



COMPLIANCE INSPECTION REPORT FOR FINANCIAL YEAR 2023/24

PADER DISTRICT LOCAL GOVERNMENT

JUNE 2025

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ACRONYMS

BEB	Best Evaluated Bidder
BOQ	Bills of Quantities
ESHS	Environmental, Social, Health and Safety
FY	Financial Year
GCC	General Conditions do Contract
ITB	Instruction to Bidders
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
PPDA Act	Public Procurement and Disposal of Public Assets Act, Cap. 205
UGX	Uganda Shillings
VAT	Value Added Tax

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Pader District Local Government that covered a sample of ten procurement transactions under Financial Year 2023/24. The overall objective of the compliance inspection was to assess the effectiveness and efficiency of procurement and disposal processes at the Entity and adherence to the PPDA Act, Cap. 205, attendant PPDA Regulations, and public procurement policies so as to determine the procurement performance over the compliance inspection period.

From the findings of the compliance inspection exercise, the performance of Pader District Local Government for Financial Year 2023/24 was **Moderately Satisfactory**, with an average weighted risk rating of **46.2%** as per the ranking in Table 12 under Chapter 3 of this compliance inspection report.

The performance was attributed to the following key exceptions:

1. The Authority found that 54 planned procurements worth UGX 1,398,139,071 were not implemented by the Entity. This implies that the budget objectives were not fully realized hence affecting the intended beneficiaries and ultimately service delivery by the Government of Uganda;
2. Failure to fully implement the Authority's recommendations. The Entity was issued an audit report for Financial Year 2021/22 in July 2023 and out of the 29 recommendations made, nine (31%) were implemented, seven (24%) were partially implemented and 13 (45%) were not implemented, contrary to Section 10 of the PPDA Act, Cap. 205 which affects the performance of the procurement and disposal function in the Entity;
3. The Authority found irregularities during initiation such as failure by User Department to develop and attach BOQs and drawings at initiation and delay to initiate in four procurements worth 504,723,316 contrary to Regulation 3 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023. This makes it difficult for the Procurement and Disposal Unit to prepare appropriate solicitation documents and may also lead to procurement of items which do not meet the users' requirements;
4. The Entity issued bidding documents that had inadequate statements of requirements and evaluation criteria or instructions to the bidders in eight sampled procurements worth UGX 1,243,484,953. This leaves doubt and assumptions to the bidder on the requirements of the Entity and exposes the Entity to the risk of procurement failure;
5. The Authority found irregularities at evaluation such as passing non-compliant bidders, failure by the approved Evaluation Committee members to evaluate bids and introduction of new evaluation criteria in eight procurement transaction worth UGX 799,082,316 contrary to Regulation 5 of the PPDA (Evaluation) Regulations, 2023 which exposed the Entity to the risk of not getting the best bidder in terms of quality and cost and was also unfair to the undeservingly eliminated bidders;
6. The Authority observed anomalies at contracting stage such as failure to implement Solicitor General's recommendations, and conducting negotiation without Contracts Committee approval in three procurements worth UGX 884,762,337. This leaves the Entity not adequately protected against the risks that could potentially arise during the execution of the contract;
7. The Entity had not disposed of any items in the previous four financial years i.e., FY 2018-2019, FY 2019-2020, FY 2020-2021, FY 2021-2022 despite the boards of surveys conducted recommending assets for disposal. The district's assets continue to lose value through depreciation and face risks of loss or vandalism;

8. Irregular advancement of funds to Force Account Managers to procure items without following the stipulated procurement methods and procedures contravenes Regulation 4 of the PPDA (Force Account Mechanism) Regulations 2014. This poses a high risk of fraud and abuse of government funds; and
9. The Authority found that no projects were implemented by the Entity during the financial year 2023/24 and accordingly the funds for micro scale irrigation projects worth UGX 375,000,000 were returned to the Treasury

In summary, the Authority observed irregularities in the bidding process, evaluation and poor contract management affected the Entity's performance.

In light of the above findings, the Authority recommends that:

1. The Accounting Officer should:
 - i. Cause regular review of User Departmental work plans and subsequently the Entity's procurement plan and update it in accordance with Section 60 (7) of the PPDA Act, Cap. 205;
 - ii. Put a strong mechanism in place to implement recommendations made by the Authority so as to improve the Entity's performance in accordance with Section 10 of the PPDA Act, Cap. 205;
 - iii. Task the responsible User Departments to recommend clear and detailed description of the supplies, works or non-consultancy services required at initiation of the procurement in accordance with Regulation 3 (2) (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023;
 - iv. Ensure incorporate of the Solicitor General's recommendations/guidance as per Statutory Instrument No. 97 of the Constitution (Exemption of Particular Contracts from Attorney General's Legal Advice) (Amendment) Instrument, 2014;
 - v. Ensure that a disposal plan is prepared so that the disposal process can commence in order to avoid further depreciation of the assets and attain value for money in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023;
 - vi. Task the Evaluation Committees for the procurements with irregularities at evaluation to show cause why disciplinary action should not be taken against them for failure to effectively evaluate the bids in accordance with the set evaluation criteria in the bidding document;
2. The Contracts Committee should reject solicitation documents that do not define 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;
3. The Head of the Procurement and Disposal Unit should:
 - i. Always conduct all procurements in a manner which promotes economy and efficiency in accordance with Section 51 of the PPDA Act, Cap. 205;
 - ii. Set the most appropriate evaluation criteria that suit the purpose of the procurement in accordance with Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, works and Non- Consultancy Services) Regulations, 2023.
4. The Evaluation Committees should;
 - i. Evaluate the bids following the criteria set in the bidding document and waive any non-material deviations in accordance with Regulation 18 (5) of the PPDA (Evaluation) Regulations, 2023;

- ii. Be vigilant while reviewing the information submitted by the bidders for conformity with the set criteria before passing bidders in accordance with Regulation 23 of the PPDA (Evaluation) Regulations, 2023;
5. The User Departments should submit all their procurement requisitions to the Procurement and Disposal Unit to advise on the appropriate procurement methods and procedures in accordance with Section 32 (g) of the PPDA Act. Cap. 205; and
6. The Permanent Secretary, Ministry of Local Government should task the Accounting Officer to show cause why disciplinary action should not be taken against him for failure to implement micro scale irrigation project in the district

Pader District Local Government should implement the recommended action plan on page **36** - **37** of this report.

CHAPTER 1: INTRODUCTION

1.1 Structure of the Entity

According to Section 28 of the PPDA Act, Cap. 205, the Accounting Officer has the overall responsibility for the successful execution of the procurement, disposal and contract management in Pader District Local Government. The Accounting Officer during the financial year under inspection was Mr. Michael Wanje, the Chief Administrative Officer. The composition of the Procurement and Disposal Unit and Contracts Committee are detailed in Appendix 4 and Appendix 5, respectively.

1.2 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Pader District Local Government that covered ten procurement transactions for the Financial Year 2023/24, as listed in Appendix 2.

1.3 Objective of the Compliance Inspection

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

The specific objectives of the compliance inspection 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. Compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap. 205 and Regulations;
3. Efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process;
4. Projects implemented under Force on Account mechanism; and
5. Progress and performance of the micro-scale irrigation program in Pader District Local Government.

1.4 Scope of the Compliance Inspection

The inspection involved a review of the procurement and disposal process, general compliance issues and contract implementation on sample basis. The exercise covered a sample of 10 procurement transactions worth UGX 1,320,405,953 conducted during the FY 2023/2024, review of procurement structures and review of the procurement plan performance. The list of sampled transactions is contained in Appendix 2.

1.5 Methodology

A sample of ten procurement transactions were selected based on stratified random sampling using Contracts Committee minutes, quarterly and monthly procurement and disposal reports. The Compliance Team examined records and documents for each sampled procurement and disposal transactions from where inspection evidence was derived to draw the inspection conclusions. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and management.

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

A debrief meeting to discuss preliminary findings was held with the Entity management and staff before the team could embark on preparation of the management letter. The management letter was sent to the Entity on **16th April 2025** with a request to submit a management response by **23rd April 2025** which was submitted on **30th April 2025**.

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

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

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

2.1.1 Procurement Implementation Rate

The Authority found that the Entity procured items worth UGX 2,296,865,188 for the Financial Year 2023/2024. This was 57% of the planned procurement value worth UGX 4,014,509,952. Procurements worth UGX 1,717,644,764 were not implemented. The details are given in the Table 1 below:

Table 1: Procurement plan implementation rate

Total procurement plan value (UGX)	4,014,509,952
Actual procurement spends (UGX)	2,296,865,188
Variance (UGX)	1,717,644,764
Percentage implementation rate (%)	57%

Implication

This implies that the Entity failed to deliver services as had been anticipated hence affecting the budgeting objectives and the Government's performance.

Recommendation

The Accounting Officer should regularly conduct a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205 to ensure improved performance.

Management Response

Management noted the variance indicated above and attributes it to the following:

- *The Entity budgeted for some projects under local revenue but failed to raise enough revenue to fund all the projects budgeted under it*
- *Lower Local Governments also budgeted for their projects under local revenue and central transfers which were consolidated in the District Plans. The Lower Local Governments also failed to raise enough revenue to fund all their projects all these led to the above variance*
- *Projects under Micro Scale Irrigation were not implemented due to failure by farmers to co-fund for the project and the funds were returned to the Treasury*

Recommendation

The Accounting Officer should regularly conduct a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205 to ensure improved performance.

2.1.2 Failure to implement all planned procurements

The Authority found that 54 planned procurements worth UGX 1,398,139,071 were not implemented by the Entity as indicated in Table 2 below:

Table 2: Planned Procurements that were not implemented

No.	Subject of Procurement	Estimated Value (UGX)
1.	Printing, stationery, photocopying and binding	3,724,000
2.	Construction of Angole Box Culvert 1.5*1.5 double cell	160,467,000
3.	Construction of Puranga-Awere Road (20km)	492,000,000
4.	Supply of small office equipments-power stabilizers 5kva for office power system	2,484,000
5.	Motorcycle maintenance and repair	3,200,000
6.	Supply of special meals and drinks	2,004,000
7.	Supply of printed materials (T-shirts)	1,250,000
8.	Operation and maintenance of office equipment's, repair and tonners	1,613,500
9.	Printing, stationery, photocopying and binding	1,408,000
10.	Cleaning and sanitation detergents	576,000
11.	Supply of office stationeries	5,000,000
12.	Supply of meals and refreshments	13,077,000
13.	Supply of small office equipment	4,500,000
14.	Supply of motor vehicle tyres	6,000,000
15.	Supply of stationeries	1,000,000
16.	Renovation of DHOs Office block	7,087,000
17.	Completion of Awere ART Clinic	40,000,000
18.	Renovation of production block	7,087,000
19.	Supply of assorted office equipment's	680,000
20.	Supply of small office equipment's	1,520,000
21.	Supply of vaterinary vaccines	12,000,000
22.	Supply of chemicals for plant clinic	12,000,000
23.	Supply of 150 local beehives	7,500,000
24.	Supply of 02 refregirators for vaccines	20,000,000
25.	Supply of micro irrigation equipments and farm inputs	350,000,000
26.	Construction of drainable system at Community department	7,000,000
27.	Supply of stationeries (assorted)	3,000,000
28.	Supply of 02 printers	5,000,000
29.	Supply of 01 laptop computer	2,500,000
30.	Supply of 03 filling cabinets	3,600,000
31.	Street opening	12,720,000
32.	Supply of 07 pieces of office curtains	840,000
33.	Grading of 5km road	5,360,000
34.	Supply of 03 pieces of laptop computers	7,500,000
35.	Physical planning of Laguti Trading center	9,829,651
36.	Supply of 02 solar batteries	2,500,000
37.	Upgrading of 7km Community Access Raod	12,000,000
38.	Supply of books of accounts	1,100,000
39.	Construction of a 02-stance pit latrine at the market place	4,734,000

No.	Subject of Procurement	Estimated Value (UGX)
40.	Opening of streets in Porogali Trading Centre	11,700,000
41.	Supply of mowing machine	1,000,000
42.	Supply of desktop computer and laserjet printer	3,800,000
43.	Electricial wiring and installation at the SC Head Quarters	4,000,000
44.	Fencing of the incenerator site by metallic	2,000,000
45.	Titling of sub county land	5,000,000
46.	Supply of 01 laptop computer	2,000,000
47.	Processing land title for Pajule Seed Sch	2,800,000
48.	Minor renovation on the administration block	1,682,046
49.	Completion of waiting shade at Oguta HC II	4,000,000
50.	Purchase of cementry land	10,000,000
51.	Maintenance of solar street lights	36,000,000
52.	Routine road maintence-manual (35.65km)	54,486,000
53.	Supply of tree seedlings	3,809,874
54.	Opening of 2km road in Luna Parish	22,000,000
	Total	1,398,139,071

Implication

This implies that the budget objectives were not fully realized hence affecting the intended beneficiaries and ultimately service delivery by the Government of Uganda.

Management response

The reasons for failing to fully implement the planned procurements are already highlighted in 2.1. above

Recommendation

The Accounting Officer should cause regular review of User Departmental work plans and the Entity's procurement plan and update it in accordance with Section 60 (7) of the PPDA Act, Cap. 205

2.1.3 Failure to fully implement the Authority's recommendations

The Entity was issued an audit report for Financial Year 2021/22 in July 2023 and out of the 29 recommendations made, nine (31%) were implemented, seven (24%) were partially implemented and 13 (45%) were not implemented as indicated in Table 3 below:

Table 3: Implementation of previous recommendations

Origin	Recommended Action	Status
Accounting Officer	<ol style="list-style-type: none"> 1. The Accounting Officer should not approve payments for procurements that are conducted outside the Procurement and Disposal Unit and task all departments to submit their procurement work plans and requests to the Procurement and Disposal Unit for management in accordance with Section 31(a) of the PPDA Act, 2003. 2. The Accounting Officer should immediately dispose of 	Partially implemented

Origin	Recommended Action	Status
	<p>items that have little or no value left as they require no valuation in accordance with Regulation 122 (13) of the Local Governments (PPDA) Regulations, 2006 which states that no valuation of an asset shall be required where the cost of the valuation is likely to be in excess of the money expected to be realised through the disposal process.</p> <p>3. The Accounting Officer should formally write to Ministries whose obsolete vehicles are in the possession of the District to clear their disposal.</p> <p>4. The Accounting Officer should prevail over the responsible stakeholders in the implementation of the Authority's recommendations to improve the procurement performance.</p> <p>5. The Accounting Officer should caution the Head Procurement and Disposal Unit, User Departments and Contracts Committee to ensure timely submissions and approval in accordance with Section 48 of the PPDA Act, 2003.</p> <p>6. The Accounting Officer should ensure that supervision costs are budgeted for internally as incidental contract costs by the respective User Departments and not included as part of the bills of quantities.</p> <p>7. The Accounting Officer should send the Notice of Best Evaluated Bidder to all bidders that participate in any procurement process in accordance with Regulation 85(5) of the Local Governments (PPDA) Regulations, 2006.</p> <p>8. The Accounting Officer should task the contract supervisors to effectively manage time control for contracts through monitoring of the work program, holding of site meetings, submission of progress reports and reporting any deviations to the Accounting Officer and Procurement and Disposal Unit in a timely manner to enable timely interventions.</p>	<p>Not implemented</p> <p>Not implemented</p> <p>Not implemented</p> <p>Partially implemented</p> <p>Partially implemented</p> <p>Not implemented</p> <p>Not implemented</p>
Contracts Committee	<p>1. The Contracts Committee should task the Evaluation Committees to verify the accuracy, validity and authenticity of the eligibility documents submitted by bidders at preliminary evaluation in accordance with Regulations 45 (4&5) of the Local Governments (PPDA) Regulations, 2006.</p>	<p>Partially implemented</p>
Evaluation Committee	<p>1. The Evaluation Committees should determine the compliance and responsiveness of the bids based on the instructions, requirements, terms, and conditions of the bidding documents in accordance with Regulation 73(2) of the Local Governments (PPDA) Regulations, 2006.</p> <p>2. The Evaluation Committee may recommend post qualification where appropriate to determine whether the best evaluated bidder has the capability and resources to effectively carry out the contract in accordance with Regulations 82 (1) of the Local Governments (PPDA)</p>	<p>Not implemented</p> <p>Not implemented</p>

Origin	Recommended Action	Status
	Regulations, 2006.	
Procurement and Disposal Unit	<ol style="list-style-type: none"> 1. The Procurement and Disposal Unit should on a quarterly basis and in any other case, wherever necessary, review and update its procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003. 2. The Head Procurement and Disposal Unit should maintain and archive all documents pertaining to a particular procurement in accordance with Section 31 (o) of the PPDA Act, 2003. 3. The Head, Procurement and Disposal Unit should prepare bidding documents that have the most appropriate evaluation methodology and criteria in accordance with Regulation 48 (4) of the Local Governments (PPDA) Regulations, 2006. 	<p>Not implemented</p> <p>Partially implemented</p> <p>Not implemented</p>
User Department	<ol style="list-style-type: none"> 1. The Entity should procure the supplies for works to be undertaken using force account mechanism in accordance with the requirements of the PPDA Act as per Section 95A (3)(a) of the PPDA Act, 2003. 2. The Force Account Manager should fill the daily worksheets indicating all resources used and works executed in accordance with Clause 5.5 (a) of the PPDA Circular No.3 on use of Force Account Mechanism. 3. Heads of User Departments should prevail over contract managers to submit monthly reports on the progress or completion of each contract to the Accounting Officer and give a copy to the Procurement and Disposal Unit. 4. The contract supervisors should appraise the performance of the providers and report on the performance of the providers to the Accounting Officer and share with the Procurement and Disposal unit or in accordance with Regulation 119 (10) (f) of the Local Governments (PPDA) Regulations, 2006. 5. The Contract Supervisors should provide justifiable and approved documentation to the Accounting Officer of the extra works that were done using the contingency funds. 6. The Contract Supervisors should document and seek approval from the Accounting Officer for unforeseen works before recommending payments from the contingency funds. 	<p>Partially implemented</p> <p>Not implemented</p> <p>Partially implemented</p> <p>Not implemented</p> <p>Not implemented</p> <p>Not implemented</p>

Implication

Failure to fully implement the Authority's recommendations is a breach of Section 10 of the PPDA Act, Cap. 205 and affects the performance of the procurement and disposal function in the Entity.

Management response

Management commits to ensure that all the recommendations by the authority above will be fully implemented starting this financial year.

Recommendation

The Accounting Officer should put a strong mechanism in place to implement recommendations made by the Authority so as to improve the Entity's performance in accordance with Section 10 of the PPDA Act, Cap. 205.

2.1.4 Failure by the Internal Auditor to audit the Entity's procurement and payment processes

The Authority found that the Internal Audit Unit did not audit the methods used for procurements and the payments made to establish whether the supplies, works or services were properly ordered, received, verified and paid for in accordance with Section 48 (2) of the Public Finance Management Act, 2015 and Regulation 27 of the PPDA (PDEs) Regulations, 2023.

Implication

This is an indicator of weak internal controls in the Entity.

Management response

*Management has taken note and will task the Head of Internal Audit to make sure Procurement Unit is audited starting the financial Year.
This will be enforced immediately.*

Recommendation

The Accounting Officer should task the Internal Auditor 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.

2.1.5 Irregularities during initiation

The Authority found irregularities during initiation of four procurements worth UGX 504,723,316 as indicated in Table 4 below:

Table 4: Procurement transactions with irregularities during initiation

No	Subject of Procurement	Contract amount (UGX)	Findings
1.	Construction of 5 stance drainable latrine at Te- Okutu P/s	33,151,156	<ul style="list-style-type: none">• Delay to initiate; Whereas the planned initiation date was 12th September 2023, the procurement was initiated on 11th October 2023, causing a delay of 22 working days.• Failure by User Department to attach BoQs and drawings at initiation.
2.	Renovation of 3 classroom block at Atanga P/S	68,242,993	<ul style="list-style-type: none">• Delay to initiate; Whereas the planned initiation date was 4th September 2023, the procurement was initiated on 11th October 2023, causing a delay of 28 working days.• Failure to attach BOQs at initiation

No	Subject of Procurement	Contract amount (UGX)	Findings
3.	Construction of OPD at Tenam HC III	209,593,700	<ul style="list-style-type: none"> Details on fund availability were not included in the procurement requisition form (PP Form 1). No procurement reference number was allocated for the project.
4.	Construction of pipe water system phase II.	193,735,467	
	Total	504,723,316	

Implications

- Failure to propose BOQs and drawings by the User department, makes it difficult for the Procurement and Disposal Unit to prepare appropriate solicitation documents and may also lead to procurement of items which do not meet the users' requirements.
- Delays in the procurement process lead to delayed service delivery.

Management Response

Management has noted the delay in initiation of procurements. The Heads of Departments will be tasked to initiate their procurements early and submit to PDU to avoid delay.

Recommendations

- The Accounting Officer should task the responsible User Departments to recommend clear and detailed description of the supplies, works or non-consultancy services required at initiation of the procurement in accordance with Regulation 3 (2) (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023.
- The Procurement and Disposal Unit should always conduct all procurements in a manner which promotes economy and efficiency in accordance with Section 51 of the PPDA Act, Cap. 205.

2.1.6 Issuance of bidding documents with inadequate statements of requirements, evaluation criteria

The Entity issued bidding documents that had inadequate statements of requirements, evaluation criteria and instructions to the bidders in eight sampled procurements worth UGX 1,243,484,953. Although the Contracts Committee approved the bidding documents, it was evident that the quality of review prior to approval of the bidding document was inadequate. The procurements are indicated in Table 5 below:

Table 5: Issuance of inadequate bidding documents

No	Subject	Findings
1.	Construction of 5 stance drainable latrine at Te- Okutu P/s	<ul style="list-style-type: none"> Failure to state bid validity date. The bidding document provided for a bid validity requirement of 90 days. Unclear evaluation criteria. The entity required the following documents without indicating their validity period. <ol style="list-style-type: none"> Tax clearance certificate addressed to Pader

No	Subject	Findings
	UGX: 33,151,156	<p>b) PPDA Certificate of registration</p> <ul style="list-style-type: none"> Contradictory requirement. The bidding document stated that bidders must submit <i>current bank statement for the last (6) three months</i>. This was not clear on whether bidders should submit six months or three months bank statement. Failure to provide for ESHS in the bidding document. <p><u>Management Response</u> <i>Management has noted the query and will task PDU to always issue adequately prepared bidding documents with clear requirements, defined date of bid validity period and the validity period of the Tax clearance and PPDA Certificate</i></p>
2.	<p>Renovation of 3 classroom block at Atanga P/S</p> <p>UGX: 68,242,993</p>	<ul style="list-style-type: none"> Failure to state bid validity date. The bidding document provided for a bid validity requirement of 90 days. Failure to provide for a margin of preference. ITB 38.1 indicated that a margin of preference shall not apply. Contradicting criteria. Section 3 (6.1 A) of the issued bidding document stated contradicting experience for personnel. Whereas in the table, the Project/Construction Manager was required to have 5 years of general experience and 3 years of specific experience, the Authority found that below the table, the Entity required a Contract/Construction Manager with 7 years general experience and 5 years specific experience. <p><u>Management Response</u> <i>Management has noted the query and will task the Head of Procurement Unit to always indicate defined date of the bid validity period instead of number of days</i> <i>Management will also ensure that margin of preference is applied and bidding documents are prepared with clear requirements in the subsequent projects</i></p>
3.	<p>Construction of low-cost sealing on Puranga road.</p> <p>UGX: 490,168,637</p>	<ul style="list-style-type: none"> In ITB 20.1 bid security was required worth UGX. 9,728,000, however under ITB 20.3 the bid security validity period was not defined. SCC (GCC 18.1) was not activated to task bidders commit to taking insurance policy cover in the project. Thus, the clause on provision for minimum insurance covers was left idle. <p><u>Management Response</u> <i>Management has noted the concerns raised above and will make sure validity period for bid security are well defined in the subsequent projects</i> <i>Management will ensure that all vital conditions to a contract are activated before contract signing in future.</i></p>

No	Subject	Findings
4.	Completion of maternity ward at Lapulocwida H/c III UGX.185,000,000	<ul style="list-style-type: none"> • Stating bid validity in days. ITB 19.1 of the bidding document required a bid validity period of 90 days instead of stating a date. • No provision for submission of Performance Security/Performance Securing declaration in the bidding document. <p><u>Management Response</u> <i>This has been noted by management and the Head PDU will be tasked to define the date of the bid validity period clearly and make sure all vital provisions or clauses to a contract are provided and well spelt in the contract</i></p>
5.	Supply of 54 desks to Pajule P.7 and Loborom P/s UGX: 32,400,000	<ul style="list-style-type: none"> • Stating bid validity in days. ITB 19.1 of the bidding document required a bid validity of 120 days instead of stating a date. <p><u>Management Response</u> <i>The query on the date of the bid validity period has been noted by management and will be handled as in the responses above.</i></p>
6.	Construction of OPD at Tenam HC III UGX: 209,593,700	<ul style="list-style-type: none"> • Issuance of an incomplete bidding document. Some sections in the ITBs were missing e.g., the Bid Data Sheet was missing in the bidding document. This omission affects the quality of the bidding documents and also does not provide specific guidance to bidders on the bidding requirements. • Stating bid validity in days. ITB 19.1 of the bidding document required a bid validity period of 90 days instead of stating a date. • No provision for submission of Performance Security/Performance Securing declaration in the bidding document. • Idle clause in the bidding document. SCC (GCC 18.1) was not activated to task bidders commit to provide insurance policy cover in the project. <p><u>Management Response</u> <i>Management has noted the issues raised and will ensure complete bidding documents will all the sections are issued to bidders.</i> <i>On the issue of defining bid validity periods in number of days, this has also been noted and management will task PDU to clearly define the date of the bid validity periods for all projects. Management will also ensure all vital provisions and clauses to a contract are included and verified before contract signing.</i></p>
7.	Construction of pipe water system phase II.	<ul style="list-style-type: none"> • No provision for submission of Performance Security/Performance securing declaration was included in the bidding document. • Idle clause in the bidding document. SCC (GCC 18.1) was

No	Subject	Findings
	UGX.193,735,467	<p>not activated to task bidders commit to provide insurance policy cover in the project.</p> <p><u>Management Response</u> <i>The concerns above have been noted and will be handled as in the above response No 6</i></p>
8.	<p>Supply and delivery of two motorcycles to production department</p> <p>UGX: 31,193,000</p>	<ul style="list-style-type: none"> • Failure to state bid validity date. ITB 20.1 of the bidding document required a bid validity of 120 working days. • The bidding document was incomplete. There was no GCC and Special conditions of the contract. • Failure to state the validity of bid security. Whereas ITB 21.1 required bidders to submit the Bid Security of UGX 640,000, the validity was not stated. <p><u>Management response</u> <i>Management has noted the issues raised above and commits to address them accordingly.</i></p>
Total		1,243,484,953

Implications

- Unclear evaluation criteria in the bidding document leaves doubt and assumptions to the bidder on the requirements of the Entity and exposes the Entity to the risk of potential disagreements and conflict during the bidding process and implementation of the contracts.
- Inappropriate requirements discourage competition and lead to award of contracts to non-responsive bidders.
- Failure to state validity date of the documents required in the bidding document makes bidders uncertain about the duration of the documents and in case of disqualification at evaluation, this may cause contractual disputes.

Recommendations

1. The Contracts Committee, should reject solicitation documents that do not define 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; and
2. The Head Procurement and Disposal Unit, should set the most appropriate evaluation criteria that suits the purpose of the procurement in accordance with Regulation 42 of the PPDA (Rules and Methods for Procurement of Supplies, works and Non- Consultancy Services) Regulations, 2023.

2.1.7 Irregularities during bidding

The Authority found irregularities during bidding of nine procurements worth UGX 1,289,250,953 as detailed in table 6:

Table 6: Procurements with Irregularities during bidding

No.	Subject	Contract amount (UGX)	Findings
1.	Construction of 5 stance drainable latrine at Te-Okutu P/s	33,151,156	<ul style="list-style-type: none"> The record of issue was not signed by the Procurement and Disposal Unit. Failure by either a Contracts Committee member or User Department representative to witness bid opening. The bids were opened by only Head, Procurement and Disposal Unit. <p><u>Management response</u> <i>The issue of unsigned record of issue has been noted and will be corrected.</i></p> <p><i>The bid opening exercise was witnessed by the respective Heads of Departments who signed the attendance list. Evidence can be availed for verification</i></p> <p>Authority's comment: <i>The record of bid opening was not submitted for verification.</i></p>
2.	Renovation of 3 classroom block at Atanga P/S	68,242,993	<ul style="list-style-type: none"> The record of issue was not signed by the Procurement and Disposal Unit. Failure by either a Contracts Committee member or User Department representative to witness bid opening. The bids were opened by only Head Procurement and Disposal Unit. <p><u>Management response</u> <i>The issue of unsigned record of issue has been noted and will be corrected.</i></p> <p><i>The bid opening exercise was witnessed by the respective Heads of Departments who signed the attendance list. Evidence can be availed for verification.</i></p> <p>Authority's comment: <i>The record of bid opening was not submitted for verification.</i></p>
3.	Supply and delivery of two motorcycles to production department.	31,193,000	<ul style="list-style-type: none"> The record of issue was not signed by the Procurement and Disposal Unit. Failure by either a Contracts Committee member or User Department representative to witness bid opening. The bids were opened by only Head Procurement and Disposal Unit.

No.	Subject	Contract amount (UGX)	Findings
			<p><u>Management response</u> <i>The issue of unsigned record of issue has been noted and will be corrected</i> <i>The bid opening exercise was witnessed by the respective Heads of Departments who signed the attendance list. Evidence can be availed for verification.</i></p> <p>Authority's comment: <i>The record of bid opening was not submitted for verification.</i></p>
4.	Construction of low-cost sealing on Puranga road.	490,168,637	<ul style="list-style-type: none"> Key pages of the bids received and opened like bid submission sheet and costed B.O.Qs were not signed by a representative of the Contracts Committee at bid opening on 24th November 2023.
5.	Construction of OPD at Tenam HC III	209,593,700	<p><u>Management response</u> <i>Management has noted the concern above and will make sure all essential pages in the bids including the bid submission sheets and BoQs are signed by the Chairperson Contracts Committee or any member of the committee present</i></p>
6.	Completion of maternity ward at Lapulocwida H/c III	185,000,000	
7.	Construction of pipe water system phase II.	193,735,467	
8.	Supply of 54 desks to Pajule P.7 and Loberom P/s	32,400,000	<ul style="list-style-type: none"> Bid opening was not witnessed by a representative from the Contracts Committee. Varied bid opening dates. In the bidding document, bid closing date was set as 4th September 2024 and in the records of bidding opening (PP Form 12) it was on 18th August 2023. Key pages of the bids received and opened like the bid submission sheet and costed price schedule were not signed by the representative of the Contracts Committee at bid opening on 18th August 2023. <p><u>Management response</u></p>

No.	Subject	Contract amount (UGX)	Findings
			<p>Management has noted the concern above and will make sure all essential pages in the bids including the BoQs are signed by the Chairperson Contracts Committee</p> <p>The bid opening exercise was witnessed by the respective Heads of Departments who signed the attendance list. Evidence can be availed for verification</p> <p>On the different dates of bid opening, this has been noted too and will not be repeated.</p> <p>Authority's comment: The record of bid opening was not submitted for verification.</p>
9.	Supply of road construction material	45,766,000	<ul style="list-style-type: none"> • Bid opening was not witnessed by a representative from the Contracts Committee. • Key pages of the bids received and opened like the bid submission sheet and costed price schedule were not signed by the representative of the Contracts Committee at bid opening on 18th August 2023. <p>Management response Management has noted the concern above and will make sure all essential pages in the bids including the BoQs are signed by the Chairperson Contracts Committee</p> <p>The bid opening exercise was witnessed by the respective Heads of Departments who signed the attendance list. Evidence can be availed for verification.</p> <p>Authority's comment: The record of bid opening was not submitted for verification.</p>
Total		1,289,250,953	

Implication

Failure by the Procurement and Disposal Unit to involve a member of the Contracts Committee or a representative of the User Department in the bid opening process, creates doubt in the transparency of the bidding process and was a violation of a procedural requirement.

Recommendation

All procurement and disposal transactions should be conducted in a manner that promotes transparency, accountability and fairness in accordance with Section 48 of the PPDA Act, Cap. 205 in order to avoid such situations of receiving late bids.

2.1.8 Irregularities during evaluation of bids

The Authority found irregularities in the evaluation of eight procurement transactions worth UGX 799,082,316 as indicated in the Table 7 below:

Table 7: Procurement transactions with irregularities in their evaluation process

No.	Procurement Subject	Contract amount (UGX)	Exceptions
1.	Construction of 5 stance drainable latrine at Te-Okutu P/s	33,151,156	<ul style="list-style-type: none"> • Passing of non -compliant bidder. Whereas GCC 1.1(ee) of the bidding document stated that the start date shall be immediately after contract signing, the best evaluated bidder Amlo Holdings Limited offered to commence within 14 days after contract signing date and was not eliminated. • The Authority also found that the best evaluated bidder Amlo Holdings Ltd was evaluated compliant yet it submitted bank statements for only two months instead of the required three months. • The Evaluation Committee members did not sign the ethical code of conduct. <p><u>Management Response</u> <i>The concerns raised above management has taken note of them and will immediately task the evaluation committee to strictly adhere to the set evaluation criteria in the subsequent evaluation exercise</i></p>
2.	Renovation of 3 classroom block at Atanga P/S	68,242,993	<ul style="list-style-type: none"> • Failure to prepare individual evaluation worksheets. • Failure to conduct detailed evaluation. The evaluation report did not indicate the evaluation criteria used to eliminate some bidders and how each bidder performed on each evaluation criteria. • Inappropriate costs in the BoQs. The BoQ had the following items: <ul style="list-style-type: none"> a) Supervision of project by employer- UGX 3,800,000 b) Site handing over and commissioning- UGX 1,000,000 c) General management meeting- UGX 1,500,000 • Ebue Technical Services Ltd the best evaluated bidder submitted the CVs of personnel that were not signed by the owners.

No.	Procurement Subject	Contract amount (UGX)	Exceptions
			<ul style="list-style-type: none"> • Conducting negotiation without the approved negotiation parameters. The Contracts Committee approved only the negotiation team without the negotiation parameters. • Failure by Alanyo Margret -DEO and Lubang Benerdict -District Engineer to participate in the negotiation process yet they were not on the approved committee. • Participation of Olanya Patrick-DWO and Lalam Filder Rose -ADEO in evaluation of bids without the approval of the Contracts Committee. <p><u>Management Response</u></p> <p><i>Each evaluation committee member had a scoresheet with all the criteria for evaluation. We note that these score sheets were not on file to be verified by the audit team. The scoresheets can be availed for verification.</i></p> <p>Authority's comment: <i>The score sheets were not submitted for verification.</i></p> <p><i>The issue of inappropriate costs in the BoQ has also been noted and management will ensure these costs are budgeted for internally and removed from the BoQ next Financial Year</i></p> <p><i>The issue of un signed CVs for Personnel submitted by Ms Ebue Technical Services Ltd has been noted and will be corrected in the next evaluation</i></p> <p><i>Its true the negotiation parameters were not approved by contracts committee. Management has noted the oversight and commits to improve</i></p> <p><i>The District Engineer and District Education Officer were approved as members of negotiation committee, however due to their busy schedules they delegated Mr Olanya Patrick and Lalam Filder Rose to represent them in the exercise that's why the two names were not captured in the Contracts Committee Minutes.</i></p>

No.	Procurement Subject	Contract amount (UGX)	Exceptions
3.	Supply and delivery of two motorcycles to production department.	31,193,000	<ul style="list-style-type: none"> No individual evaluation worksheets Failure to conduct detailed evaluation. The evaluation report did not indicate the evaluation criteria used to eliminate some bidders and how each bidder performed on each evaluation criteria. Passing of non-compliant bidder. The best evaluated bidder Simba Automotives submitted a manufacturers authorization in a wrong format. Whereas the bidding document stated that, <i>we hereby extend our full guarantee and warranty in accordance with clause 28 of the General Conditions of the Contract</i>, the best evaluated bidder indicate GCC 29 which was not in the issued bidding document <p><u>Management Response</u> Each evaluation committee member had a scoresheet with all the criteria for evaluation. We note that these score sheets were not on file to be verified by audit team. The scoresheets can be availed for verification.</p> <p>Authority's comment: <i>The score sheets were not submitted for verification.</i></p> <p><i>On the discrepancy in the clauses in the manufacturer's authorization, management will task PDU to always ensure the right clauses in the bidding documents are quoted by the bidders and to make sure bidders who quote wrong clauses from the one stated in the bidding document are disqualified</i></p>
4.	Completion of maternity ward at Lapulocwida H/c III	185,000,000	<ul style="list-style-type: none"> Evaluation Committee did not follow set evaluation criteria in the bidding document to evaluate bids, as such preliminary and detailed technical stages were not done during evaluation. The evaluation report just indicated that bidders passed preliminary and technical stages without detailing the evaluation criteria used. Under costing of the project. The estimated total cost was UGX. 185,000,000 and the BEB's bidders evaluated price was UGX. 263,502,110, creating a variance of 30%.

No.	Procurement Subject	Contract amount (UGX)	Exceptions
			<p><u>Management Response</u> <i>The evaluation committee followed the set criteria.</i></p> <p>Authority's comment: <i>The Entity did not submit the evaluation score sheets as evidence that preliminary and technical evaluation was done for Authority's consideration.</i></p> <p><i>Management notes that the project was under budgeted as pointed out by the auditors and commits to ensure proper and adequate budgeting for projects next financial year</i></p>
5.	Supply of 54 desks to Pajule P.7 and Loborom P/s	32,400,000	<ul style="list-style-type: none"> Evaluation Committee did not follow set evaluation criteria in the bidding document to evaluate bids, as such preliminary and detailed technical stages were not done during evaluation. The evaluation report just indicated that bidders passed preliminary and technical stages without detailing the evaluation criteria used. <p><u>Management Response</u> <i>Management has taken note of the concern above and will task the evaluation committee members to strictly follow the set criteria in the bidding documents and produce detailed evaluation reports.</i></p>
6.	Supply of road construction material	45,766,000	<p><i>Management has taken note of the concern above and will task the evaluation committee members to strictly follow the set criteria in the bidding documents and produce detailed evaluation reports.</i></p>
7.	Construction of OPD at Tenam HC III	209,593,700	<ul style="list-style-type: none"> Evaluation Committee did not follow set evaluation criteria in the bidding document to evaluate bids, as such preliminary and detailed technical stages were not done during evaluation. The evaluation report just indicated that bidder passed preliminary and technical stages without detailing the evaluation criteria used. Under costed project. The estimated total cost was UGX.185,000,000 and the BEB's bidders evaluated price was UGX.259,692,542 which created a variance of 29%. <p><u>Management Response</u> <i>Management has taken note of the concern above and will task the evaluation committee members to strictly follow the set criteria in the bidding documents and produce detailed</i></p>

No.	Procurement Subject	Contract amount (UGX)	Exceptions																											
			<p>evaluation reports.</p> <p>Management notes that the project was under budgeted as pointed out by the auditors and commits to ensure proper and adequate budgeting for projects next financial year.</p> <p>Its true the correction of arithmetic error was not communicated to bidders as noted by the auditors. This oversight has been noted and will be corrected in the next evaluation.</p>																											
8.	Construction of pipe water system phase II.	193,735,467	<ul style="list-style-type: none">Evaluation Committee did not follow set evaluation criteria in the bidding document to evaluate bids. The evaluation report just indicated that bidder passed preliminary and technical stages without detailing the evaluation criteria used.Unjustified inclusion of cost for item below in the costed B.O.Q in the BEB's bid, worth UGX.18,000,000. <table><tr><th>Item No.</th><th>Item</th><th>Cost in the BEB's bid (UGX)</th></tr><tr><td>A110.1</td><td>Performance security clause</td><td>2,000,000</td></tr><tr><td>A110.2</td><td>Advance payment guarantee</td><td>2,500,000</td></tr><tr><td>A120</td><td>Insurance of work covering all installations during and up to 28 days after the end of the defect liability period</td><td>2,500,000</td></tr><tr><td>A130</td><td>Third party insurance</td><td>3,000,000</td></tr><tr><td>A140</td><td>Insurance of the Contractors equipment</td><td>3,000,000</td></tr><tr><td>A420.1</td><td>Location and / or alteration of existing services</td><td>3,000,000</td></tr><tr><td>A420.2</td><td>Provisional sum for crop compensation in the way leaves</td><td>2,000,000</td></tr><tr><td>Total</td><td></td><td>18,000,000</td></tr></table>	Item No.	Item	Cost in the BEB's bid (UGX)	A110.1	Performance security clause	2,000,000	A110.2	Advance payment guarantee	2,500,000	A120	Insurance of work covering all installations during and up to 28 days after the end of the defect liability period	2,500,000	A130	Third party insurance	3,000,000	A140	Insurance of the Contractors equipment	3,000,000	A420.1	Location and / or alteration of existing services	3,000,000	A420.2	Provisional sum for crop compensation in the way leaves	2,000,000	Total		18,000,000
Item No.	Item	Cost in the BEB's bid (UGX)																												
A110.1	Performance security clause	2,000,000																												
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A420.1	Location and / or alteration of existing services	3,000,000																												
A420.2	Provisional sum for crop compensation in the way leaves	2,000,000																												
Total		18,000,000																												

No.	Procurement Subject	Contract amount (UGX)	Exceptions
			<p><u>Management Response</u> <i>The evaluation committee followed the set criteria in the bidding document for this which can be availed for verification.</i></p> <p>Authority's comment: <i>The score sheets were not submitted for verification.</i></p> <p><i>The unjustified inclusion of costs has been noted and the User department will be tasked to remove those costs in the subsequent projects</i></p>
	Total	799,082,316	

Implication

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.

Recommendation

1. The Accounting Officer should task the Evaluation Committees to show cause why disciplinary action should not be taken against them for failure to effectively evaluate the bids in accordance with the set evaluation criteria in the bidding document;
2. The Evaluation Committees should evaluate the bids following the criteria set in the bidding document and waive any non-material deviations in accordance with Regulation 18 (5) of the PPDA (Evaluation) Regulations, 2023; and
3. The Evaluation Committees should be vigilant while reviewing the information submitted by the bidders for conformity with the set criteria before passing bidders in accordance with Regulation 23 of the PPDA (Evaluation) Regulations, 2023.

2.1.9 Anomalies at contracting

The Authority found irregularities at the contract signing stage in the following three procurements worth UGX 884,762,337 as detailed in Table 8 below:

Table 8: Procurements with anomalies at the contract signing stage

No.	Subject of procurement	Exceptions noted
1.	Construction of low-cost sealing on Puranga road UGX. 490,168,637	Failure to implement Solicitor General's recommendations in the letter dated 25 th March 2025 such as; In the contract agreement form - the Entity was advised by the Solicitor General to delete clause 2 and replace it with, " <i>the document deemed to form the contract shall be as stated in GCC 2.1 and in the same order of priority.</i> " However, this was not implemented and the Entity maintained it clause 2 unchanged which stated that: " <i>in the event of any inconsistency between</i>

No.	Subject of procurement	Exceptions noted
		<p><i>the provisions of the Original Contract and those of addendum No.1, the provision of this Addendum No.1 shall prevail."</i></p> <p><u>Management Response</u> <i>Its true the Entity did not implement Solicitor Generals recommendations as noted by the auditors. This was an oversight which has been fully implemented this financial year.</i></p>
2.	<p>Completion of maternity ward at Lapulocwida H/c III</p> <p>UGX.185,000,000</p>	<p>No provision was made in the contract to cater for occupational health and safety, HIV/AIDS and Gender, as it lacked cost attachment in the bidders bid under Bill No.2 preliminaries item E. This exposed the community to health, safety and social risks during the implementation of the project</p> <p><u>Management Response</u> <i>Its true issues of HIV/AIDS, Gender and Social Safeguards were not captured in the Bills of Quantity for the projects above, however management confirms that this has been fully implemented this financial year. The issues noted by the audit team has been captured in the BoQs for all the projects.</i></p>
3.	<p>Construction of OPD at Tenam HC III</p> <p>UGX.209,593,700</p>	
Total	UGX 884,762,337	

Implications

- Failure to provide for occupational health and safety, HIV/AIDS and Gender in the contract makes monitoring of the implementation of the ESHS issues and intervention by the responsible stakeholders difficult.
- Failure to implement Solicitor General's recommendations leaves the Entity not adequately protected against the risks that could potentially arise during the execution of the contract

Recommendations

1. The Accounting Officer should always confirm that the Solicitor General's recommendations/guidance are incorporated as per Statutory Instrument No. 97 of the Constitution (Exemption of Particular Contracts from Attorney General's Legal Advice) (Amendment) Instrument, 2014.
2. The District Environment Officers should be involved in the planning and contract monitoring to take care of the environmental and social safeguard requirements.

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

2.2.1 Failure to dispose of obsolete assets

The board of survey report of 2022-23 recommended assets for disposal however the disposal process had not commenced as at 16th January 2025.

The Authority also found that the Entity had not disposed of any items in the previous four financial years i.e., FY 2018-2019, FY 2019-2020, FY 2020-2021, FY 2021-2022 despite the boards of surveys conducted recommending assets for disposal as indicated in appendix 1.

Figure 1 below shows images of some of the obsolete assets:

Figure 1: Items recommended for disposal





Implication

The district's assets continue to lose value through depreciation and face risks of loss or vandalism.

Management Response

Management has noted the issues on disposal raised by the audit team; however, management confirms that the disposal process is ongoing and the government valuer has already assessed the assets recommended for disposal and has furnished the Entity with the valuation report.

The Entity has also sought for clearance to dispose from some Ministries who donated some assets recommended for disposal and they have already cleared the entity to dispose of the assets.

Authority's comment: *The Entity did not submit the valuation report for consideration*

Recommendation

The Accounting Officer should task the Head Procurement and Disposal Unit to speed up the disposal process in order to avoid further depreciation of the assets and attain value for money in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023.

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

2.3.1 Anomalies in contract management

The Authority found anomalies in contract management in the following nine procurements worth UGX 1,289,250,953 contrary to Regulation 50 and 52 of the PPDA (Contracts) Regulations, 2023 as detailed in Table 9 below.

Table 9: Procurements with anomalies at contract management.

No.	Subject of Procurement	Contract amount (UGX)	Finding
1.	Renovation of 3 classroom block at Atanga P/S	68,242,993	<ul style="list-style-type: none"> • Extension of the contract completion period after it had expired. Whereas the Entity signed the contract with Ebue Technical Services Limited on 21st February 2024 worth UGX 68,242,993 with a completion date of 3 months (21st May 2024), the contract was extended on 6th June 2024 after it had expired. • Irregular amendment of the contract beyond 15% of the contract value. Whereas the Entity signed the contract on 21st February 2024 worth UGX 68,242,993, the Authority found the contract was amended to UGX 83,246,339 which was 22% (UGX 15,003,346) of the contract value. Additionally, there was no Contracts Committee approval of the amendment. • Failure to develop contract management plan. • No monthly progress reports. <p><u>Management Response</u></p> <ul style="list-style-type: none"> • <i>The contract awarded to M/s Ebue Technical Services Ltd was for Renovation of 01 block of 03 Classrooms at Atanga P/S; during implementation the contractor discovered that the block had 04 classrooms not three as in the contract documents. This therefore called for additional work of one classroom block which was costed by both the contractor and the project supervisor at a cost of UGX 15,003,346/=. The cost for the additional was approved by contracts committee and an addendum was issued to carter for the additional works that was not costed</i> • <i>Amendment beyond 15% is noted and management shall follow the right procedure</i> • <i>Monthly progress reports attached.</i> <p>Authority's comment: <i>The monthly reports were not submitted for verification.</i></p>

No.	Subject of Procurement	Contract amount (UGX)	Finding
2.	Supply and delivery of two motorcycles to production department.	31,193,000	<ul style="list-style-type: none"> No payment records Failure to appoint contract manager No contract implementation plan. <p>Management Response <i>Management has noted failure to appoint contract manager and failure to prepare contract implementation plan. This will be enforced this financial year</i></p>
3.	Construction of low-cost sealing on Puranga road.	490,168,637	<ul style="list-style-type: none"> Retaining more value than the contractual value. Whereas GCC 57.1 of the contract provided for retention of 5% at payment the Entity retained 10% as payment certificates. Issuance of completion certificate before contract completion. The District Engineer issued a certificate of practical completion on 10th June 2024 despite payment certificate No.4 dated 10th June 2024 indicating that substantial completion of works was measured at 85%. No Form 49 – contract implementation plan and report prepared for the project. <p>Management Response</p> <ul style="list-style-type: none"> <i>In view of the complexity of the project we retained 10%, but we shall first agree with procurement as they prepare the contract document in future.</i> <i>The contract was complete, however 10% of the contract sum was retention and 5% was funds for contract management, that was not part of the value of works</i> <i>Form 49 we started seeing it in the new regulations and we are using it for this year 2024/2025 Projects.</i>
4.	Completion of maternity ward at Lapulocwida H/c III	185,000,000	<ul style="list-style-type: none"> No payment certificate was prepared by the District Engineer for the payment made to the Contractor of UGX.185,000,000 on 11th July 2024 under payment voucher No.13320532. Failure to retain 5% as was required in SCC (GCC 57.1) worth UGX.11,100,000. Failure by the Accounting Officer to appoint a Contract Manager for the project. No Form 49 – contract management plan and report prepared for the project.

No.	Subject of Procurement	Contract amount (UGX)	Finding
			<ul style="list-style-type: none"> No environmental, health and safety implementation report prepared for the project. <p><u>Management Response</u></p> <ul style="list-style-type: none"> Payment certificate was prepared. 5% retention of UGX 7,838,983 was retained Appointment of contract manager attached Form 49, was seen in the new regulations and it's being used in the current projects Environmental and social impact assessment was done in the main implementation of the project, during completion this was not implemented. <p>Authority's comment: The Entity did not submit any evidence for consideration.</p>
5.	Supply of 54 desks to Pajule P.7 and Loborom P/s	32,400,000	<ul style="list-style-type: none"> Failure by the Accounting Officer to appoint a Contract Manager for the project. No Form 49 – contract management plan prepared for the project
6.	Supply of road construction material	45,766,000	<p><u>Management Response</u></p> <ul style="list-style-type: none"> Appointment of contract manager attached. <p>Authority's comment: The appointment letter was not submitted for verification.</p> <ul style="list-style-type: none"> Form 49, is now being used in the current projects
7.	Construction of OPD at Tenam HC III	209,593,700	<ul style="list-style-type: none"> Failure by the Accounting Officer to appoint a Contract Manager for the project. No Form 49 – contract management plan prepared for the project. No environmental, health and safety implementation report prepared for the project. No site handover report by the contractor.
8.	Construction of pipe water system phase II.	193,735,467	<p><u>Management response</u></p> <ul style="list-style-type: none"> Appointment of contract manager attached.

No.	Subject of Procurement	Contract amount (UGX)	Finding
			<p>Authority's comment: <i>The appointment letter was not submitted for verification.</i></p> <ul style="list-style-type: none"> • <i>Form 49, was seen in the new regulations and it's being used in the current projects</i> • <i>Environmental and social impact assessment was done in the main implementation of the project, during completion this was not implemented.</i> • <i>The contract is still ongoing</i>
9.	Construction of 5 stance drainable latrine at Te- Okutu P/s	33,151,156	<ul style="list-style-type: none"> • Failure to appoint contract manager. • No Form 49 – contract management plan prepared for the project. • Failure by the contractor to submit the updated program for the works within 14days after contract signing contrary to GCC 27 <p>Management response</p> <ul style="list-style-type: none"> • <i>Appointment of contract manager attached.</i> <p>Authority's comment: <i>The appointment letter was not submitted for verification.</i></p> <ul style="list-style-type: none"> • <i>Form 49, was seen in the new regulations and it's being used in the current projects</i>
	TOTAL	1,289,250,953	

Implications

- Inefficiency in the procurement processes delays service delivery.
- Amending the contract after it had expired makes it null and void hence unenforceable.
- Retaining higher amount than what is provided for in the contract affected the cash flow of the contractor.

Recommendations

1. The Accounting Officer should instruct Contracts Committee members not to approve a single contract amendment which increases the total contract price by more than fifteen percent of the original contract price in accordance with Regulation 54 (4) of the PPDA (Contracts) Regulations, 2023.
2. Contract managers should:
 - a) Strictly supervise contracted firms to fulfil all contractual obligations specified within the terms and conditions in accordance with Regulation 52 (3) of the PPDA (Contracts) Regulations, 2023.
 - b) Never recommend for a variation of an expired contract since it is not legally binding.

- c) Always prepare payment certificates based on contract terms to avoid retaining higher percentage or amount of the total contract value than what is stated in the contract.

2.3.2 Failure to undertake Environmental, Social, Health and Safety (ESHS) Safeguards

The Authority found that in all works sampled procurements, the Entity did not consider ESHS safeguards in the bidding process as stated below:

- a) There was no evidence of Environmental and Social screening conducted by the Entity to enable identification and proper provision of the ESHS issues in the bidding documents. This was evidenced with the failure to include these issues in the Statements of Requirements, Evaluation Criteria, and terms of the contracts.
- b) Whereas the Entity used the standard bidding document issued by the Authority in 2020 for the works procurements procured using Open National Bidding method, the Entity did not give consideration to Environmental, Social, Health and Safety (ESHS) requirements as required. The Audit revealed that there was no input from the Environmental Officer, District Community Development Officer, Labour Officer and Health Officer on the ESHS requirements that were to be included in the terms of reference, specifications, work methods, and Bills of Quantity.

Implication

Failure to consider environmental and social risks posed by the procurements increases the risk of harming biodiversity, disrupting ecosystems, and exacerbating climate change.

Management Response

Management has noted the issue raised and confirms that the issue was addressed in this financial year.

All issues of Gender, HIV/AIDS and Environment have been costed in the BoQs for all projects this financial year.

Recommendation

The User Departments should liaise with the different technical officers like the District Engineer, the District Environmental Officer, and the Community Development Officer while conducting needs assessment in order to come up with statements of requirements that put into consideration the ESHS requirements.

2.4 THE PROJECTS IMPLEMENTED UNDER FORCE ACCOUNT MECHANISM

Pader District Local Government received 1 billion from Uganda Road Fund (URF) for maintenance of roads in the Financial Year 2023-2034 as indicated in the Table 10 below:

Table 10: Details of the planned roads that were to be maintained in FY 2023-24

No.	Road Name	Planned Length (Km)	Planned Value (UGX)	Actual value (UGX.)
1.	Periodic maintenance of Purunga-Awere Road	20km	492,000,000	435,170,204
2.	Angole vented drift		40,467,000	8,808,511
3.	Periodic maintenance		197,533,000	197,380,812

No.	Road Name	Planned Length (Km)	Planned Value (UGX)	Actual value (UGX.)
	of Laguti-Lanyadyang			
4.	Routine mechanised maintenance of Pader- Lukole Road	12.2	158,928,035	158,797,893
	Sub-Total (Works)			800,157,420
5.	Travel inland	NA	5,000,000	5,000,000
6.	Fuel, lubricants and oils	NA	20,000,000	20,000,000
7.	Maintenance of Machinery	NA	25,000,000	25,000,000
8.	District Roads Committee		20,000,000	20,000,000
9.	Road condition assessment		20,000,000	20,000,000
10.	Allowance supervision (3 months)		2,054,789	2,054,789
11.	Fuel for supervision (3 months)		19,017,176	19,017,176
	Total			911,229,385

The Authority identified the following exceptions:

4.1 Irregular advancement of funds to Force Account Managers to procure items without following the stipulated procurement methods and procedures enshrined under the PPDA Act, Cap. 205 and PPDA Regulations.

The Authority found that the Entity advanced funds to Force Account Managers to procure items such as gravel and marram contrary to the set procedures stipulated in the PPDA Act, Cap.205 and Regulations. Specific details of persons advanced funds were not readily available at the time of the audit.

The Authority found the following irregularities:

- There was no documented evidence to indicate that the Contracts Committee adjudicated over the procurement process in accordance with Section 30 of the PPDA Act, Cap. 205
- The Entity did not evaluate the capacity of the providers through bid evaluation to establish whether the items were obtained from eligible and technically capable providers,
- The Entity did not have any written agreements/contracts with the providers hence this posed a risk to the Entity in case the goods or services turned out defective.
- Payments were made to staffs who were not the providers of the goods or services contrary to Regulation 49 (1) of the PPDA (Contracts) Regulations, 2023.
- The procurements were not verified by the Internal Auditor contrary to Regulation 27 (1) (a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

- f) The procurements were not reported to the Contracts Committee and the Authority contrary to Section 32 (p) of the PPDA Act, Cap. 205 and Regulation 15 (1)) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

Implication

- Advancing funds to individuals poses a high risk of fraud and abuse of public funds.
- Conducting procurements by staff on behalf of the Entity is an indicator of undermining or abuse of the procurement procedures provided for in the PPDA Act, Cap. 205 and Regulations.

Management response

- Contracts committee awarded contracts under framework contract to different suppliers for fuel, construction material etc. minutes can be availed for verification*
- Evaluation was done see attached reports*
- Written and signed contracts between the entity and the suppliers are in place see attached*
- This has been noted, and we shall adhere to the regulations*
- Internal audit verified all purchases and were entered into Stores as required*
- Reports have been prepared though not submitted to the Contracts committee. This shall be done as soon as possible*

Authority's comment: *The Entity did not submit documents for verification.*

Recommendations

The User Departments should submit all their procurement requisitions to the Procurement and Disposal Unit to advise on the appropriate procurement methods and procedures in accordance with Section 32 (g) of the PPDA Act. Cap. 205.

2.5 ASSESSMENT OF THE PROGRESS AND PERFORMANCE OF THE MICRO-SCALE IRRIGATION PROGRAM IN PADER 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 was capped at UGX 18,000,000. Within this total cap, the maximum Government payment for a tank stand is UGX 2,000,000.
- 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.

Table 11: Summary status of the procurement of microscale irrigation equipment in FY 2023/2024

Level	Definition	Pader DLG Statistics by Number (FY 2023/24)
Interested Farmer	<i>Those farmers who submitted an Expression of Interest (EOI) and met the basic self-assessed criteria</i>	No data was provided <u>Management response</u> <i>Its true our farmers had issue with cofounding of 25% and a commitment fee of one million which limited them from expressing interest</i>
Eligible Farmer	<i>Those farmers who had a farm visit and were found to meet the eligibility criteria</i>	No data was provided <u>Management response</u> <i>Its true our farmers had issue with cofounding of 25% and a commitment fee of one million which limited them from expressing interest</i>
Approved Farmer	<i>Those farmers who made the co-payment, provided documentary proof of their land tenure (if possible) and signed an MOU with the Local Government</i>	No data was provided <u>Management response</u> <i>No farmer made co-payment that's why the project failed to be implemented</i>
Installation Accepted Farmer	<i>Those farmers who had the irrigation equipment installed and the Local Government and farmer verified the equipment and installation was as per quotation and standards</i>	No data was provided <u>Management response</u> <i>No installation was done in the financial year under review</i>
Completed Farmer	<i>Those Farmers where the irrigation equipment supplier was paid by the Local Government and all paperwork is complete</i>	No data was provided <u>Management response</u> <i>No irrigation equipment was paid by the Local Government in the financial year under review</i>
Total of microscale irrigation kits installed and completed in FY 2023/2024		

2.5.1 Progress achieved in the implementation of micro scale irrigation scheme for demonstration to selected farmers in Pader District.

The Authority found that no projects were implemented by the Entity during the financial year 2023/24 and accordingly the funds for micro scale irrigation projects worth UGX 375,000,000 were returned to the Treasury. As such no progress was reported.

Implications

- Failure by the project focal point person to implement the project affected service delivery to the intended beneficiaries.
- Failure to implement planned projects is an indicator of inadequate planning and lack of technical capacity of the appointed focal point person.

Management response

It is true the Entity did not implement any project under Micro scale irrigation in the financial year under review. This was caused by the financial challenges on the farmers side to co-fund for the project as stipulated in the guideline

The Entity has however mobilized 21 farmers this financial year and installation of the irrigation equipment for the farmers is on going

Recommendations

The Permanent Secretary, Ministry of Local Government should task the Accounting Officer to show cause why disciplinary action should not be taken against him for failure to implement micro scale irrigation project in the district

CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

3.1 Overall Audit Conclusion

The performance of Pader District Local Government for the Financial Year 2023/24 was **moderately satisfactory** with overall weighted average risk rating of **46.2%** as indicated in Table 12 below:

Table 12: 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 13 below:

Table 13: Summary of performance of Pader District Local Government

Risk Rating	N O.	%No	Wei ghts	Weigh ted score by No.	Value (UGX)	%Val ue	Wei ghts	Weighted score by value
High	1	10	0.6	6	68,242,993	5	0.6	3
Medium	6	60	0.3	18	1,144,048,960	87	0.3	26
Low	2	20	0.1	2	76,959,000	6	0.1	0.5
Satisfactory	1	10	0	0	31,155,000	2	0	0
Total	10	100	1	26	1,320,405,953	100	0	29.5

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{29.5 \times 100}{60} = 49.1\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{26 \times 100}{60} = 43.3\%$$

$$\text{Combined Weighted Average} = 49 + 43 = 46.2\%$$

Figure 1: Risk Rating by Number

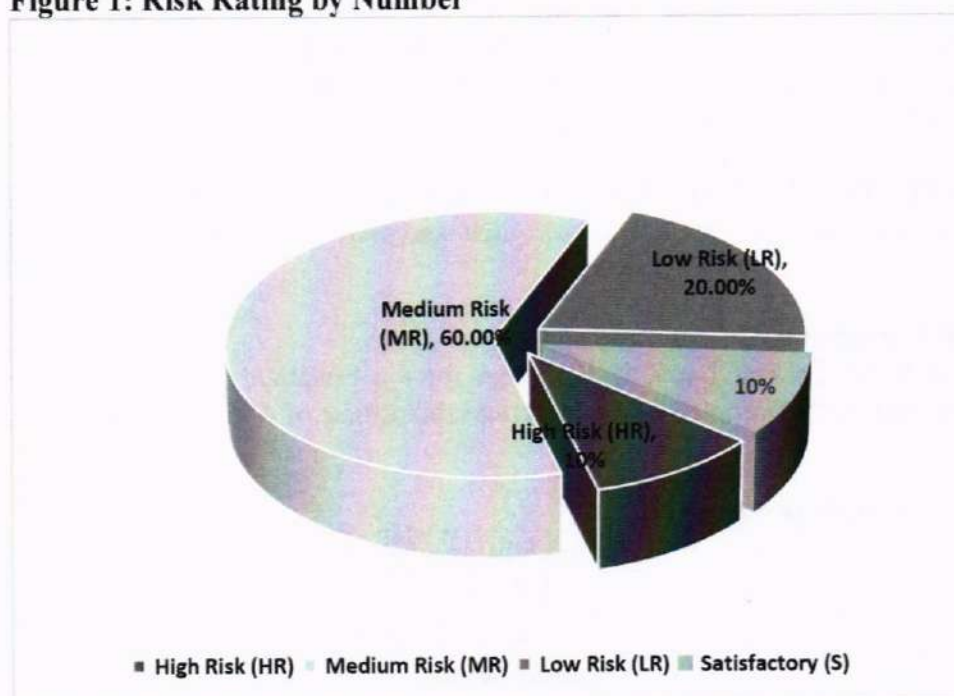
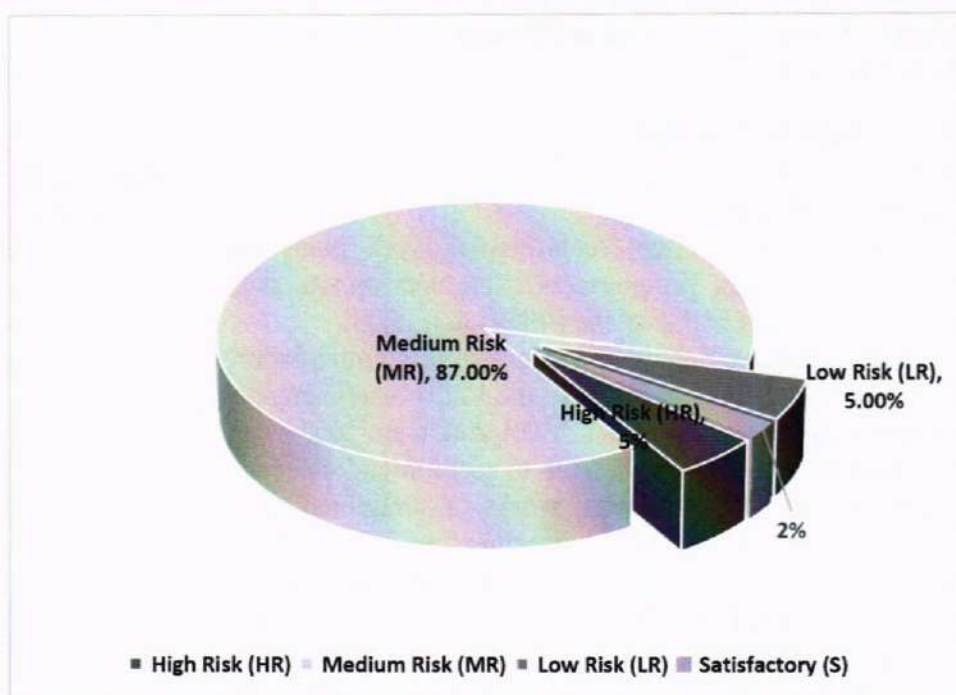


Figure 2: Risk Rating by Value



4.2 Recommended Action Plan

Pader 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.

Table 14: Recommended Action Plan

Recommendation	Action Date
<p>1. The Accounting Officer should</p> <ul style="list-style-type: none"> i. Cause regular review of User Departmental work plans and subsequently the Entity's procurement plan and update it in accordance with Section 58 (4) of the PPDA Act, 2003; ii. Put a strong mechanism in place to implement recommendations made by the Authority so as to improve the Entity's performance in accordance with Section 10 of the PPDA Act, Cap. 205; iii. Task the responsible User Departments to recommend clear and detailed description of the supplies, works or non-consultancy services required at initiation of the procurement in accordance with Regulation 3 (2) (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023; iv. Always incorporate the Solicitor General's recommendations/guidance as per Statutory Instrument No. 97 of the Constitution (Exemption of Particular Contracts from Attorney General's Legal Advice) (Amendment) Instrument, 2014; v. Ensure that a disposal plan is prepared so that the disposal process can commence in order to avoid further depreciation of the assets and attain value for money in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023; and vi. Task the Evaluation Committees to show cause why disciplinary action should not be taken against them for failure to effectively evaluate the bids in accordance with the set evaluation criteria in the bidding document. 	Immediately
2. Contracts Committee should reject solicitation documents that do not define 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.	
<p>3. The Head of the Procurement and Disposal Unit should:</p> <ul style="list-style-type: none"> i. Evaluate the bids following the criteria set in the bidding document and waive any non-material deviations in accordance with Regulation 18 (5) of the PPDA (Evaluation) Regulations, 2023; and ii. Be vigilant while reviewing the information submitted by the bidders for conformity with the set criteria before passing bidders in accordance with Regulation 23 of the PPDA (Evaluation) Regulations, 2023. 	Immediately
<p>4. The Evaluation Committees should:</p> <ul style="list-style-type: none"> i. Evaluate the bids following the criteria set in the bidding 	Immediately

Recommendation	Action Date
document and waive any non-material deviations in accordance with Regulation 18 (5) of the PPDA (Evaluation) Regulations, 2023; ii. Be vigilant while reviewing the information submitted by the bidders for conformity with the set criteria before passing bidders in accordance with Regulation 23 of the PPDA (Evaluation) Regulations, 2023; and	
5. User Departments should: i. Submit all their procurement requisitions to the Procurement and Disposal Unit to advise on the appropriate procurement methods and procedures in accordance with Section 32 (g) of the PPDA Act. Cap. 205; ii. Liaise with the different technical officers like the District Engineer, the District Environmental Officer, and the Community Development Officer while conducting needs assessment in order to come up with statements of requirements that put into consideration the ESHS requirements.	Immediately

Appendix 1: List of unserviceable items recommended for disposal

No.	Item	Unique identifier (Tag/Registration Number)
1.	Land Cruiser	LG0027-53
2.	Land Cruiser	LG0028-53
3.	Land Cruiser	LG0029-53
4.	Nissan Hard Body	LG0021-53
5.	Nissan Hard Body	LG0020-53
6.	Land Cruiser	UEA 168
7.	Ford Ranger	LG0032-098
8.	Ford Ranger	UG 0483Z
9.	Ford Ranger	UG 0197Z
10.	Nissan Hard Body	UAA 426N
11.	Isuzu JMC	LG0003-098
12.	Nissan Hard Body	UG 2264M
13.	Toyota Hilux	UAJ 047X
14.	Toyota Saloon	LG 0055-53
15.	DT 125	UDX 365Y

No.	Item	Unique identifier (Tag/Registration Number)
16.	Honda Brazil 125	Dices/elf/pdl/MC-001
17.	Nissan Hard Body	LG0016-53
18.	Land Cruiser	UG 3068M
19.	Land Cruiser	UG 2430M
20.	Ford Ranger	UG 2967R
21.	Mitsubishi D/C	UG 3227R
22.	Yamaha DT125	UDX 255Y
23.	Yamaha DT125	UDX 229Y
24.	Yamaha DT125	UDX 084Y
25.	Yamaha DT125	UDX 160Y
26.	Yamaha DT125	UDX 052Y
27.	Yamaha DT125	UDX 365Y
28.	Yamaha DT125	UDX 377Y
29.	Yamaha DT125	UDX 142Y
30.	Yamaha DT125	UDX 169Y
31.	Marutui Suzuki	UG 550M
32.	Marutui Suzuki	UG 3508M
33.	Marutui Suzuki	UG3522M
34.	Yamaha Motrorcycle	LG 006953
35.	Assorted Scrap motorcycle	
36.	I65 Iron sheets	
37.	Computer laptop	HP
38.	Rechargeable batteries in Lapul S/C	Heavy duty
39.	Water tanks	Black 1000 litres
40.	Typewriter	Metallic
41.	Photocopier Canon	F189700
42.	Motorcycle DT Yamaha	Numberless

Appendix 2: Sampled audited procurement files for FY 2023/24 with their risk rating

No	Procurement Reference No.	Subject of Procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk Rating
1.	Pade 917/WRKS/23-24/00017	Construction of 5 stance drainable latrine at Te- Okutu P/s	Selective	Amlo Holdings Ltd	33,151,156	Medium
2.	Pade 917/WRKS/23-24/00007	Renovation of 3 classroom block at Atanga P/S	Open Domestic Bidding	Ebue Technical Services Ltd	68,242,993	High
3.	Pade 917/SPLS/23-24/00006	Supply and delivery of two motorcycles to production department.	Selective	Simba Automotives	31,193,000	Low
4.	Pade 917/SPLS/23-24/00006	Construction of 5 stance drainable latrine at Wiliwili P/s	Selective	Paradym Investment Ltd	31,155,000	Satisfactory
5.	Pade 917/Wrks/23-24/00011	Construction of low cost sealing on Puranga road	Open Domestic Bidding	Engineering Works Ltd	490,168,637	High
6.	Pade917/Wrks/23-24/00003	Completion of maternity ward at Lapulocwida H/c III	Open Domestic Bidding	General Enterprises Ltd	185,000,000	High
7.	Pade917/Supls/23-24/00002 – Call-off order No.001	Supply of 54 desks to Pajule P.7 and Loborom P/s	Selective	Morata Enterprises Ltd	32,400,000	Medium
8.	Pade917/Supls/23-24/00003	Supply of road construction material	Selective	Isco Services Ltd	45,766,000	Low
9.	Pade917/Wrks/23-24/00002	Construction of OPD at Tenam HC III	Open Domestic Bidding	Onex Service Station	209,593,700	High
10.	Pade917/Wrks/23-24/00012.	Construction of pipe water system phase II.	Open Domestic Bidding	Swong Engineering Ltd	193,735,467	Medium

Appendix 3: Summary of case-by-case findings and risk rating

No.	Subject of Procurement	Findings
1.	<p>Renovation of 3 classroom block at Atanga P/S</p> <p>UGX: 68,242,993</p>	<ul style="list-style-type: none"> • Delay to initiate. • Failure to attach BOQs at initiation • Contradicting criteria. Section 3 (6.1 A) of the issued bidding document stated contradicting experience for personnel. • Failure by either CC member or User Department representative to witness bid opening. • Failure to conduct detailed evaluation. • Unnecessary costs in the BoQs. • Ebue Technical Services Ltd the best evaluated bidder submitted the CVs of personnel that were not signed by the owners. • Conducting negotiation without Contracts Committee approval of negotiation parameter. • Failure by Alanyo Margret -DEO and Lubang Benerdict to participate in the negotiation process. • Participation of Olanya Patrick and Lalam Filder Rose without the approval of the CC • Amendment of the contract after it had expired. Irregular amendment of the contract beyond 15% of the contract value.
2.	<p>Construction of 5 stance drainable latrine at Te- Okutu P/s</p> <p>Method: Selective</p> <p>Provider: Amlo Holdings Ltd</p> <p>Contract Value: UGX 33,151,156</p>	<ul style="list-style-type: none"> • Delay to initiate. • Failure by UD to attach BoQs at initiation. • Unclear evaluation criteria. • Contradictory requirement.. • Failure to provide for ESHS in the bidding document. • Failure by either CC member or User Department representative to witness bid opening. The bids were opened by only PDU. • Passing of non -compliant bidder. • Failure by the contractor to submit the updated program for the works within 14days.
3.	<p>Supply and delivery of two motorcycles to production department.</p>	<ul style="list-style-type: none"> • Failure by PDU to sign on the record of issue. • Failure by either CC member or User Department representative to witness bid opening. The bids were opened by only PDU.

No.	Subject of Procurement	Findings
	<p>Method: Selective</p> <p>Provider: Simba Automotives</p> <p>Amount: UGX 31,193,000</p>	<ul style="list-style-type: none"> • Failure to state bid validity date. • The bidding document was incomplete. There was no GCC and Special conditions of the contract. • Failure to state the validity of bid security. • No individual evaluation worksheets • Failure to conduct detailed evaluation. • Passing of no-compliant bidder. • No delivery notes. The contractual delivery date 21st April 2024 • No payment records
4.	<p>Construction of low cost sealing on Puranga road.</p> <p>Rhino Engineering Works Ltd</p> <p>UGX. 490,168,637</p>	<ul style="list-style-type: none"> • In ITB 22.2 specific registered Power of Attorney was required, and not Power of Attorney. • In ITB 20.1 bid security was required worth UGX.9,728,000, however under ITB 20.3 the bid security validity period was not defined. • No B.O.Q was attached to the bidding document issued to bidders • Evaluation Committee did not follow set evaluation criteria in the bidding document to evaluate bids at preliminary and detailed technical stages during evaluation. • Failure to communication correction of arithmetic correction in the BEB's bid. • Failure to implement Solicitor General's recommendations. • Varied retention rate. GCC 57.1 provided for retention of 5%. However, at payment Contract Manager retained 10% as payment certificate No.4 dated 10th June 2024. • Issuance of completion certificate before contract completion. • Failure by the Accounting Officer to appoint a Contract Manager for the project. • No environmental report prepared for the project.
5.	<p>Completion of maternity ward at Lapulocwida H/c III</p> <p>Wangi General Enterprises Ltd</p> <p>UGX.185,000,000</p>	<ul style="list-style-type: none"> • In ITB 22.2 specific registered Power of Attorney was required, and not Power of Attorney. • No B.O.Q was attached to the bidding document issued to bidders • Use of different bills of quantity. • Evaluation Committee did not follow set evaluation criteria in the bidding document to evaluate bids. • No provision for occupational health and safety, HIV/AIDS and Gender. • No payment certificate was prepared by the District Engineer for the payment made to the

No.	Subject of Procurement	Findings
		<p>Contractor of UGX.185,000,000 on 11th July 2024 under payment voucher No.13320532.</p> <ul style="list-style-type: none"> • Failure to retain 5% as was required in SCC (GCC 57.1) worth UGX.11,100,000. • Failure by the District Engineer to issue certificate of practical completion. .
6.	<p>Supply of 54 desks to Pajule P.7 and Loborom P/s</p> <p>Morata Enterprises Ltd</p> <p>UGX.32,400,000</p>	<ul style="list-style-type: none"> • Bidding opening was not witnessed by a representative from the Contracts Committee. • Evaluation Committee did not follow set evaluation criteria in the bidding document to evaluate bids. • The Evaluation Committee did not prepare minutes for the evaluation exercise that should have formed an annex to the evaluation report of 11th September 2023. • Framework agreement lacked unit rates for the items of supply. • No procurement requisition form was raised for the procurement to trigger the issuing of call-order. • Failure by the Accounting Officer to appoint a Contract Manager for the project.
7.	<p>Supply of road construction material</p> <p>Isco Services Ltd</p> <p>UGX.45,766,000</p>	<ul style="list-style-type: none"> • Bidding opening was not witnessed by a representative from the Contracts Committee. • Evaluation Committee did not follow set evaluation criteria in the bidding document to evaluate bids, as such preliminary and detailed technical stages were not done during evaluation. • The Evaluation Committee did not prepare minutes for the evaluation exercise that should have formed an annex to the evaluation report of 11th September 2023. • Issuing call off orders based on non-contractual prices. • No procurement requisition form was raised for the procurement to trigger the issuing of call-order quantities needed for supply. • Failure by the Accounting Officer to appoint a Contract Manager for the project. <p>No Form 49 – contract management plan prepared for the project.</p>
8.	<p>Construction of OPD at Tenam HC III</p> <p>Onex Service Station</p> <p>UGX.209,593,700</p>	<ul style="list-style-type: none"> • Incomplete bidding document issued. • In ITB 19.1 bid validity was pronounced as 90 working days. • No B.O.Q was attached to the bidding document issued to bidders • Evaluation Committee did not follow set evaluation criteria in the bidding document to evaluate bids. • Corrections made in the BEB's bid was not communicated to the bidder. • Failure by the Accounting Officer to appoint a Contract Manager for the project. • No Form 49 – contract management plan prepared for the project.

No.	Subject of Procurement	Findings
		<ul style="list-style-type: none"> No environmental, health and safety implementation report prepared for the project.

Appendix 4: Staff in the Procurement and Disposal Unit

No	Name	Designation
1.	Mr. Ronald Benjamin	Senior Procurement Officer
2.	Mr. Kenneth Obina	Procurement Officer

Appendix 5: Members of the Contracts Committee.

S/n.	Names	Position	Designation
01	Ms. Joyce Anek Onge	Principle Assistant Secretary	Chairperson
02	Mr. Simon Okot	Senior Assistant	Secretary
03	Mr. Simon Akwenyo Simon Wakoni	Human Resource Officer	Member
04	Mr. Francis Olwoch	Inspector of Schools-Education	Member