue collections automatically affected the procurement plan absorption rate.

Authority's comment

The management response was noted, however, the Entity did not achieve full implementation of the procurement plan as presented in Table 4 above.

Recommendation

The Accounting Officer should regularly review and update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205.

2.1.4 Procurement transaction not reported to the Authority

Section 15 (1) of Public Procurement and Disposal of Public Assets (Procuring and Disposing Entities) Regulations, 2023 requires that a Procuring and Disposing Entity shall for each month, using the format of Form 2 of the schedule, submit to the Authority, by the fifteenth day of the following month, a report on the procurement activities undertaken by the Procuring and Disposing Entity in the month which shall include information on the providers who undertook the procurement.

The Authority reviewed the Entity's procurement plan and reports submitted for the Financial Year 2024/2025 and found that the Entity did not report on eight planned procurements worth UGX. 1,415,660,700 as indicated in Table 5 below;

Table 5: Planned Procurements that were not reported to Authority

No.	Subject of Procurement	Method of Procurement	Estimated Value (UGX)
1.	Procurement and computer IT Services.	Request for quotation	15,400,000
2.	Fuels and Lubricants.	Request for quotation	938,067,700
3.	Repair and maintenance of Motor vehicles.	Open Domestic bidding	358,722,689
4.	Supply of general Stationery.	Open Domestic Bidding	77,020,311
5.	Supply of meals and refreshment.	Open Domestic bidding	10,000,000
6.	Supply a and delivery of accountable books.	Request for quotation	5,000,000
7.	Supply of toner.	Request for quotation	6,000,000
8.	Maintenance of Office equipment.	Request for quotation	5,450,000
	TOTAL		1,415,660,700

Implications

This exposes the Entity's procurement expenditure to a risk of procurement fraud without backstopping from the procurement control and may lead to domestic arrears.

Management Response

For the case of supply, repair and maintenance, supply of stationery, supply of meals and refreshment, supply of toner, most of the procurements were implemented under framework contract arrangement, however, some of the planned procurements were under local revenue and external financing which were not realized.

Recommendation

The Accounting Officer should task the Head Procurement and Disposal Unit to always prepare and submit monthly reports on procurement activities to the Authority as per Section 15 (1) of Public Procurement and Disposal of Public Assets (Procuring and Disposing Entities) Regulations, 2023.

2.1.5 Procurement outside the procurement plan

Section 60 (10) of the PPDA Act, Cap. 205, provides that a procurement shall not be carried out outside the procurement plan except in emergency situations. The Authority, however, found that 14 procurements worth UGX. 44,931,000 were procured outside the procurement plan of the FY 2024/2025 as detailed in Table 6 below. This was caused by failure to update the annual procurement work plan by Head Procurement and Disposal Unit.

Table 6: Procurements outside the plan

No.	Subject of Procurement	Method of Procurement	Award Notification date	Contract Value (UGX) per month
1.	Revenue collection at Ibakwe market.	Open Domestic Bidding	11/27/2024	150,000
2.	Renovation of 1 block 3 classroom at Chinyi Primary School.	Request for quotation	03/18/2025	36,526,000
3.	Revenue collection at Oyakamaumi market.	Open Domestic Bidding	11/27/2024	295,000
4.	Revenue collection at Kinyiba market.	Open Domestic Bidding	11/27/2024	285,000
5.	Revenue collection at Alibabito market.	Open Domestic Bidding	11/27/2024	160,000
6.	Revenue collection at Maduga market.	Open Domestic Bidding	11/27/2024	280,000
7.	Revenue collection at Obongi Town Park market.	Open Domestic Bidding	11/27/2024	250,000
8.	Revenue collection at Ndirindiri market.	Open Domestic Bidding	11/27/2024	920,000
9.	Revenue collection at Obongi main market.	Open Domestic Bidding	11/27/2024	3,515,000
10.	Revenue collection at Konyokonyo market.	Open Domestic Bidding	11/27/2024	970,000
11.	Revenue collection at Konyokonyo market.	Open Domestic Bidding	11/27/2024	160,000
12.	Revenue collection at Ewafa market.	Open Domestic Bidding	11/27/2024	600,000
13.	Revenue collection at Belameling market.	Open Domestic Bidding	11/27/2024	570,000
14.	Revenue collection at Pasu market.	Open Domestic Bidding	11/27/2024	250,000
	TOTAL			44,931,000

Implication

- Procuring outside the procurement plan compromises the effectiveness of procurement planning and potentially diverts resources to non-essential activities.
- The Entity faced a risk of not achieving its objectives due to inadequate planning because the funds to be realized from the above revenue sources were likely not considered during the planning and budgeting processes.
- The Procurement plan is treated as a mere compliance requirement rather than a strategic tool for timely delivery of the essential services to the Community.

Management Response

On revenue sources, it was observed that consolidation by the Entity has not been the standard practice, in light of the recent changes in Procurement and Disposal policy, this approach will now be adopted starting in the Financial Year 2025/2026 (Annex 3)

Authority's comment

Authority acknowledges management's response, however, a revised procurement plan was reviewed and the above procurements were not included in the revised procurement plan.

Recommendations

1. The Contracts Committee should confirm that, before a procurement is approved, the procurement is in the Entity's approved procurement plan in accordance with Section 30 (d) of the PPDA Act, Cap. 205.
2. The Accounting Officer should always enforce that;
 - i. No procurements are made outside the Entity's approved procurement plan except in cases of emergency situations in accordance with Section 60 (10) of the PPDA Act, Cap. 205.
 - ii. The Head, Procurement and Disposal Unit updates the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205.

2.1.6 Delay at initiation

Section 51 of the PPDA Act, Cap. 205, provides that all procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money. The Authority found delays at initiation of four procurements worth UGX. 422,837,121 as detailed in Table 7 below: The delay was majorly due to inefficient internal approvals as indicated in Table 7 below:

Table 7. Delays at initiation

S/No.	Subject of Procurement	Contract Value (UGX)	PPDA Findings	Management response
1.	Renovation of 4 classroom block at Alibabito Primary School.	255,549,372	<ul style="list-style-type: none">• Delay by the User Department to initiate the procurement from 9th August 2024 to 28th October 2024 causing a delay of 55 working days.• Delay by the Accounting Officer to confirm fund availability from 28th October 2024 to 24th January 2025 causing a delay of 61 working day.	<i>The management improved initiation of procurement and defined a clear statutory timeline adherence clearly to confirm with the entity consolidated procurement plan.</i>
2.	Renovation of 1 block 3 classroom at	36,526,000	Delay by the Accounting Officer to confirm fund	<i>The management improved initiation</i>

	Chinyi Primary School.		availability from 28 th June 2024 to 24 th January 2025 causing a delay of 147 working days	<i>of procurement and defined a clear statutory timeline adherence clearly to confirm with the entity consolidated procurement plan</i>
3.	Renovation of OPD at Waka Health Centre II under PHC.	77,896,874	Delay by the User department to initiate the procurement 9 th August, 2024 to 28 th January, 2025 causing a delay of 118 working days.	<i>The management improved initiation of procurement and defined a clear statutory timeline adherence clearly to confirm with the entity consolidated procurement plan</i>
4.	Phased fencing of Obongi District Resource Centre under DDEG.	52,864,875	Delay by the User Department to initiate the procurement from 9 th August 2024 to 13 th February 2025 causing a delay of 131 working days.	<i>The management improved initiation of procurement and defined a clear statutory timeline adherence clearly to confirm with the entity consolidated procurement plan</i>
	Total	422,837,121		

Implication.

Delays in procurement processes impede timely service delivery and affects the principle of efficiency as provided under Section 46 (e) & 51 of the PPDA Act, Cap. 205.

Authority's comment.

The Authority noted management response for improvement.

Recommendations.

The Accounting Officer must address the delays in procurement at various stages in accordance with Section 51 of the PPDA Act, Cap. 205.

2.1.7 Irregularities during initiation

Section 61 (1) of the PPDA Act, Cap. 205, requires the Procuring and Disposing Entity to document procurement requirements, confirm availability of funding and obtain the Accounting Officer's approval before commencing any procurement process. The Authority found that in two procurements transactions worth UGX. 259,064,372, there was omission of critical information during initiation, crucial detail for tracking efficiency, transparency, accountability and fairness

caused by poor and weak management internal administration and quality assurance at different levels of the procurement structures as detailed in table 8 below;

Table 8: Irregularities during initiation

S/No.	Subject of Procurement	Contract Value (UGX)	PPDA Findings	Management response
1.	Renovation of 4 classroom block at Alibabito Primary School.	255,549,372	Failure by the Engineer to come up with Engineer's estimate and attach on Form 5.	<i>The BoQs and drawings were attached to the requisition form at the time of submission. Kindly find them attached for reference.</i> Authority's comment. The management response above was noted, however, no evidence was provided for consideration.
2.	Revenue collection for Obongi Main Market.	3,515,000	Failure by the Procurement and disposal unit to submit a request for approval of the proposed members of the evaluation committee, bidding document, advert and method of procurement at initiation.	<i>The members of the Evaluation Committee were submitted by the PDU and subsequently approved by the Contracts Committee.</i> Authority's comment. The management response above was noted, however, the evidence was still lacking.
Total		259,064,372		

Implication

- The Entity's Procurement processes were irregularly commenced with incomplete requisition forms. Failure to prepare and attach cost estimates at the time of requisition could result in missed procurements due to under costing as a result of lack of market assessment.
- Unsanctioned Procurement transaction could lead to committing the Entity without the funds and without the knowledge of the Accounting Officer leading to budget overruns and domestic arrears.

Recommendations

1. The Head Procurement and Disposal Unit should always:

- i. Confirm that all standard forms are duly filled out with all the required information in accordance with Section 58 (1) of the PPDA Act, Cap. 205.
 - ii. Submit Form 5 (II) for the Proposed method of procurement, bidding document and members of the Evaluation Committee together with the costed Engineer estimates to the Contracts Committee for approval in accordance with Regulation 11 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.
2. The Accounting Officer should task the User Departments to always prepare specifications, BoQs and drawings and come up with procurement estimates before submission of Form 5 to the Procurement and Disposal Unit.

2.1.8 Irregularities in the bidding documents.

Regulation 42 (a) and (b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, mandates a Procuring and Disposing Entity to prepare each bidding document to guide bidders accordingly during bidding. The Authority found irregularities in the bidding documents in two procurements worth UGX. 67,380,640 as indicated in Table 9 below. This was due to lack of quality assurance by the Contracts Committee and the Procurement and Disposal Unit staff.

Table 9: Irregularities in the bidding document

S/No.	Subject of Procurement	Contract Value (UGX)	PPDA Findings	Management response
1.	Renovation of 1 block 3 classroom at Chinyi Primary School.	36,526,000	SCC (GCC 13.1) required bidders to submit a minimum insurance cover of 5% for the whole works. This was too restrictive for a procurement whose estimate was UGX. 37,000,000.	<i>The purpose of insurance is risk management, aimed at protecting against potential losses such as project delays, damages among others.</i>
2.	Consultancy services for design of pipe water system.	30,854,640	<ul style="list-style-type: none"> • The validity date of the Proposal Securing Declaration was the same as the bid submission deadline of 28th August 2024. • SCC (GCC 25.1) stated that the payment schedule shall be IFMS. 	<i>The Instruction to consultants under ITC 13.1 required the estimated duration in months and the budget for the assignment, which were provided in the bidding document. In addition, ITC 16.1 regarding price quotation was also clearly indicated in the bid document. The Bid Securing Declaration was supposed to expire on 28/11/2024 instead of 28/8/2024.</i>

S/No.	Subject of Procurement	Contract Value (UGX)	PPDA Findings	Management response
				<i>Furthermore, all payments after the preparation of interim certificates by the technical department are processed electronically through the integrated financial management system IFMS.</i>
	Total	67,380,640		

Implications

Issuing bidding documents with unclear key requirements and restrictive criteria increases the risk of bidders submitting unresponsive bids

Recommendations

1. The Head Procurement and Disposal Unit should:
 - a) Prepare solicitation documents that define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023;
 - b) Set evaluation criteria that is appropriate and suits the objectives of the procurement in accordance with Regulation 42 (b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023; and
2. The Contracts Committee should quality assure all bidding documents to assess completeness and accuracy of the bidding requirements with emphasis on the section for statement of requirements.

2.1.9 Low bidders' participation.

Section 49 of the PPDA Act, Cap. 205 requires that all procurement and disposal processes to be conducted in a manner that maximises competition and achieves value for money. The Authority found that in two sampled procurements worth UGX 51,984,000 the Entity had low bidder participation. This was attributed to weak internal controls over the dispatch of bid invitations and failure to use invitation methods such as emails that provide proof of receipt by all intended bidders as indicated in Table 10 below:

Table 10: Procurement with low bidders' participation

S/No.	Subject of Procurement	Contract Value (UGX)	PPDA Findings	Management response
1.	Renovation of 1 block 3 classroom at Chinyi Primary School.	36,526,000	Low bidder participation, one bid was received out of the six invited bidders.	<i>Low bidder participation may have attributed to factors such as lack of interest, unattractive project terms, and short notice, with many bidders considering the five working days insufficient to prepare their bid documents. Some bidders were invited via email.</i>
2.	Supply and delivery of tent and chairs under DDEG.	15,458,000		
	Total	51,984,000		

Implication

Low bidder participation compromises the achievement of competition and value for money in the Entity's procurement processes.

Recommendations

1. The Accounting Officer should enforce clear method of dispatch of bid invitation such as using official emails that provide proof of receipt by all invited bidders and ensuring consistency in how all bidders are contacted; and
2. The Head Procurement and Disposal Unit should develop shortlists of providers that are expected to participate and meet the eligibility requirements of the Entity in accordance with Regulation 53 (4) (c) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations. 2023.

2.1.10 Gaps identified in the Entity's evaluation process

Regulations 18 (4) and 19 (4) of the PPDA (Evaluation) Regulations. 2023, provide for conditions for rejection of non-compliant bids under administrative compliance and detailed evaluation respectively. The Authority, however, found, in Seven procurements worth UGX. 733,949,109 the Evaluation Committee inadequately evaluated bids submitted for compliance. This was majorly attributed to the failure of the Procurement and Disposal Unit to guide the Evaluation Committee. The gaps identified in the evaluation process were as presented in Table 11 below:

Table 11: Gaps identified at Evaluation process

S/No.	Subject of Procurement	Contract Value (UGX)	PPDA Findings	Management response
1.	Renovation of 4 classroom block at Alibabito Primary School.	255,549,372	Mr. Musafir .F. Ibrahim and Mr. Michael Chandiga were recommended by the Contracts Committee to be replaced during the 11 th CC meeting held on 3/18/2025. Because of conflict of interest. However, there was no record of the Contracts Committee approval of the new members.	<p><i>The members of the Evaluation Committee listed above were submitted to and approved by the Contracts Committee, and subsequently appointed by the Chief Administrative Officer in accordance with the PPDA (Procuring and Disposing Entities) Regulations, 2023, as amended.</i></p> <p>Authority's comment. The management response was noted. However, the Evaluation Committee members mentioned were not eligible since there was no record of their subsequent approval by Contracts Committee.</p>
2.	Renovation of 1 block 3 classroom at Chinyi Primary School.	36,526,000	<ul style="list-style-type: none"> • Introduction of a new evaluation criteria at evaluation: The Evaluation Committee evaluated bids on having a minimum of one year experience in similar contracts/works which was not in the bidding document. • Passing on a non-compliant bidder: Canasta Enterprises Limited (BEB) was evaluated compliant on having at least one year's experience, yet it did not submit any evidence. Additionally, the 	<p><i>The Evaluation Committee waived the experience and other requirements for the bidder who met the technical standards, as there was insufficient time to re-advertise the project. This was because the project was a carryover from the previous financial year 2023/2024.</i></p> <p>Authority's comment. The management response was noted. However, there was no record of waiver.</p>

S/No.	Subject of Procurement	Contract Value (UGX)	PPDA Findings	Management response
			<p>company was incorporated on 2nd April 2024 and got its TIN on 1st May 2024, therefore by the time of bid submission on 24th March 2025 the company had not operated for one year as required by the bidding document.</p> <ul style="list-style-type: none"> • Canasta Enterprises Limited, the best evaluated bidder submitted a completion schedule of four months contrary to the required completion schedule of a maximum three months. • Failure by Canasta Enterprises Limited (BEB) to submit a leasing agreement for the equipment submitted. The company submitted the log books for IVECO Truck No UAV 645V that are owned by IBB International Limited. <p>Passing of a non-compliant bidder: Canasta Enterprises Limited (BEB) submitted audited books of accounts for only one year i.e. 2023-2024 and it was</p>	

S/No.	Subject of Procurement	Contract Value (UGX)	PPDA Findings	Management response
			<p>evaluated compliant contrary to Part 1, Section 1 requirement No. 5 of the eligibility criteria that required bidders to submit the audited books of account for FY 21-22, 22-23 and 23-24.</p> <ul style="list-style-type: none"> Restrictive requirement: SCC (GCC 52.1) required bidders to submit a Performance Security of 10% of the contract value for a procurement estimated at UGX. 37,000,000. 	
3.	Fencing of Itula Resource Centre.	148,215,375	<ul style="list-style-type: none"> Irregular costing of the project: The contractor quoted for the following works that were abnormally high. HIV/AIDS and STD prevention and counselling at UGX. 8,000,000. Evaluation was conducted by only one person i.e. Mr. William Madrwa as per the signed evaluation report. 	<p><i>No response</i></p> <p><i>The evaluation was carried out by three members; Chandiga Michael Accountant in Finance Department; Madrwa William Procurement Officer in the Administration Department; and Musafir .F. Ibrahim</i></p> <p>Authority's comment The management response was noted. However, the</p>

S/No.	Subject of Procurement	Contract Value (UGX)	PPDA Findings	Management response
				Evaluation Committee members mentioned were not eligible since there was no record of their subsequent approval by the Contracts Committee.
4.	Construction of 2 stances drainable VIP Latrine with urinal at Alibabito Trading Centre in Ewafa sub county under DWSCG (RWG).	15,958,000	Restrictive requirement. SCC (GCC 52.1) required bidders to submit a Performance Security of 10% for a procurement under RFQ method.	<i>The Entity did not require the 10% performance security, as the project was considered low risk to the employer.</i> Authority's comment The management response was noted. However, there was no record of waiver.
5.	Drilling works, casting and installation of 4 deep pump boreholes under DWSCDG (Rural water grant) and drilling, casting and installation of 2 boreholes production wells under DWSCG and PMG	231,387,722	Low bidder participation, two bids received out of eight bidders invited.	<i>No response</i>
6.	Supply and delivery of tent and chairs under DDEG.	15,458,000	<ul style="list-style-type: none"> Passing of non-compliant bidders. On the Bid Submission Sheet of SWIFT3 Technologies (U) Limited stated that 	<i>No response</i>

S/No.	Subject of Procurement	Contract Value (UGX)	PPDA Findings	Management response
			<p><i>the warranty period offered is four (4) weeks contrary to GCC 29.3 the warranty period shall be twelve (12) months.</i></p> <ul style="list-style-type: none"> • Passing of non-compliant bidders: On the Bid Submission Sheet of SWIFT3 Technologies (U) Limited stated that <i>Our bid shall be valid until and including 90 days from the bid deadline and it shall remain binding upon us and may be accepted at any time before or on that date.</i> Without stating the exact date for bid validity contrary to the Evaluation criteria in the bidding document that stated that <i>the appropriate duration of bid validity; bids must be valid until 15th June or more days.</i> 	
7.	Consultancy services for design of pipe water system.	30,854,640	<ul style="list-style-type: none"> • Passing of an invalid bid: Rock Technical Services Limited, the best evaluated bidder, submitted a bid that was not dully signed with an authorized person. Whereas the company gave joint Powers of Attorney to Mr. Philip Kakura and Ms. Owino CM Ochwo, the bid was only signed by Mr. Philip Kakura. 	

S/No.	Subject of Procurement	Contract Value (UGX)	PPDA Findings	Management response
			<ul style="list-style-type: none"> Rock Technical Services Limited presented the technical staff in the technical proposal that were different from the Financial Proposal as indicated below: 	
			Technical Staff in the Technical Proposal	
			Dan Nshakanabo	Water Resource Expert/Te Leader.
			Frank Migisha	Land Surveyor
			Safia Oluio	Environmentalist
			Philip Kakura	Support staff
			Technical Staff in the Financial Proposal	
			Steven Kagaba	Water Expert.
			Richard Olinga Oriono	Planning and Design Engin and Architecture.
			Annette Queenie Adriko	Sociologist.
			Frank Mugisha	Land Surveyor.
			<ul style="list-style-type: none"> Irregularities at breakdown of miscellaneous expenses: The consultant quoted for communication costs for six months each month at 330,000 totaling at UGX. 1,980,000 and according to the works schedule, the service was to be completed within one month. The Technical staff in the Financial Proposal did not have an Environmentalist as was required. 	
			<u>Management Response</u>	
			<i>No response</i>	
	TOTAL	733,949,109		

Implications

- Irregular evaluation of bids exposes the Entity to the risk of not getting the best bidder in terms of quality and cost and is also unfair to the undeservingly eliminated bidders;
- Irregularities in bid evaluation hinders fairness in the procurement process; and
- Passing of non-compliant bidders implies that contracts were awarded to firms that lacked adequate capacity to execute contracts with the Government of Uganda.

Recommendation

The Accounting Officer should task Head Procurement and Disposal Unit to:

- Guide Evaluation Committee to adhere to Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023 by conducting the evaluation based on set criteria in the bidding document prior to conducting any evaluation process and;

- b) Adhere to Section 34 (a) PPDA Act, Cap. 205 by submitting the members of the Evaluation Committee to the Contracts Committee for approval prior to evaluation.

2.1.11 Anomalies identified at contracting

Section 9 (2) of Public Procurement and Disposal of Public Assets (Contracts) Regulations, 2023 provides that a contract signed by an Entity must be in accordance with the form of contract specified in the bidding document. The Authority found anomalies at contracting stage in eight procurements worth UGX. 745,267,613 as detailed in the table 12 below. This was due to lack of quality assurance by Head Procurement and Disposal Unit and the Contracts Committee.

Table 12: Procurements with anomalies during the contracting process

S/No.	Subject of Procurement	Contract Value (UGX)	PPDA Findings	Management response
1.	Renovation of 4 classroom block at Alibabito Primary School.	255,549,372	<ul style="list-style-type: none"> Quality of the contract: SCC (GCC 48.1) of the signed contract stated that 6% proportion of any payments shall be retained. However, the Entity did not indicate how retention shall be released. Delay by the Solicitor General to clear the contract from 25th April 2025, the contract was cleared on 19th June 2025 causing a delay of 36 working days. Signing of the contract before Solicitor General's clearance: The Entity signed the contract on 30th April 2025 before receiving clearance from Solicitor's General. The clearance was received on 19th June 2025. 	<p><i>The Special Condition of Contract (SCC) stipulate that the employer shall withhold the proportion specified in the SCC from each payment due to the contractor until the completion of the entire works. The Entity entered into a temporary contract with the contractor, pending clearance by the Solicitor, due to the limited time available to complete the project.</i></p> <p>Authority's comment. The management response was noted. The Entity is guided that entering into a contract before obtaining the Solicitor General's approval is irregular.</p>
2.	Renovation of 1 block 3 classroom at	36,526,000	<ul style="list-style-type: none"> Delay by Procurement and Disposal Unit to submit the evaluation report to the Contracts 	<p><i>These were an oversight duly noted for improvement.</i></p>

	Chinyi Primary School.		<p>Committee for approval from 27th March 2025 to 11th April 2025 causing a delay of 8 working days.</p> <ul style="list-style-type: none"> Change of contract conditions at contracting: SCC (GCC 35.1) of the issued bidding document stated that the defects liability period was 60 days, while SCC (GCC 35.1) of the signed contract indicated a defects liability period of 120 days. 	
3.	Fencing of Itula Resource Centre.	148,215,375	<p>Quality of Notice of the Best Evaluated Bidder (NOBEB): The Authority noted that one i.e. Lubra Contractors Limited appeared in the table as the best evaluated bidder and also appeared in the table for unsuccessful bidder.</p>	<p><i>This was a clerical error; in fact, Lubra was an unsuccessful bidder.</i></p> <p>Authority's comment The Entity's response is noted. However, the Entity should always review the necessary documents before issuance to avoid errors.</p>
4.	Consultancy services for design of pipe water system.	30,854,640	<p>Signing a contract with a person who had no Powers of Attorney (Rock Technical Services Limited): Whereas the company gave joint Powers of Attorney to Mr. Philip Kakura and Ms. Owino CM Ochwo, the contract was only signed by Mr. Philip Kakura.</p>	<p><i>No response provided</i></p>
5.	Design, Supply and Installation of 11 micro scale irrigation equipment for	177,252,352	<p>Change of contract term: The SCC No. 52.1 of the issued bidding document required a Performance Security of 10% to be</p>	<p><i>This was an oversight noted for improvement by management.</i></p>

	production department under UGFIT.		submitted. However, the contract that was signed on 12 th June 2025 did not consider Performance Security.					
6.	Renovation of OPD at Waka Health Centre II under PHC.	77,896,874	<ul style="list-style-type: none"> Delays at contract signing: The Notice of the Best Evaluated Bidder was removed on 1st April, 2025 and the contract was signed on the 28th April, 2025 causing a delay of 20 working days. Irregularities at contract signing: Mr. Sam Vuciri, signed the contract and yet the person with the Powers of Attorney for Sam & Brothers was Ms. Evaline Dribareo the Assistant Manager. 	<ul style="list-style-type: none"> <i>This was attributed to official government programs that upheld the signing of the contract. However, this anomaly has been noted for future improvement.</i> <i>Regarding the irregularities in the personnel signing the contract without power of attorney, this was an oversight during contract signing noted for improvement by management.</i> 				
7.	Supply and delivery of tent and chairs under DDEG.	15,458,000	Irregularities at contract signing: Ms. Mary Ruako, the Managing Director signed the contract and yet the person with the Powers of Attorney for SWIFT3 Technologies(U) Limited was Mr. Robert IPPE the Director of the company.					
8.	Revenue collection for Obongi Main Market.	3,515,000	<ul style="list-style-type: none"> Signing of the contract after expiry of bid validity period: The contract was signed on 30th December, 2024 and the bid validity period had expired on the 28th November, 2024. Change of special conditions of a contract at contracting as seen in the table below; <table border="1" data-bbox="758 1646 1466 1910"> <thead> <tr> <th>SCC at contracting</th> <th>SCC in the bid document</th> </tr> </thead> <tbody> <tr> <td>SCC (GCC 22.3) Payment schedule; The payment schedule shall be; (three) 3 months January, February and March in advance.</td> <td>SCC (GCC 22.3) Payment schedule; The payment schedule shall be; 3 months in advance.</td> </tr> </tbody> </table>	SCC at contracting	SCC in the bid document	SCC (GCC 22.3) Payment schedule; The payment schedule shall be; (three) 3 months January, February and March in advance.	SCC (GCC 22.3) Payment schedule; The payment schedule shall be; 3 months in advance.	
SCC at contracting	SCC in the bid document							
SCC (GCC 22.3) Payment schedule; The payment schedule shall be; (three) 3 months January, February and March in advance.	SCC (GCC 22.3) Payment schedule; The payment schedule shall be; 3 months in advance.							

			GCC 20.1 Completion: The services shall be performed for a period of 12 months	GCC 20.1 Completion: The services shall be performed for a period of 10 months.
			<p><u>Management Response</u></p> <ul style="list-style-type: none"> • <i>There was an evaluation conducted before awarding the contract to home and away by the contracts committee.</i> • <i>Regarding change of special condition of a contract and signing of the contract after the expiry of the bid validity, management has noted this abnormally for improvement.</i> 	
	Total	745,267,613		

Implication

- Changing contract terms already approved by the Contracts Committee amounts to usurping the powers of the Contracts Committee
- Changing contract terms hinders transparency in the procurement process as other potential bidders who could meet the new improved terms might have been deterred by the previous strict terms;
- Signing Contract with an unauthorized representative renders the contract null and void, and it is not legally binding and enforceable by parties to the contract; and
- Failure to implement the advice of the Solicitor General before contract signing was a violation of the procedural requirement by the Entity and this exposed the Entity to potential risk of litigation as a result of signing of contracts with terms and conditions that could have been avoided by obtaining the Solicitor General’s opinion.

Recommendation

1. The Accounting Officer should task the Head Procurement and Disposal Unit to;
 - a) Confirm that clear terms and conditions of contract are stated at the time of bidding before contract signing in accordance with Section 67 (2)(a) of PPDA Act, Cap. 205.
 - b) Always scrutinize all contract documents and confirm that all the provisions are complete and appropriate at the time of contract signing for each particular procurement to avoid creation of doubt / assumptions by the provider and Entity during contract implementation; and
 - c) Confirm that an authorized person with Powers of Attorney signed the contract.
2. Quality assure all contract documents before the contracts are signed in accordance with Section 30 (e) of PPDA Act, Cap. 205.

2.1.12 Failure by Internal Audit to audit the procurement and disposal processes

Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 states that the Internal Audit Department of a Procuring and Disposing Entity shall audit the method used for a procurement and the payment made to establish whether the supplies, works or services are properly ordered, received, verified and paid for in accordance with the Public Finance Management Act, 2015 and the other applicable laws. The Authority found that the Internal Audit did not audit the procurement process of the Entity. This was due to understaffing of the department.

Implication

This is an indicator of weak internal controls in the Entity, which affects accountability.

Management response

A deliberate decision has been made to recruit additional staff in the Audit Department to strengthen internal controls and enhance accountability within the Entity. Previously, the department was understaffed, with only one officer handling a workload that was not commensurate with the volume of work required. However, financial transactions have been audited.

Recommendation

The Accounting Officer should prevail over the Internal Audit Unit to audit the procurement and disposal procedures as well as the payments made in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

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

2.2.1 Gaps identified in the Entity's Contract Management

Regulation 50 of the PPDA (Contracts) Regulations, 2023 mandates the Accounting Officer to appoint a Contract Manager. Regulation 52 of the PPDA (Contracts) Regulations, 2023 empowers the Contract Manager to manage and ascertain that the provider performs the contract in accordance with the terms and conditions specified in the contract. However, the Authority found anomalies in nine sampled procurements worth UGX. 407,109,489. This was due to weak contract monitoring mechanism in the Entity as detailed in table 13 below.

Table 13: Procurement with gaps at contract management

S/No.	Subject of Procurement	Contract Value (UGX)	PPDA Findings	Management response
1.	Renovation of 1 block 3 classroom at Chinyi Primary School.	36,526,000	<ul style="list-style-type: none">• Issuing commencement order retrospectively: The commencement letter was issued on 5th May 2025 and yet the bidding document stated that the commencement date shall be 30th April 2025.	<i>The commencement was based on the contract signed particularly SCC (GCC 21) that stipulated that " site possession shall be 7 days after signing the contract' The contract was signed on 28/4/2025 For the performance security and insurance cover, the entity deemed it that the project is of low risk and therefore the performance security</i>

			<ul style="list-style-type: none"> • Failure by the contractor Canasta Enterprises Limited to submit the Performance Security of 10% as it was required under SCC (GCC 52.1) of the contract. • Failure by the contractor to pay a minimum insurance cover of 5% of the contract value as it was required under SCC (GCC 13.1) of the signed contract. 	<p><i>and the insurance cover was not necessary.</i></p> <p>Authority's comment The Entity's response is noted, however, there was no evidence of waiver submitted for verification.</p>
2.	Fencing of Itula Resource Centre .	148,215,375	<ul style="list-style-type: none"> • Failure by the contractor, Jesaw Consults Limited, to submit the Performance Security of 10% as it was required under SCC (GCC 52.1). • Failure by the contractor to pay a minimum insurance cover of 5% of the contract value as it was required under SCC (GCC 13.1) 	<i>No response provided</i>
3.	Renovation of 4 Classroom block at Gopelle Primary School under SMG at Gimara S/C.	74,624,970	Failure by the contractor to submit the Performance Security: The contract signed the required submission of 10% Performance Security by the contractor Jspecs Ltd., however, there was no evidence of submission	<p><i>Since the contract value is small and the entity deemed it to be low risk, the contractor was instead made to sign Performance Securing Declaration.</i></p> <p>Authority's. comment</p>

			of Performance Security.	The Entity's response was noted, however, there was no evidence submitted for review.
4.	Consultancy services for design of pipe water system	30,854,640	No record that the contractor produced and submitted all the six reports as quoted for at UGX. 400,000 totaling UGX. 2,400,000. There was only one report dated 27 th May 2025 that was submitted on 10 th June 2025.	<p><i>All the reference documents, including the progress report have been duly filed and are available for review.</i></p> <p>Authority's comment. The management response was noted. However, only the letter for appointment of the Contract Manager and contract implementation plan was availed. There was no evidence in line with the query.</p>
5.	Construction of 2 stances drainable VIP Latrine with urinal at Alibabito Trading Centre in Ewafa Sub County under DWSCG (RWG)	15,958,000	<ul style="list-style-type: none"> • No handover report on file. • Non-payment of retention worth UGX. 970,680 to the contractor. Works commenced on 30th April 2025 and were completed on 31st July 2025. The contract signed provided for 120 days defects liability period as per GCC 35.1. This period has expired and there was no record on file to show that the retention was paid. 	<p><i>There was no handover report in the file except the commissioning report. However, the project management team has noted this observation for improvement.</i></p> <p><i>It is true that retention for the contractor worth UGX. 970,680 was not paid even after expiry of the defects liability period. The contractor has not yet initiated a request for payment of retention since he is yet to attend to the list of defects identified at the project site. However, project management team has reminded the contractor to ensure that he attends to the defects identified before</i></p>

				<p><i>retention is requested and released to him.</i></p> <p>Authority's comment The Entity's response is noted, however, there was no evidence submitted to substantiate the explanation above.</p>
6.	Supply and Installation of Inverter and change over switch complete with accessories under DWSCDG (Rural water grant.	15,277,185	No payment records on file	<p><i>Management acknowledges the observation. However, payment records, delivery notes, appointment letters and reports are all available on file.</i></p> <p>Authority's comment. The management response was noted. However, evidence of payment records (delivery notes, vouchers) was not provided for verification.</p>
7.	Renovation of 2 classroom block at Dello Primary School in Gimara Sub- County under SFG.	64,238,319	<ul style="list-style-type: none"> • Failure by the contractor to issue a handover certificate to the Entity. • Failure by the contractor to submit the program for the works contrary to GCC 27 which stated that <i>the contractor shall submit the program for the works within 7days of delivery of contract.</i> 	<p><i>Project official handover and commissioning was delayed due to the absence of the political leaders during the election period. This has however been scheduled to take place on the 2nd March 2026.</i></p> <p><i>Completion certificate was not issued as the contractor has not yet rectified the identified defects. Once the defects are rectified, the retention funds shall be released and final completion certificate issued.</i></p>

			<ul style="list-style-type: none"> • No completion certificate attached on file. 	
8.	Revenue collection for Obongi Main Market.	3,515,000	<ul style="list-style-type: none"> • Missing records for payments for revenue collections • Failure by the contractor Home and Away Enterprises to make advance payments to the Authority contrary to GCC 22.3. <i>Payment schedule; The payment schedule shall be; (three) 3 months January, February and March in advance.</i> 	<p><i>Mr. Ibrahim Yamayom, the revenue officer was appointed the contract manager for revenue collection. It is true that there was no contract management plan. Management has noted this and a corrective action shall be taken in subsequent contracts.</i></p> <p><i>It is true that some records for payment of revenue collection were not availed to the team for verification. However, the records are available in hard and soft copy.</i></p> <p><i>Failure by some of the contractors to make advance payment is noted for improvement.</i></p> <p>Authority's comment. The management response was noted. However, the said evidence of revenue payment provided was for only 4months worth UGX. 14,060,000. The 8months worth UGX. 28,120,000 was not accounted for.</p>
9.	Sitting and supervision of drilling works, casting and installation of 4 deep hand pump boreholes	17,900,000	<ul style="list-style-type: none"> • No evidence of appointment of contract manager. • No contract implementation plan and reports. 	<p><i>There were payment records, letter of appointment of contract manager and contract management plan in the file.</i></p>

	under DWSCDG (Rural water grant) and sitting and supervision casting and installation of 2 boreholes (production wells) under DWSCG (PWG)		<ul style="list-style-type: none"> No payment records on file. 	<p>Authority's comment. The management response was noted. However, the annex lacked evidence for the queries.</p>
	Total	407,109,489		

Implications

- Non-Compliance with contractual requirements on submission of Performance Security risks the cover of protection for the Entity from non performing firms.
- Missing records on Procurement action file implies that the Entity was not supervising contracts implementation by providers which led to poor service delivery and unsatisfactory work.

Recommendations

1. The Accounting officer should establish that provision of the contract terms are adhered to in order to protect the Entity from non performing firms.
2. The Accounting Officer should establish that all procurement documents are filed on their respective procurement action files in the Procurement and Disposal Unit in accordance with Section 33 (0) of the PPDA Act, Cap. 205.

(ii) FORCE ON ACCOUNT MECHANISM

Irregularities in implementing works under Force on Account Mechanism

Section 130 of PPDA Act, Cap. 205 provides that, Procuring and Disposing Entity may, in accordance with regulations made under this Act, undertake works using the Force Account Mechanism. Except where there is an emergency situation or where no contractor is willing to execute the assignment, the Force Account Mechanism may be used, without fulfilling the requirements of subsection (3) (b) The Authority established that the Entity had framework contracts for the supply of inputs for the road maintenance under Force Account Mechanism for the financial year 2024/2025. However, the Authority noted the following exceptions:

- a) Procurement requisitions for the barrow pits were not submitted to the Procurement and Disposal Unit to recommend the appropriate procurement methods and procedures contrary to Section 33 (g) of the PPDA Act, Cap. 205;
- b) There was no procurement action file for the above routine mechanized maintenance activities in the Procurement and Disposal Unit containing records and reports on works undertaken using the Force Account Mechanism;
- c) The monthly progress reports for routine mechanized maintenance activities implemented using Force on Account Mechanism were not prepared hence not shared with the Accounting Officer, the Procurement and Disposal Unit and the Authority; and
- d) The Entity did not undertake environmental and social screening to identify the likely effect of the road work on the environment and community and subsequently come up with mitigation measures.

Implications

- Failure to prepare progress reports and issue completion certificates for completed projects, showed a weakness in project management that exposed the Entity to substandard output and a hinderance in the achievement of the project objectives.
- Failure to address cross cutting issues exposes safety and sustainability concerns to the environment and community.

Management response

The Entity has been negotiating with the land owners and the borrow pits directly from them as it is cheaper compared to the charges they levy on contractors. Management has however noted the anomaly of not submitting the procurement requisitions to the Contracts Committee for recommendation of the appropriate procurement method. Going forward, this shall be rectified.

The Entity has a complete file for the force account projects in the roads and engineering department. Management has improved the staffing in the Procurement and Disposal Unit by recruiting a Senior Procurement Officer and hopes to strengthen all the procurement processes and record keeping. Monthly progress reports were prepared. These monthly reports are always consolidated by the Accounting Officer and submitted to the PS MOWT quarterly.

Recommendation

The Accounting Officer should always task the Supervisors appointed under Force Account Mechanism to prepare progress reports and issue completion certificates for completed projects as required under Regulation 5 (2) (d) of the PPDA (Force Account Mechanism) Regulations of 2014.

2.3 COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESSES TO THE PPDA ACT, REGULATIONS AND GUIDELINES

2.3.1 Failure to Dispose Boarded off Items.

Regulations 2 (1) and (2) of the PPDA (Disposal of Public Assets) Regulations, 2023 provides that for the purposes of disposal planning, an Accounting Officer shall, in each financial year, cause the public assets of a Procuring and Disposing Entity to be reviewed, to identify the public assets to be disposed of in the following financial year. The Authority reviewed the Entity's Board of survey report for the Financial Year 2023/2024 and noted the existence of several assets due for disposal that had not been disposed. The assets that are due for disposal to which the Entity had not conducted a disposal process in the financial year 2024/2025 are indicated in Appendix V. This is due to weak asset management and inventory controls.

Implication

Continued failure to dispose of the above assets exposes them to further deterioration and loss in value.

Recommendation

The Accounting Officer should institute a board of survey and basing on the board of survey report, immediately consider disposing of all the disposal assets in the Entity as guided under Regulation 2 of the PPDA (Disposal of Public Assets) Regulations, 2023.

2.4 ASSESSMENT OF THE PROGRESS AND PERFORMANCE OF THE MICRO-SCALE IRRIGATION SYSTEM IN OBONGI DISTRICT LOCAL GOVERNMENT

Background

The Micro-scale Irrigation Program is in line with Uganda's National Irrigation Policy which aims to create 1.5 million hectares of Irrigated land by the year 2040. The Micro-scale Irrigation Program supports farmers to purchase and use individual Irrigation equipment through a matching grant scheme, in which the cost of the equipment is co-financed by the farmer and the Government of Uganda. The Government subsidizes between 25% and 75% of the total cost of the irrigation equipment (which can be sprinkler, drip and drag hosepipe methods using either solar or petrol energy sources). The level of the subsidy varies according to the choice of the Irrigation equipment/technology selected by the farmer as indicated below:

- For solar-powered irrigation equipment, the maximum Government co-payment is 75% of the total cost of equipment and is capped at UGX 18,000,000. Within this total cap the maximum Government payment for a tank stand is UGX 2,000,000; and
- For petrol-powered irrigation equipment the maximum Government co-payment is 25% of the total cost of equipment and is capped at UGX 5,000,000.

(i) Progress achieved in the implementation of micro scale irrigation scheme for demonstration to selected farmers in Obongi District.

The Authority found that 11 micro scale irrigation systems had been installed for beneficiary farmers in the district worth UGX. 177,252,352 as summarized in Table 14 below

Table 14: Level of implementation of micro scale irrigation program in Obongi District.

No.	Subject of procurement	Contract value	Amount so far paid by the farmer	Status of implementation, to selected farmer.
1.	Design, Supply & Installation of micro scale irrigation equipment for Ms. Zubeda Munduru of Nyakinamiji Village. Type: Solar powered irrigation system. Water source: R. Nile, distance: 20m.	14,460,520	1,000,000	Completed
2.	Design, Supply & Installation of micro scale irrigation equipment for Mr. Mark Arike of Lomunga Village. Type: Solar Powered Irrigation System.	14,566,520	1,000,000	Completed

No.	Subject of procurement	Contract value	Amount so far paid by the farmer	Status of implementation, to selected farmer.
	Water source: Omboso Stream distance: 10m			
3.	Design, Supply & Installation of micro scale irrigation equipment for Mr. Rose Buga Justo Agaika of Palio Village. Type: Solar powered irrigation system. Water source: River Nile distance: 20m.	13,628,420	1,000,000	Completed
4.	Design, Supply & Installation of micro scale irrigation equipment for Mrs. Cezira Mindara of Ebakwe Village. Type: Solar powered irrigation system, Water source: River Nile distance: 20m	14,460,520	1,000,000	Completed
5.	Design, Supply & Installation of micro scale irrigation equipment for Dr. George Bokha of Obugubu Village. Type: Solar powered irrigation system. Water source: R. Nile, distance: 20m.	28,981,672	1,000,000	Completed
6.	Design, Supply & Installation of micro scale irrigation equipment for Drate George of Lomunga Village. Type: Solar powered irrigation system.	14,566,520	1,000,000	Completed

No.	Subject of procurement	Contract value	Amount so far paid by the farmer	Status of implementation, to selected farmer.
	Water source: R. Nile., distance: 20m.			
7.	<p>Design, Supply & Installation of micro scale irrigation equipment for Mr. Ezama Orish. of Asamvu Village.</p> <p>Type: Solar powered irrigation system, or petrol-powered).</p> <p>Water source: R. Nile distance: 20m.</p>	14,460,520	1,000,000	Completed
8.	<p>Design, Supply & Installation of micro scale irrigation equipment for Mr. Lalia Gasper of Melemelewe Village.</p> <p>Type: Solar powered irrigation system.</p> <p>Water source: R. Nile distance: 20m.</p>	18,640,100	1,000,000	Completed
9.	<p>Design, Supply & Installation of micro scale irrigation equipment for Mr. Sam Ezama Zablon of Asamvu Village.</p> <p>Type: Solar powered irrigation system.</p> <p>Water source: R. Nile distance: 20m.</p>	14,566,520	1,000,000	Completed
10.	Design, Supply & Installation of micro scale irrigation equipment for Ms. Flavia Ayikocia of Ebakwe Village.	14,460,520	1,000,000	Completed

No.	Subject of procurement	Contract value	Amount so far paid by the farmer	Status of implementation, to selected farmer.
	Type: Solar powered irrigation system. Water source: R. Nile, distance: 20m.			
11.	Design, Supply & Installation of micro scale irrigation equipment for Mr. George Lamo of Palio Village. Type: Solar powered irrigation system. Water source: R. Nile, distance: 20m.	14,460,520	1,000,000	Completed
	Total	177,252,352	11,000,000	

Implication

- Without embracing the microscale irrigation system program, farmers may not be able to sustain agricultural productivity/enhancement amidst changing climatic conditions; and
- Failure to fully implement micro-scale irrigation systems may fail the Government of Uganda to achieve its National Irrigation Policy which aims to create 1.5 million hectares of irrigated land by the year 2040.

Recommendations

1. The Accounting Officer should;
 - i. Urge farmers to embrace the initiative through conducting continuous awareness programs about the micro-scale irrigation scheme and its benefit;
 - ii. Target farmers that are wilting and have the resources to make the required co-payments; and
 - iii. Advise farmers on ways to access affordable financing so that they can make their co-payments.
2. The Government of Uganda should consider reviewing the policy to provide irrigation equipment to eligible farmers at more subsidized rate.

CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall Audit Conclusion

The performance of Obongi District Local Government for the financial year 2024/25 was **moderately satisfactory** with an overall weighted average risk rating of **49.4%**, as summarized in Table 15 below.

Table 15: The risk rating is as follows

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

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 16 below:

Table 16: Summary of performance of Obongi District Local Government.

Risk Rating	No.	% By No.	Weight	Weighted score by No.	Value (UGX)	% Value	Weight	Weighted score by value
High	4	26.7	0.6	16	326,445,012	26.8	0.6	16.1
Medium	4	26.7	0.3	8	436,722,601	35.9	0.3	10.8
Low	7	46.6	0.1	4.7	454,351,071	37.3	0.1	3.7
Total	15	100	1	28.7	1,217,518,684	100	1	30.6

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{28.7 \times 100}{60} = 47.8\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{30.6 \times 100}{60} = 51\%$$

$$\text{The average weighted risk rating} = \frac{47.8 + 51}{2} = 49.4\%$$

LIST OF FIGURES

Figure 1: Risk Rating by Number

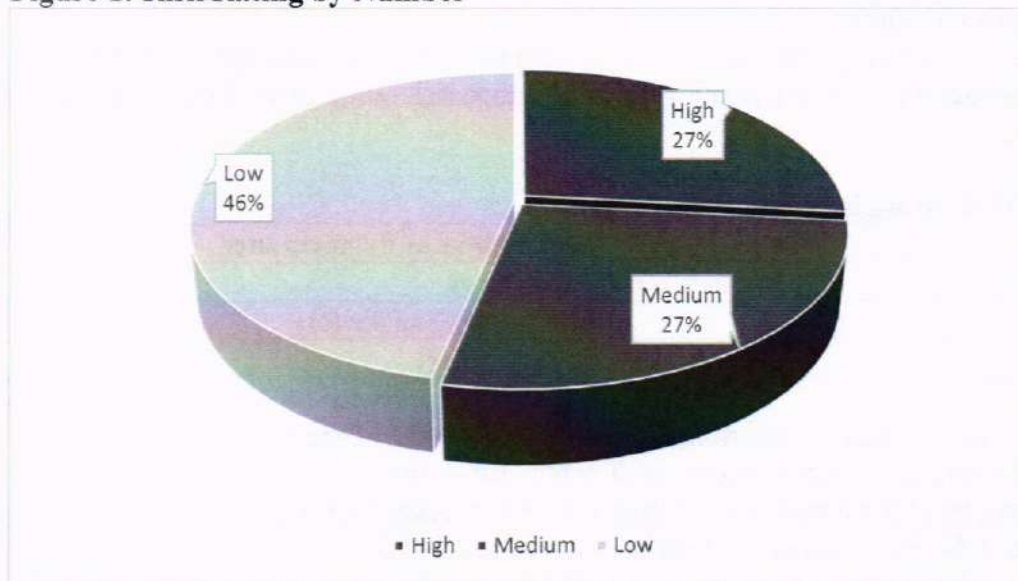
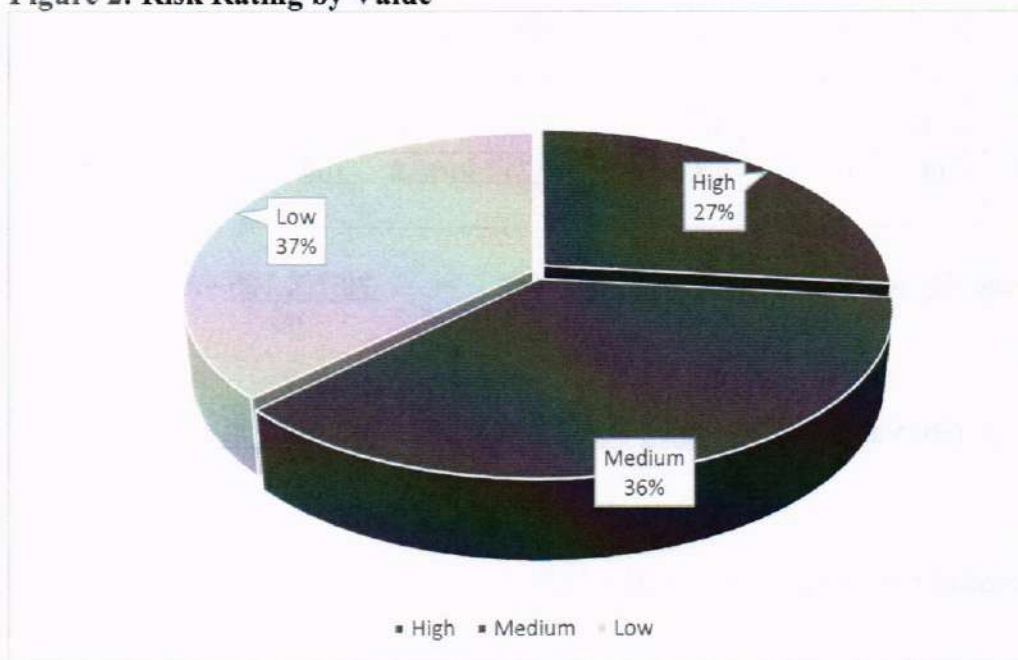


Figure 2: Risk Rating by Value



3.2 Recommended Action Plan

Obongi District Local Government should implement the following recommendations within the timeframe given to improve its performance in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205, as presented in Table 17 below.

Table 17: Recommended Action Plan

Recommendation	Action Date
<p>1. The Accounting Officer should:</p> <ul style="list-style-type: none"> i. Always confirm that no procurements are conducted outside the Entity's approved procurement plan except in cases of emergency situations in accordance with Section 60 (10) of the PPDA Act, Cap. 205; ii. Task the Head, Procurement and Disposal Unit to always update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205. iii. Task the Internal Audit Unit to always audit the procurement and disposal procedures as well as the payments made in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023; iv. Institute strong internal mechanisms and a dedicated team of staff that will always fulfill the implementation of the Authority's previous audit recommendations; v. Address delays in procurement at various stages in accordance with Section 51 of the PPDA Act, Cap. 205; vi. Not allow un authorized persons with no powers of attorney to sign the contract. 	Continuous
<p>2. The Head of Procurement and Disposal Unit should;</p> <ul style="list-style-type: none"> i. Always confirm that all standard forms are duly filled out with required information, in accordance with Section 58 (1) of the PPDA Act, Cap. 205; ii. Prepare solicitation documents that define the requirements precisely in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023; iii. Set appropriate evaluation criteria that suits the objectives of the procurement in accordance with Regulation 42 (b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023; iv. Always submit Form 5 (II) for the Proposed method of procurement, bidding document and members of the Evaluation Committee to the Contracts Committee for approval as required under Regulation 11 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023; 	Continuous

Recommendation	Action Date
v. Always submit the Evaluation Committee members to the Contracts Committee for approval prior to evaluation in accordance with Section 34 (a) PPDA Act, Cap. 205	
<p>3. The Contract Committee should: quality assure all</p> <ul style="list-style-type: none"> i. Bidding documents to assess completeness and accuracy of the bidding requirements with emphasis on the section for statement of requirements; and ii. Contract documents before the contracts are signed in accordance with Section 30 (e) of PPDA Act, Cap. 205; 	Immediately
4. The Evaluation Committee should always evaluate bids based on set criteria in the bidding document and adhere to by the evaluation criteria in compliance to Regulation 5 (l) of the PPDA (Evaluation) Regulations, 2023;	

APPENDIXES

Appendix I: Sampled audited procurement files for FY 2024/2025 with their risk rating

No	Reference no.	Subject of Procurement	Method of procurement	Provider	Amount (UGX)	Risk
1.	OBONGI/SUPLS/2024-2025/00045	Supply and installation of inverter and change-over switch complete with accessories under DWSCG	Open National Bidding	Universal Engineering(U)Ltd	15,277,185	Low
2.	OBON913/WRKS/24-25/00048	Renovation of 4 classroom block at Alibabito Primary School under SFG	Request for Quotation	Ashanty Business Services(U) Limited	255,549,372	High
3.	OBON913/WRKS/24-25/00041	Drilling Works, casting and installation of 4 boreholes and 2 production wells under DWSCDG	Request for Quotation	Galaxy Agrotech (U) Limited	231,387,722	Low
4.	OBON913/SUPLS/24-25/00047	Supply and installation of microscale irrigation system under UGIFT	Request for Quotation	Hizmet Services Limited	177,252,352	Medium
5.	OBON913/WRKS/24-25/00050	Fencing of Itula Resource center under USMID 113	Request for Quotation	Jesaw Consults Limited	148,215,375	Medium
6.	OBON913/WRKS/24-25/00038	Renovation of OPD at Waka Health Centre II under PHC	Request for Quotation	Sam and Brothers	77,896,874	Medium
7.	OBON913/WRKS/24-25/00048	Renovation of Gopelle Primary School under SFG	Request for Quotation	Jspecs Africa Limited	74,624,970	Low
8.	OBON913/WRKS/24-25/00037	Renovation of 2 classroom block at Dello Primary School in Gimara Sub-County under SFG	Request for Quotation	Ayiasi Vuga and Brothers	64,238,319	Low

No	Reference no.	Subject of Procurement	Method of procurement	Provider	Amount (UGX)	Risk
9.	OBON913/WRKS/24-25/00040	Phase fencing of Obongi District Resource Centre under DDEG	Request for Quotation	Taibo Khemis & sons Merchandise	52,864,875	Low
10.	OBON913/WRKS/24-25/00049	Renovation of 1 block 3 classroom room at Chinyi Primary School under SMF	Request for Quotation	Canasta Enterprises Limited	36,526,000	High
11.	OBON913/SVCS/24-25/00025	Consultancy Services for the design of pipe water system	Open Domestic bidding	Technical Services Limited	30,854,640	High
12.	OBON913/WRKS/24-25/00043	Sitting and supervision, drilling of 4 borehole and 2 production wells under DWSCG	Request for Quotation	Aquatech Enterprises(U) Limited	17,900,000	Low
13.	OBON913/WRKS/24-25/00044	Construction of 2 stance drainable VIP latrine at Alibabito Trading Centre in Ewafa Sub- County under DWSCG	Request for Quotation	Hakim and brothers	15,958,000	Low
14.	OBON913/SUPL/24-25/00046	Supply and delivery of tent and chairs under DDEG	Request for Quotation	SWIFT3 Technologies(U) Limited	15,458,000	Medium
15.	OBON913/SRVCS/24-25/00020	Revenue collection for Obongi Main Market	Open Domestic Bidding	Home and away Enterprises	3,515,000	High
TOTAL					1,217,578,684	

Appendix II: Case by case findings and risk rating

No	Subject of Procurement	Amount (UGX)	Reasons for high risk
1.	Renovation of 1 block 3 classroom room at Chinyi Primary School under SMF.	36,526,000	<ul style="list-style-type: none"> • Procurement outside the approved procurement plan. • Introduction of a new evaluation criteria at evaluation. • Passing on a non-compliant bidder. • Canasta Enterprises Limited the Best Evaluated Bidder (BE) submitted a completion schedule of four months contrary to the required completion schedule of a maximum three months. • Failure by Canasta Enterprises Limited (BEB) to submit a leasing agreement for the equipment submitted. • Change of contract conditions at contracting
2.	Revenue collection for Obongi Main Market.	3,515,000	<ul style="list-style-type: none"> • Procurement outside the approved procurement plan. • Signing of the contract after expiry of bid validity period: The contract was signed on 30th December, 2024 and the bid validity period had expired on the 28th November, 2024. • Change of special conditions of a contract at contracting. • Failure by the Contract Manager to come up with a contract management plan. • Missing records for payments for revenue collections, only records of 4 months payment worth UGX. 14,060,000 was provided and a total of UGX. 28,120,000 for 8 months was not accounted for. • Delay by the Contracts Committee to approve the request of the proposed members of the Evaluation Committee, bidding document, advert and method of procurement. • Failure by the Procurement and Disposal Unit staff to take record of the providers that were issued bidding documents. • Failure by the Procurement and Disposal Unit staff to take record of the providers and their offered prices during bid opening.
3.	Consultancy Services for the design of pipe water system	30,854,640	<ul style="list-style-type: none"> • Passing of an invalid bid of Rock Technical Services Limited. • Irregularities at breakdown of miscellaneous expenses: The consultant quoted for communication costs for six months each month at 330,000

			<p>totaling at UGX. 1,980,000 and according to the works schedule, the service was to be completed within one month.</p> <ul style="list-style-type: none"> • The Technical staff in the Financial Proposal did not have Environmentalist as it was required. • Signing a contract with a person who had no Powers of Attorney. • The validity date of Proposal Securing Declaration was the same as the bid submission deadline on 28th August 2024. • SCC (GCC 25.1) stated that the payment schedule shall be IFMS.
4.	Renovation of 4 classroom block at Alibabito Primary School.	255,549,372	<ul style="list-style-type: none"> • Delay to initiate the procurement which affects timely completion of procurement. • Delay by the Accounting Officer to confirm funding: The procurement was initiated on 28th October 2024 and the Accounting Officer confirmed funding on 24th January 2025 causing a delay by 61 working days. • Failure by the Engineer to come up with the Engineer's estimates. • Conducting evaluation by the following staff without Contracts Committee approval. Mr. Ibrahim Musafir F., and Mr. Michael Chandiga were recommended by Contracts Committee to be replaced during 11th CC meeting held on 3/18/2025. However they were appointed by Accounting Officer and they conducted evaluation. • Poor quality of the contract. • Delay by Procurement and Disposal Unit to submit the evaluation report for approval. • Delay to obtain Solicitor General's clearance. • Signing of the contract before Solicitor General's clearance. • Failure to retain 6% of the contract price at payment contrary to SCC (GCC 48.1). • Payment for the items not conducted. <p>-Land scaping and restoration of vegetation (tree planting and grass and walkways-UGX 2,000,000</p> <ul style="list-style-type: none"> • Over costing of the project. <p>-Visitors book at UGX. 350,000.</p>

			-Engraving -UGX. 1,600,000.
			Reasons for medium risk rating
5.	Fencing of Itula Resource Centre	148,215,375	<ul style="list-style-type: none"> Irregular costing of the project leading to over costing HIV/AIDS and STD prevention and counselling at UGX. 8,000,000. Evaluation conducted by only one person i.e. Mr. William Madrwa as per the signed evaluation report. Failure by the contractor Jesaw Consults Limited to submit the Performance Security of 10% as it was required under SCC (GCC 52.1). Failure by the contractor to pay a minimum insurance cover of 5% of the contract value as it was required under SCC (GCC 13.1) Quality of NOBEB: The Authority noted that one i.e. Lubra Contractors Limited bidder appeared in the table as the best evaluated bidder and also it appeared in the table for unsuccessful bidder.
6.	Supply and delivery of tent and chairs under DDEG.	15,458,000	Passing of non-compliant bidders.
7.	Design, Supply and Installation of 11 micro scale irrigation equipment for production department under UGFIT.	177,252,352	Change of contract term.
8.	Renovation of OPD at Waka Health Centre II under PHC.	77,896,874	<ul style="list-style-type: none"> Delays at contract signing. Irregularities at contract signing.
			Reasons for Low-risk rating
9.	Renovation of 4 Classroom block at Gopelle Primary School under SMG at Gimara S/C	74,624,970	Failure by the contractor to submit the Performance Security.
10.	Phased fencing of Obongi District Resource Centre under DDEG	52,864,875	Delay by the User Department to initiate the procurement.

11.	Construction of 2 stances drainable VIP Latrine with urinal at Alibabito Trading Centre in Ewafa sub county under DWSCG (RWG)	15,958,000	Restrictive requirement. SCC (GCC 52.1) required bidders to submit a Performance Security of 10% for a procurement under RFQ method.
12.	Drilling works, casting and installation of 4 deep pump boreholes under DWSCDG (Rural water grant) and drilling, casting and installation of 2 boreholes production wells under DWSCG and PMG	231,387,722	Low bidders participation, out of eight bidders issued with the bidding document only two return the bids and was evaluated.
13.	Supply and Installation of Inverter and change over switch complete with accessories under DWSCDG (Rural water grant)	15,277,185	Missing payment records. <ul style="list-style-type: none"> • Delivery note. • Payment voucher. • Good received note.
14.	Renovation of 2 classroom block at Dello Primary School in Gimara Sub- County under SFG	64,238,319	<ul style="list-style-type: none"> • Failure by the contractor to issue a handover certificate to the Entity. • Failure by the contractor to submit the program for the works contrary to SCC (GCC 27) which stated that <i>the contractor shall submit the program for the works within 7days of delivery of contract.</i> • No completion certificate attached on file.
15.	Sitting and supervision of drilling works, casting and installation of 4 deep hand pump boreholes under DWSCDG (Rural water grant) and sitting and supervision, casting and installation of 2 boreholes (production wells) under DWSCG(PWG)	17,900,000	<ul style="list-style-type: none"> • No evidence of appointment of a Contract Manager. • No contract implementation plan and reports. • No payment records on file.

Appendix III: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
<p>HIGH</p> <p>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.</p> <p>Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".</p>		<p>Planning: Lack of or failure to procure within the approved plan</p>	<p>This implies emergencies and use of the direct procurement method which affects competition and value for money.</p>
		<p>Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals and usurping the powers of the PDU.</p>	<p>This implies use of less competitive methods which affects transparency, accountability and value for money.</p>
		<p>Evaluation: Use of inappropriate evaluation methodologies or failure to conduct evaluation.</p>	<p>This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.</p>
		<p>Record Keeping: Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.</p>	<p>This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.</p>
		<p>Fraud/forgery: Falsification of Documents</p>	<p>This implies lack of transparency and value for money.</p>
		<p>Contract Management: Payment for shoddy work or work not delivered.</p>	<p>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</p>
<p>MEDIUM</p>	<p>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</p>	<p>Planning: Lack of initiation of procurements and confirmation of funds.</p>	<p>This implies committing the Entity without funds thereby causing domestic arrears.</p>
		<p>Bidding Process: Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-</p>	<p>This implies lack of efficiency, standardisation and avoiding competition.</p>


RISK	DESCRIPTION	AREA	IMPLICATION
	<p>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.</p>	<p>qualified firms and splitting procurement requirements.</p> <p>Procurement Structures: Lack of procurement structures</p> <p>Record Keeping: Missing Contracts Committee records and incomplete contract management records.</p> <p>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.</p>	<p>This implies lack of independence of functions and powers and interference in the procurement process.</p> <p>This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.</p> <p>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.</p>
		<p>Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety.</p> <p>Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.</p>	
LOW	<p>Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded</p>	<p>Planning: Lack of procurement reference numbers.</p> <p>Bidding Process: Not signing the Ethical Code of Conduct</p>	<p>This leads to failure to track the procurements which leads to poor record keeping.</p> <p>This leads to failure to declare conflict of interest and lack of transparency.</p>

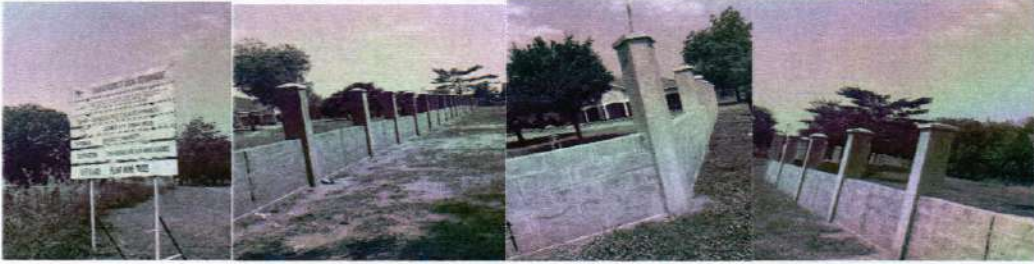
RISK	DESCRIPTION	AREA	IMPLICATION
	“low” provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.		

SATISFACTORY

Relates to following laid down procurement procedures and guidelines and no significant deviation.

Appendix IV: Physical verification photos

No.	Subject of procurement and Exceptions
1.	<p>Renovation of 2 classroom block at Dello P/S in Gimara Sub-County under SFG Method of procurement: Request for Quotation Contractor: Ayiasi Vuga and Brothers Contract Value: UGX. 64,238,319</p>  <p>Exceptions</p> <ul style="list-style-type: none"> • Termites on the veranda. • Not engraved. • Damaged water harvest pipes. • Cracked floor. • No trees were planted. • Grass was not planted. • Not commissioned. <p>Recommendation The District Education Officer should plan to:</p> <ol style="list-style-type: none"> 1. Complete the veranda. 2. Treat the termites. 3. Install new water pipes. 4. Plant trees around the school compound and ensure the trees are properly managed for proper growth.

	<p>Management Response <i>The renovation of the building elements including the veranda has been fully completed. The cracks on the floor, damages on the water harvesting pipes and dead trees have been included in the instructions for the contractor to rectify during the defect liability period. The commissioning delayed due to the involvement of the political stakeholders in the campaign during political season. It has been scheduled to take place on Monday 2nd and Tuesday March 2026.</i></p> <p>Authority's comment. The response of the Entity was noted, but Authority guides that on the incomplete veranda, cracked floor and damage water harvest, the District Engineer should ensure that the contractor rectifies all the defects to make them conducive and achieve value for money and for the trees, the Entity should, going forward, put a clause in the bidding document that should task the providers to plant the trees on the onset of the project and also for some defined timeframe after, for the growth and survival of the planted trees. In addition, the Entity should put in place persons in charge, to oversee the proper growth of the trees after hand over by the providers, preferably a staff from the Natural Resources Department.</p>
2.	<p>Phased fencing of Obongi District Resource Centre under DDEG Method of procurement: Request For Quotation Contractor: Taibo Khemis and sons Merchandise Contract Value: UGX. 52,864,875</p>  <p>Exceptions</p> <ul style="list-style-type: none"> • Nine trees not planted. • Not engraved. <p>The District Engineer should plan to:</p> <ol style="list-style-type: none"> 1.Plant trees around the school compound and ensure the trees are properly managed for proper growth. 2.Plan for engravement / branding of the project. <p>Management Response <i>This project is phased and the component of tree planting and engravement was not catered for in the Bills of Quantities in the first phase due to financial limitations. The planting of trees and engraving shall be incorporated in the subsequent phases.</i></p> <p>Authority's comment The management response was noted.</p>



Exceptions

- Poor painting.
- No gutters.
- Iron sheets not replaced
- Cracked veranda.
- Damaged lightening arrestor.
- Some iron sheets were not changed.
- No trees planted.
- No grass planted.

Recommendation.

The District Engineer should ensure that all the defect mentioned above are rectified and also trees are planted.

Management Response

The peeling of the painting on the lower ends of the wall has been noted. This could have been as a result of the actions of children together with the other defects of cracking on the floor, the contractor has been instructed to rectify the defects. Due to restriction of funds, the only 24 square meters (10pieces) of roof area had the iron sheets changed. For the same reason, gutters, tree and grass planting were not provided in the BoQs.

Authority’s comment

The response of the Entity was noted, but Authority guides that on some of the iron sheets that were not changed, the District Education Officer should plan to replace them to make them look uniform. In regard to the trees, the Entity should going forward, put a clause in the bidding document that should task the providers to plant the trees on the onset of the project and also for some defined timeframe after, for the growth and survival of the planted trees. In addition, the Entity should put in place persons in charge, to oversee the proper growth of the trees after hand over by the providers, preferably a staff from the natural resources department.

5.	<p>Sitting and supervision, drilling of 4 borehole and 2 production wells under DWSCG Method of procurement: Request for Quotation Contractor: Galaxy Agrotech (U) Limited Contract value: 231,387,722</p>
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Exceptions

- Stagnant water in a pit.
- Difficulties when pumping the borehole.

Recommendation

The water office should ensure that the stagnant water in the pit channel is widened to allow it flow freely to avoid breeding mosquitoes.

Management Response

The water management team noted that indeed there is water stagnation at Aringatingi Borehole in Ewafa S/C. This is as a result of poor maintenance of the water points by the water User Committees. The District Water Office has embarked on mobilizing the water users to work on the soak pit, fence the water point, replace the inactive water user committees to ensure that there is proper operation and maintenance of the water points. On the observation of difficulties in pumping this borehole. The installation depth of the borehole is too deep(54m-72m) equivalent to 18 to 24 pieces of stainless-steel pipes and rods). This is due to low underground water table thus making it heavy to pump. There was no case of non-functionality reported to date from the water point despite the difficulty observed during audit.

Authority’s comment.

As per the above response, the District Engineer should plan accordingly to fix the above problem through routine maintenance works, the water logging opened and ensure that the community around access clean water and do not suffer from malaria.

6.

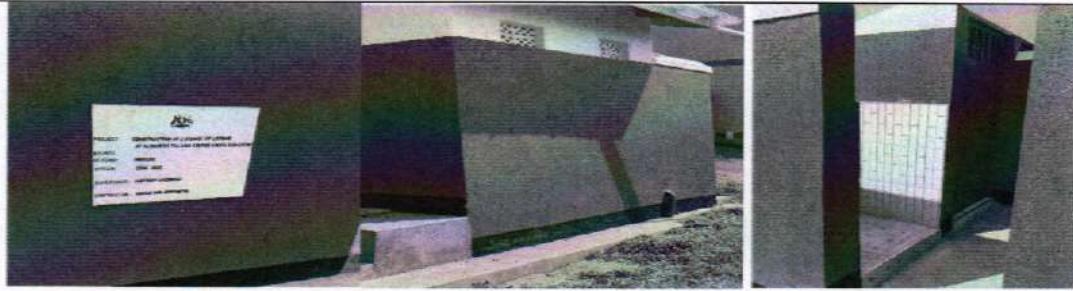
Construction of 2 stance drainable VIP latrine at Alibabito Trading Centre in Ewafa Sub-County under DWSCG

Method of procurement: Request for Quotation

Contractor: Hakim and brothers.

Contract value: UGX 15,958,000





Exceptions

- Land not leveled.
- Poor painting.
- No trees planted.
- No grass planted.

Recommendations

The District Engineer should ensure;

1. Landscaping is completed.
2. Contractor correct poor painting.
3. Trees and grass planted as per BoQs

Management Response

On the observation of No trees and grass planted, there were trees and grass planted but some did not survive. However, we have noted this during the defect liability period and informed the contractor to address it accordingly.

Authority’s comment.

The response of the Entity was noted, however, Authority guides that, the trees, the Entity should going forward, put a clause in the bidding document that should task the providers to plant the trees on the onset of the project and also for some defined timeframe after, for the growth and survival of the planted trees. In addition, the Entity should put in place persons in charge, to oversee the proper growth of the trees after hand over by the providers, preferably a staff from the natural resources department.

7.

Renovation of 4 classroom block at Alibabito Primary School under SFG

Method of procurement: Request for Quotation

Contractor: Ashanty Business Services(U) Limited

Contract value: UGX 255,549,372





Exceptions

- Low veranda.
- Not commissioned.
- Poor painting.
- Over costing for engraving.
- Surrounding not cleared (debris were not cleared)
- No trees planted.
- No grass planted.

Recommendations.

The District Education Officer should ensure that;

1. The contractor clears clear the debris from the School.
2. Poor painting is corrected.
3. Always conduct market survey.
4. Trees are planted around the school ground,

Management Response

- *This was a renovation project, and the veranda level was maintained in line with the existing plinth level of the building. However, it remains above the surrounding ground level.*
- *The commissioning of this project, together with others, was delayed due to the unavailability of political leaders during the busy political season. It has been scheduled for Monday; 2nd March 2026.*
- *The Bill of Quantities (BoQs) item rates are quoted by the contractor and may vary- either higher or lower compared to the engineer's estimates. Such variations are normal and are considered to balance out overall.*
- *The issue of poor painting had not been identified earlier. The missing downpipes, which were reportedly vandalized by members of the local community, will be replaced by the contractor before the release of retention funds.*
- *Trees were planted on the eastern side of the structures as directed by the school staff. Grass was planted on the levelled ground surrounding the building; however, its regeneration was affected by the dry season.*

- *The contractor has already been notify all previously identified defects before final completion and release of retention monies.*

Authority’s comment

The response of the Entity was noted, however, Authority guides that on over costing, market survey should always be done prior to budgets period and for the trees, the Entity should going forward, put a clause in the bidding document that should task the providers to plant the trees on the onset of the project and also for some defined timeframe after, for the growth and survival of the planted trees. In addition, the Entity should put in place persons in charge, to oversee the proper growth of the trees after hand over by the providers, preferably a staff from the natural resources department.

8.

Supply and installation of microscale irrigation system under UGIFT
 Method of procurement: Request for Quotation
 Contractor: Hizmet Services Limited
 Contract value: UGX 177,252,352



Exceptions

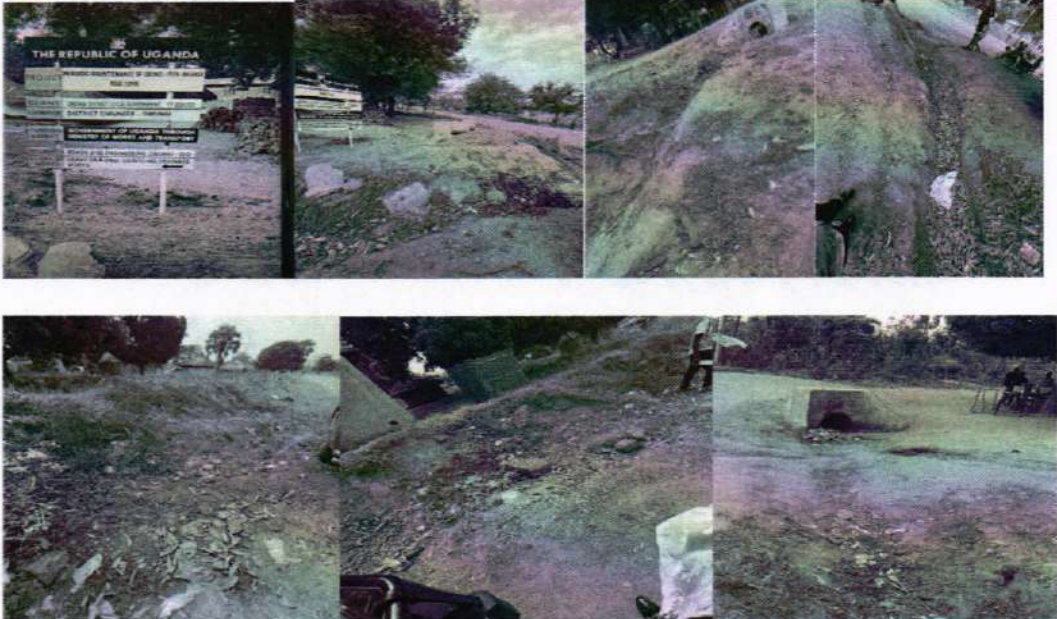
- Issue of snakes in the area.
- Not commissioned.
- Not engraved.

Recommendation.

- 1.The Water Officer should always plan and clear the bushy area.
2. Engrave the project.

Management Response

	<p><i>The commissioning will be conducted within the next two weeks. The engraving process is currently ongoing and farmers' identification numbers are being marked on the assets.</i></p> <p>Authority comment. The response of the Entity was noted, However, the Authority guides that the Water Officer should ensure that engravement is done to identify the project and always keep the area slashed to avoid avoid breeding snakes.</p>
9.	<p>Renovation of Gopele Primary School under SFG Method of Procurement: Request for Quotation Contractor: Jspecs Africa Limited Contract Value: UGX 74,624,970</p> <div data-bbox="327 660 1508 1288" data-label="Image"> </div> <p>Exceptions</p> <ul style="list-style-type: none"> • Poor painting. • Bent facial boards. • No trees planted. • No grass planted. • Not engraved. • Not commissioned. <p>Recommendations. The District Education Officer should ensure that;</p> <ol style="list-style-type: none"> 1.The contractor clears the debris from the School premises. 2.Poor painting is corrected. 3.Trees are planted around the school ground. <p>Management Response</p>

	<p><i>The peeling of the painting below the window level was noted during the DLP and contractor was instructed to rectify before release of retention funds. Grass and trees were planted at behind the structures located at the southern end. This was directed by the school management.</i></p> <p>Authority's comment</p> <p>The response of the Entity was noted, however, Authority guides the Education officer for the trees, the Entity should going forward, put a clause in the bidding document that should task the providers to plant the trees on the onset of the project and also for some defined timeframe after, for the growth and survival of the planted trees. In addition, the Entity should put in place persons in charge, to oversee the proper growth of the trees after hand over by the providers, preferably a staff from the natural resources department.</p>
10	<p>Force on Account</p>  <p>Exceptions</p> <ul style="list-style-type: none"> • Incomplete works. • Broken culverts. • No drainage trenches. • Culverts are not covered. • Some parts of the road are not leveled. <p>Recommendations.</p> <p>The District Engineer should ensure that;</p> <ol style="list-style-type: none"> 1.The work are completed. 2.Drainage trenches are open through desilting by the road gangs. 3.Cover all the culvert that where not cover at the time of audit. <p><u>Management Response</u></p>

- *The only outstanding works involve the installation of 14 meters (two lines) of 900mm diameter culverts along the 3km Morobi-Kali Road section. This delay arose because the ditch widened beyond the capacity of the initially planned two 900mm diameter culvert lines, rendering them inadequate. The District has formally written to the Ministry of works and transport (MoWT) requesting the provision of larger diameter Armco culverts for proper installation in the expanded ditch.*
- *All other components of the planned works covering the 34.4km stretch have been fully completed. There are no broken culverts, nor are there any installed culverts left uncovered.*
- *Some drainage channels and offshoots may have been silted at the time of the field visit. However, these are regularly assessed, and road gangs are consistently deployed to clear silted drains, particularly after heavy rains.*

Authority's comment.

The Chief Administrative Officer should plan on annual basis to desilt the culvert linings to safe guard the public from public health related risk that may arise due to poor drainage management and silt build ups.

Appendix V: Photos of un-serviceable assets recommended for disposal.

Motor Vehicle: Toyota Hilux double cabin pick-up UG 2433M



Motor Vehicle: Toyota Hilux double cabin pick-up UAA 826N



Motor Vehicle: Toyota Nissan double cabin pick-up UG 4092M



Motor Vehicle: Toyota Nissan double cabin pick-up UG 2971M