



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

*"Procurement That Delivers"*

**COMPLIANCE INSPECTION REPORT FOR RUKIGA DISTRICT LOCAL  
GOVERNMENT FOR THE FINANCIAL YEAR 2023/2024**

**JULY 2025**

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## **ACRONYMS**

DLG	District Local Government
ESHS	Environmental, Social, Health and Safety
ESMP	Environmental and Social Management Plan
FY	Financial Year
GCC	General Conditions of Contract
Ltd	Limited
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
UGX	Uganda Shillings
WRKS	Works

## EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection on the procurement and disposal activities of Rukiga District Local Government that covered a representative sample of 11 procurement transactions under the Financial Year 2023/24.

The overall objective of the procurement and disposal inspection was to assess and establish the degree of compliance of the Rukiga District Local Government's procurement system and processes with the provisions of the PPDA Act, Cap 205, and Local Governments (PPDA) Regulations, 2006 and assess the level of procurement performance over the inspection period.

From the findings of the procurement and disposal inspection exercise, the performance of the Rukiga District Local Government for the Financial Year 2023/24 was **moderately satisfactory** with an overall weighted average risk rating of **44.5%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the inspection report.

Despite the moderately satisfactory performance, the following exceptions were noted:

1. The Entity implemented only 57% of the previous audit recommendations for FY 2022/23, leaving 14% partially implemented and 29% not implemented contrary to Section 10 (1) (a) of the PPDA Act, Cap 205.
2. The Entity did not implement 40% of the procurement plan for the Financial Year 2023/2024 worth UGX 1,342,051,182. Failure to fully implement the planned activities denies service delivery to the intended beneficiaries, thus affecting progress towards the overall national development goals.
3. The Head Procurement and Disposal Unit did not include road works funded under the Uganda Road Fund worth UGX 1,163,708,000 in the Entity's annual procurement plan for Financial Year 2023/24, contrary to Regulation 6 (a) of the PPDA (Procurement Planning) Regulations, 2023.
4. Funds amounting to UGX 8,693,500 were irregularly advanced to staff to purchase commonly used items on behalf of the Entity as opposed to issuing call-off orders to the providers with framework contracts, thereby contravening Sections 57 and 60 (2) (b) of the PPDA Act, Cap. 205.
5. Three procurements worth UGX 166,760,062 had their solicitation documents poorly drafted without clear evaluation criteria, which may lead to awarding of contracts to non-responsive firms and contravening Regulation 47 (3) of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023.
6. In three procurement transactions worth UGX 218,998,062, the Evaluation Committee introduced a new criterion at evaluation which contravened Regulation 5 of the PPDA (Evaluation) Regulations, 2023. According to the PPDA Regulations, evaluation of bids should be conducted in accordance with the evaluation criteria specified in the bidding documents.
7. They were significant non-compliance issues associated with the Force Account Mechanism for road rehabilitation projects, including failure to reference procurements, lack of environmental screening, and inadequate accountability for resources which undermined transparency in service delivery.

8. In all the 10 sampled procurements worth UGX 3,765,752,799, the Entity contravened PPDA Circular No. 1 of 2021 which requires Procuring and Disposing Entities to submit beneficial ownership information for awarded contracts in their monthly reports to the Authority.
9. In all the sampled procurements worth UGX 4,289,709,799, there was no evidence to show that the Senior Environment Officer and Senior Community Development Officer endorsed the certificates to certify that the implemented works were compliant with the agreed Environmental Social Management Plan (ESMP).

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

1. The Accounting Officer should:
  - i. Task the Internal Audit Section to monitor the status of implementation of the PPDA audit recommendations so as to improve the Entity's performance in accordance with Section 10 (1) (a) of the PPDA Act, Cap 205.
  - ii. Ensure that all procurement transactions are incorporated in the procurement plan before the commencement of the procurement process in accordance with Section 60 (10) of the PPDA Act, Cap. 205; and
  - iii. Ensure that the Entity makes use of the framework contracts rather than advancing money to staff for items required repetitively over a set period of time in accordance with Section 60 (2) (b) of the PPDA Act, Cap. 205.
2. The Procurement and Disposal Unit should:
  - i. Set evaluation criteria that can assess the ability to perform the proposed contract, the technical and financial ability of the bidder in accordance with Regulation 47 (3) of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023;
  - ii. Ensure that all road works are allocated specific reference numbers during initiation as per Regulation 3(6) of the PPDA (Rules and Methods for Procurement of Works, Supplies, and Non-Consultancy Services) Regulations 2023, while Force Account Managers should collaborate with the Environmental Officer for environmental screening before developing work plans and ensure accountability for executed works and resources used, in accordance with Regulation 37(2)(c) of the PPDA Regulations 2023 and Regulation 6(5) of the PPDA (Force Account Mechanism) Regulations 2014; and
  - iii. Require bidders to submit beneficial ownership information through bidding forms and company Form 1 and include these particulars in the monthly reports submitted to the Authority in accordance with the PPDA Circular No. 1 of 2021.
3. The Evaluation Committee (s) should strictly adhere to the evaluation criteria set out in the solicitation document in accordance with Section 76 (3) of the PPDA Act, Cap 205.
4. The Head of Internal Audit and Head of Finance should ensure that no payment is effected in the absence of a certificate of environmental and social management compliance to ensure the implementation of Environmental and Social Management Plans (ESMPs).

A recommended action plan for Rukiga District Local Government is on pages **24-25** of this report.

## CHAPTER ONE: INTRODUCTION

### 1.1 Structure of the Entity

According to Section 28 of the PPDA Act, Cap 205, the overall responsibility for the successful execution of procurement, disposal, and contract management in a Procuring and Disposing Entity is the Accounting Officer. The Accounting Officer of Rukiga District Local Government during the Financial Year under review was the Chief Administrative Officer (CAO) Ms. Sharifah Nakintu.

The approved members of the Contracts Committee are listed in Table 1 below who also acted during the period under review:

<b>Table 1: List of the Contracts Committee members</b>			
<b>No.</b>	<b>Name</b>	<b>Position</b>	<b>Job Title</b>
1.	Ms.Vastina Beyendera	Chairperson	District Education Officer
2.	Mr.Amon Agaba	Secretary	District Fisheries Officer
3.	Mr.Evas Kato	Member	Senior Community Development Officer
4.	Mr.Moses Mugarura	Member	Assistant Water Officer
5.	Mr.Duncan Nampurira	Member	Senior Records Officer

According to Section 33 (a) of the PPDA Act, Cap 205, all procurement or disposal activities of the Procuring and Disposing Entity except adjudication and the award of contract are to be managed by the Procurement and Disposal Unit. The Procurement and Disposal Unit during the financial year under review was headed by Ms. Milka Musiimenta, the Senior Procurement Officer who was assisted by Ms. Adella Aheirwe, the Procurement Officer.

### 1.2 Background

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection of Rukiga District Local Government that covered a representative sample of 11 procurement transactions under the Financial Year 2023/24. The inspection involved a review of procurement structures, procurement, and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act, 2003, and Local Governments (PPDA) Regulations, 2006.

### 1.3 Objective of the compliance inspection

The overall objective of the procurement and disposal inspection was to assess and establish the degree of compliance of the Rukiga District Local Government procurement system and processes with the provisions of the PPDA Act, Cap 205, and Local Governments (PPDA) Regulations, 2006 and assess the level of procurement performance over the inspection period.

The specific objectives of the inspection were to:

- i. Establish the level of compliance of the Entity with the provisions of the PPDA Act, Cap 205, and the Local Governments (PPDA) Regulations, 2006 with regard to the performance of the procurement structures and conduct of the procurement processes;

- ii. Assess the degree of compliance of the Entity's disposal processes with the provisions of the PPDA Act, Cap 205, and the Local Governments (PPDA) Regulations, 2006;
- iii. Assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements; and
- iv. Undertake a contract audit of Bukinda Seed Secondary School.

#### **1.4 Scope of the Compliance Inspection**

PPDA carried out the procurement and disposal compliance inspection of the Rukiga District Local Government from 5<sup>th</sup> February 2025 to 30<sup>th</sup> April 2025. The exercise covered a sample of 11 procurement transactions worth UGX 4,289,709,799 conducted during the Financial Year 2023/2024, a review of procurement structures, and a review of the procurement plan performance. The list of sampled transactions is contained in **Annex C**.

#### **1.5 Methodology**

Rukiga District Local Government was notified about the upcoming exercise on 22<sup>nd</sup> January 2025. A sample of 11 procurement transactions was selected based on stratified random sampling using Contracts Committee minutes, the contracts register, and quarterly procurement and disposal reports.

Two Senior Performance Monitoring Officers conducted the exercise under the supervision of the Regional Manager Western Region. During the exercise, the team examined records and documents for each of the 11 sampled procurement transactions. The team also reviewed the procurement plan for the Financial Year 2023/2024.

On completion of data collection, members of the team met with various stakeholders such as the Accounting Officer, Contracts Committee members, Procurement and Disposal Unit staff, and User Department representatives to discuss and get clarifications on some of the preliminary findings. A debrief meeting was held with the Accounting Officer on 7<sup>th</sup> February 2025 to share the preliminary findings. A management letter was sent to the Entity on 14<sup>th</sup> April 2025 with a request to submit a management response by 24<sup>th</sup> April 2025 which was submitted on 30<sup>th</sup> April 2025. The inspection report presents the key findings and conclusions arising from the inspection.

#### **1.6. Reporting**

Reporting is in a format that identifies the findings by exception, the level of risk and the recommendations. The procurements are rated in four categories according to the weakness identified namely; high risk, medium risk, low risk and satisfactory. The definition of the risk rating is in **Annex B**.



## CHAPTER TWO: FINDINGS OF THE AUTHORITY

### 2.0 COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP 205, AND LOCAL GOVERNMENTS (PPDA) REGULATIONS, 2006

The inspection revealed the following exceptions:

#### 2.1.1 Failure to implement PPDA's previous audit recommendations

The Authority noted that Rukiga District Local Government fully implemented only 57% of the previous audit recommendations for FY 2022/23, leaving 14% partially implemented and 29% not implemented contrary to Section 10 (1) (a) of the PPDA Act, Cap 205. The status of implementation is given in Table 2 below:

**Table 2: Status of implementation of previous inspection recommendations**

No.	Recommendation	Implementation status
1.	The Accounting Officer should ensure that all recommendations by the Authority are shared with all Departments of the Entity and institute a mechanism to ensure full implementation.	Partially implemented
2.	The Accounting Officer should label/engrave all District assets and also process land titles for all untitled Council land.	Implemented
3.	The Accounting Officer should conduct disposal of all the obsolete items identified by the Board of Survey.	Implemented
4.	The Internal Audit Department should carry out periodic reviews of the procurement and disposal processes and systems as per Regulation 28 of the Local Governments (PPDA) Regulations, 2006.	Implemented
5.	The contract supervisors should ensure that contractors fully mobilize the required equipment at the start of the project to enable the timely execution of the works.	Implemented
6.	Evaluation Committee members should adhere to the evaluation criteria set out solicitation document during bid evaluation strictly in the Evaluation Committee.	Not Implemented
7.	The Contracts Committee should scrutinize all sections of the bidding documents for completeness and appropriateness before approving them for issuance.	Not Implemented

#### Implication

Non-implementation of audit recommendations raises concerns about the Entity's commitment to improving its procurement processes, addressing identified risks, and ensuring accountability.

**Management response**

Management noted the finding with concern, however it will always strengthen the internal controls of the entity to improve on its procurement processes, address the identified risks and ensure accountability through the audit function.

**Recommendation**

The Accounting Officer should task the Internal Auditor to monitor the status of the implementation of PPDA audit recommendations within the specified time frame to improve the Entity's performance in accordance with Section 10 (1) (a) of the PPDA Act, Cap 205.

**2.1.2 Procurement plan implementation rate**

Section 60 (2) of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities to plan their procurement and disposal activities rationally. Section 60 (7) of the PPDA Act, Cap. 205 empowers Procuring and Disposing Entities to review and update their procurement plans on a quarterly basis and in any other case, wherever necessary.

- a) A review of the monthly reports submitted by Rukiga District Local Government reveals that the Entity did not implement 40% procurement plan for the Financial Year 2023/2024 worth UGX 1,342,051,182. The total procurement spend was UGX 2,054,344,945 (60%) in comparison to the planned activities amounting to UGX 3,396,396,127 as shown in Table 2 below:

**Table 3: Analysis of Procurement Plan Performance**

Total procurement plan value inclusive of VAT (UGX)	3,396,396,127
Total procurement spend value inclusive of VAT (UGX)	2,054,344,945
Procurement plan implementation rate (%)	60%
Implementation variance (UGX)	(1,342,051,182)

**Implication**

The Entity did not implement planned procurements worth UGX 1,342,051,182. Planned service delivery in the above sectors was not realized and this affects national development.

**Management response**

The Procurement plan was fully implemented by the Entity but monthly reports submitted did not include revenue collection sources yet they were incorporated in the procurement plan.

**Authority's response**

In future, the Entity should fully capture all procurements undertaken in the monthly reports to the Authority. Since no fresh reports were submitted to PPDA, the query was maintained.

**Recommendation**

The Accounting Officer should ensure that procurement plan of the entity states all the supplies, works, consultancy and non-consultancy services to be procured and their cost respectively in accordance with Regulation 6 (a) of the PPDA (Procurement Planning) Regulations, 2023.

**b) Failure to include force account activities in the procurement plan**

According to the district road maintenance work plan for FY 2023/2024, the Entity planned to implement district road works worth UGX 1,163,708,000 funded by Uganda Road Fund and using the Force Account Mechanism. However, these planned road works were not included in the Entity's procurement plan.

**Implications**

Failure to plan for force account activities contravenes the principles of transparency and accountability highlighted in Section 48 of the PPDA Act, Cap 205, and Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 which requires the Entity to report on all procurement activities.

**Management Response**

Management acknowledges the audit findings with concern and will always incorporate the force account activities in the procurement plan. The Entity has further incorporated those activities in the procurement plan for FY 2025/2026.

**Recommendation**

The Accounting Officer should ensure that the procurement plan of the entity states all the supplies, works, consultancy and non-consultancy services to be procured and their cost respectively in accordance with Regulation 6 (a) of the PPDA (Procurement Planning) Regulations, 2023.

**2.1.3 Irregular procuring of commonly used items through staff**

Section 57 of the PPDA Act, Cap 205, requires the Entity to carry out all public procurement and disposals in accordance with the rules, regulations, and guidelines issued under the PPDA Act. Section 60 (2) b of the PPDA Act, Cap 205 requires the Entity to make use of framework contracts wherever appropriate to provide an efficient, cost-effective and flexible means to procure works, services, or supplies that are required continuously or repeatedly over a set period of time.

Contrary to the above Sections, the Authority found that funds amounting to UGX 8,693,500 were irregularly advanced to staff to purchase the commonly used items on behalf of the Entity as opposed to issuing call off orders to the providers with framework contracts in place as detailed in Table 4 below:

**Table 4: Items procured through staff**

Date of invoice	Activity	Date of payment	UGX	Name of staff
21-Mar-24	Funds used to purchase two front tyres for MV UG2964E	15-Apr-24	900,000	Ms.Tusiime Vastina Beyendera
26-Sep-	Funds to purchase office stationery for	03-Oct-23	100,000	Ms.Eunice

23	works departments			Tusasiirwe
27-Nov-23	Funds to purchase stationary for probation office Q1	18-Dec-23	270,000	Ms.Kembabazi Pamela
17-Aug-23	Purchase of small office equipment	23-Aug-23	200,000	Ms.Asiimwe Eunice Plan
17-Oct-23	Funds to purchase small office equipment	25-Oct-23	250,000	Ms.Eunice Tusasiirwe
01-Mar-24	Purchase of small office equipment	13-Mar-24	100,000	Ms.Adella Natukunda
02-May-24	Purchase for cleaning materials	17-May-24	127,000	Ms.Roy Bisamunyu Edmund
24-Oct-23	Funds used to purchase office stationery for works department to run office activities	25-Oct-23	300,000	Ms.Eunice Tusasiirwe
30-Oct-23	Funds to purchase small office equipment	03-Nov-23	200,000	Ms.Adella Natukunda
22-Feb-24	Facilitation to Kabale and purchase of small office equipment	29-Feb-24	235,500	Ms.Asiimwe Eunice Plan
21-Mar-24	Purchase of furniture for district chairperson's office	15-Apr-24	3,970,000	Mr.Henry Muhwezi
11-Jun-24	Funds to purchase small office equipment for works department	14-Jun-24	300,000	Ms.Eunice Tusasiirwe
18-Aug-23	Funds for purchase of cleaning materials and transport	23-Aug-23	149,000	Ms.Phionah Namaara
26-Mar-24	Refund for funds used to purchase stationery for administration	15-Apr-24	503,000	Ms.Hellen Glory
22-May-24	Purchase of stationery for registry	14-Jun-24	200,000	Ms.Nampurira Duncan
11-Jun-24	Funds to purchase anti-virus and new operating systems	14-Jun-24	677,000	Ms.Patience Sayuni
19-Sep-23	Funds to purchase office stationery for central registry	22-Sep-23	100,000	Ms.Nampurira Duncan
03-May-24	Purchase of cleaning materials	17-May-24	112,000	Ms.Adella Natukunda
<b>TOTAL</b>			<b>8,693,500</b>	

### Implication

Procuring through staff increases the risk of fraud, undertaking the procurements without following proper procedure, and failing to achieve value for money.

### **Management response**

The Entity had framework contracts with providers, however some instances would be due to price comparisons where providers with framework contracts would demand higher prices compared to what would be available, while others were emergencies like officers being in the field and the cars get mechanical problems where officers would use their personal funds to rectify the problem and later request for refund.

### **Authority's response**

Whereas the Entity intimated that funds were advanced to staff in circumstances where they were faced with emergency situations, the query was not dropped because Regulation 7 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) was not applied.

### **Recommendations**

1. The Accounting Officer should task the Chief Finance Officer to show cause as to why disciplinary action should not be taken against him/her for advancing funds to staff to procure commonly used items on behalf of the Entity in accordance with Section 57 of the PPDA Act, Cap. 205.
2. The Entity should make use of the framework contracts in place to procure works, services or supplies that are required continuously or repeatedly over a set period of time in accordance with Section 60 (2) (b) of the PPDA Act, Cap. 205.

#### **2.1.4 Delays during the initiation phase**

Section 60 of the PPDA Act Cap 205 requires Procuring and Disposing Entities to document procurement or disposal requirements, confirm availability of funding in the full amount over the required period and obtain the Accounting Officer's approval prior to the commencement of any procurement and disposal process.

The Authority noted delays during the initiation of two procurement transactions worth UGX 132,932,520 as detailed in Table 5 below:

**Table 5: Procurement transactions with delays at initiation**

<b>No</b>	<b>Subject of procurement</b>	<b>Amount (UGX)</b>	<b>PPDA Finding</b>
1	Construction of a 3-classroom block at Kamwezi High School	83,238,000	<b>Delayed Confirmation of funding by the Accounting Officer:</b> There was a delay of 17 days from the date when the procurement was approved on 11 <sup>th</sup> July 2023 to 2 <sup>nd</sup> August 2023 when the Accounting Officer signed to confirm availability of funding.
2	Extension of Ibumba GFS to Omukisheyi	49,694,520	<b>Delayed Confirmation of funding by the Accounting Officer:</b> There was a delay of 14 days from the date when the



No	Subject of procurement	Amount (UGX)	PPDA Finding
			procurement was approved on 11 <sup>th</sup> July 2023 to 31 <sup>st</sup> July 2023 when the Accounting Officer signed to confirm availability of funding.
<b>Total</b>		<b>132,932,520</b>	

### **Implication**

Delayed initiation leads to delayed delivery of the much-needed services to the intended beneficiaries and is a sign of inefficiency of the procurement function.

### **Management response**

The audit finding was true, however some requisitions would be made when the Accounting Officer is out of office for official duties leading to delay in confirmation of funding, hence the delay.

### **Recommendation**

The Accounting Officer should ensure that the procurement process is undertaken in an efficient manner so that service delivery to the intended beneficiaries in accordance with Section 51 of the PPDA Act, Cap. 205. In the event that the Accounting Officer is out of office for official duties, the interim Accounting Officer or delegated Officer should perform procurement activities efficiently.

### **2.1.5 Issuance of poorly drafted solicitation documents with inadequate requirements**

The Authority reviewed the solicitation documents of the sampled procurements and observed that three procurements worth UGX **166,760,062** had poorly drafted solicitation documents with inadequate evaluation criteria contravening Regulation 47 (3) of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023 as detailed in Table 6 below:

**Table 6: Procurements with inadequate solicitation documents issued**

No	Subject of procurement	Amount (UGX)	PPDA Finding
1	Construction of four ferro cement tanks in Kibanda worth	69,859,422	<b>Inadequate eligibility criteria</b> Although the document required the bidders, under ITB 15.1 (i), to submit with its bid the following additional documents; certificate of incorporation, trading license, certificate of registration and a valid income tax clearance certificate, the above stated documents were not explicitly included in the, evaluation methodology and criteria (Section 3) under the eligibility criteria and

No	Subject of procurement	Amount (UGX)	PPDA Finding
			<p>neither were the bidders instructed to refer to ITB 15.1 (i) for additional documents that would form part of the evaluation criteria.</p> <p><b>Inadequate detailed evaluation criteria</b>  The following key Clauses under detailed evaluation were left blank in the solicitation document;</p> <ul style="list-style-type: none"> <li>i. Clause 6.1 which addressed the required equipment and key personnel to be submitted by the bidders;</li> <li>ii. Clause 6.2 Sub clause 6.2.5 addressing the minimum average annual turnover required by the bidder;</li> <li>iii. Sub clause 6.2.6 addressing financial resources in form of the cash flow requirement for the bidders;</li> <li>iv. Sub clause 6.2.7 addressing general experience of the bidder; and</li> <li>v. Sub clause 6.2.8 addressing the specific experience of the bidder.</li> </ul>
2	Completion of maternity ward at Mparo Health Center IV	65,900,640	<p><b>Inadequate eligibility criteria</b>  Although the document required the bidders, under ITB 15.1 (i), to submit with its bid the following additional documents; certificate of incorporation, trading license, certificate of registration and a valid income tax clearance certificate, the above stated documents were not explicitly included in the, evaluation methodology and criteria (Section 3) under the eligibility criteria and neither were the bidders instructed to refer to ITB 15.1 (i) for additional documents that would form part of the evaluation criteria.</p> <p><b>Inadequate detailed evaluation criteria</b>  The following key Clauses under detailed evaluation were left blank in the solicitation document;</p> <ul style="list-style-type: none"> <li>i. Clause 6.1 which addressed the required equipment and key personnel to be submitted by the</li> </ul>

No	Subject of procurement	Amount (UGX)	PPDA Finding
			bidders; ii. Clause 6.2 Sub clause 6.2.5 addressing the minimum average annual turnover required by the bidder; iii. Sub clause 6.2.6 addressing financial resources in form of the cash flow requirement for the bidders; iv. Sub clause 6.2.7 addressing general experience of the bidder; and v. Sub clause 6.2.8 addressing the specific experience of the bidder.
3	Disposal of Motor vehicle Double 2 Toyota cabin pick ups.	31,000,000	<b>Inadequate evaluation criteria.</b> The Entity did not state the criteria for procurement of an auctioneer such as: i. A brief methodology for performing the services; ii. Auctioneer's license iii. Trading License iv. A work plan, showing the inputs of all key staff; v. CV's of key staff; vi. A summary of your experience in similar assignments; And the financial proposal i. The commission rate of the auctioneer; and ii. The performance record and integrity of the auctioneer.
<b>Total</b>		<b>166,760,062</b>	

### Implication

Inadequate evaluation criteria expose the Entity to the risk of awarding contracts to non-compliant bidders without the ability to perform the contracts.

### Management response

The Entity does not draft solicitation documents using the standard bidding documents for procurement of works under selective bidding which were issued by PPDA in 2009, and for open bidding which were issued by PPDA in September 2020. However there were clerical errors in the editing of the bidding documents but going forward, Bidding documents will always be edited consistently.



### Authority's response

Although the Entity used the Standard Bidding Document, the evaluation criteria is set by the Entity in accordance with Regulation 47 of the PPDA (Rules and Method) Regulations, 2023. The query is therefore maintained.

### Recommendations

The Procurement and Disposal Unit should;

1. Set evaluation criteria that can assess the ability to perform the proposed contract, the technical and financial ability of the bidder in accordance with Regulation 47 (3) of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023; and
2. Require the bidders to submit a Bid Securing Declaration so as to encourage bidders fulfil the conditions of the bid and safeguard the Entity against irresponsible and unserious bidders from bidding in accordance with Regulation 63 (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

### 2.1.6 Irregularities during the evaluation of bids

Regulation 16 (2) of the PPDA (Evaluation) Regulations, 2014 states that a substantially compliant and responsive bid shall conform to all the instructions, requirements, terms, and conditions of the bid documents without material deviation, or omission. The Authority noted that the above Regulation was not considered by the Evaluation Committee in three procurement transactions worth UGX 218,998,062 as detailed in Table 7 below:

**Table 7: Procurements with evaluation irregularities**

No.	Subject of procurement	Findings
1.	Construction of four ferro cement tanks in Kibanda worth UGX 69,859,422  Method: Open Domestic Bidding	<b>Introduction of new criteria during evaluation</b> According to the evaluation report, the bidders under detailed technical evaluation were assessed against criteria not stated in the bidding document. The requirement for participation as a prime contractor in at least 2 contracts within the last 3 years each with a value of at least UGX 100M successfully completed, the relevant equipment and required key personnel were not stated in the bidding document and yet formed part of the evaluation criteria during evaluation of bids.
2.	Completion of maternity ward at Mparo HCIV worth UGX 65,900,640	<b>Introduction of new criteria during evaluation</b> According to the evaluation report, the bidders under detailed technical evaluation were assessed against criteria not stated in the bidding document. The requirement for participation as a prime contractor in at least 2 contracts within the last 3 years each with a value of at least UGX 100M successfully completed, the relevant equipment and required key personnel were not stated in the bidding document and yet formed part

No.	Subject of procurement	Findings
		of the evaluation criteria during evaluation of bids.
3.	Construction of a 3-classroom block at Kamwezi High School worth UGX 83,238,000	<b>Failure to apply criteria during evaluation</b> The evaluation committee did not follow the stated criteria: <ul style="list-style-type: none"> <li>• Elements on detailed evaluation like mobilization, key personnel and key equipment's were not evaluated.</li> <li>• Qualification to determine the historical performance of the bidder and financial situation that required bidders to submit Forms 5, 5A, 5B, 6, 7, 8, 9 and 10 as stated in the solicitation document.</li> <li>• Post qualification to determine and verify legal requirements for example ownership of the company, technical requirements such as performance of previous contracts, personnel and equipment and financial requirements to ascertain the bidder's contracting capacity and bank commitment was not conducted.</li> </ul>

### **Implication**

This contravenes Regulation 5 of the PPDA (Evaluation) Regulations, 2023 which requires the evaluation of bids to be conducted in accordance with the evaluation criteria specified in the bidding documents.

### **Management Response**

The anomalies in evaluation were noted with concern and going forward, the evaluation of bids will always be regular. However, on failure to carry out post qualification, the Entity did not have funds to facilitate the activity.

### **Recommendation**

The Evaluation Committee (s) should strictly adhere to the evaluation criteria set out in the solicitation document in accordance with Section 76 (3) of the PPDA Act, Cap 205.

#### **2.1.7 Irregularities at contracting**

The Authority noted that there were irregularities at the contracting stage of the construction of 4 ferro cement tanks in Kamwezi Sub County worth UGX 839,599,401 detailed in Table 8 below:

**Table 8: Irregularities at contracting**

No.	Findings
1.	<b>Incomplete contract document:</b> The General Conditions of Contract, Clause 2.5, outlined the documents that were to form part of the contract in the following priority: Agreement, Letter of Acceptance, Contractor's Bid, Special Conditions of Contract, General Conditions of Contract, work program, Drawings, Performance Bonds, Site Inspection Certificate, Bid Securing Declaration, Ethical Code of Conduct, Revised

No.	Findings
	<p>Bills of Quantities (BoQs), and any other documents as specified in the Special Conditions of Contract, although only the Special Conditions of Contract, General Conditions of Contract, and Bid Securing Declaration were attached.</p> <p><b>Management response</b> All the necessary documents of the Contract were available i.e. Agreement, Letter of Acceptance, Contractors Bid, Special and General Conditions of Contract, Work Program, drawings, Site Inspection Certificate and Bid securing Declaration, only that some were not attached on the contract document but were separate in the file and in the bidding document.</p> <p><b>Authority's response</b> While the documents were available, they should have been duly attached and signed together with the contract.</p>
2.	<p><b>Inconsistency in contractual terms:</b> There was a deviation between the Special Conditions of Contract in the solicitation document and the contract agreement, as the Special Conditions under GCC 61.1 in the solicitation document stated that a Performance Security and Environmental Security (ES) of 10% would be required, whereas the contract document under GCC 52.1 stated that a Performance Security would not be required.</p> <p><b>Management response</b> The Audit findings were true, however this was an oversight by the entity and management will always adhere to the PPDA Act while preparing the contract documentation.</p>

### Implication

The inconsistencies in contract conditions also point to a lack of checks and balances by the Contracts Committee.

### Recommendations

- The Head Procurement and Disposal Unit should see to it that the contract and documents forming part of the contract are representative of the bidding document that was issued to bidders and any changes to the contractual terms and conditions should be justified and approved by the Contracts Committee in accordance with Section 31 (1) (a) (iv) of the PPDA Act, Cap 205.
- The Contracts Committee should thoroughly review contract documents for completeness, consistency, correctness, and accuracy before approval, as required by Section 31 (1) (a) (iv) of the PPDA Act, Cap 205.

#### **2.1.8 Failure to enforce the requirement of submission of Performance Security**

The Entity did not enforce the requirement for submission of a Performance Security by the contractor in the construction of a Multi-Purpose Hall at St. Paul's Bukinda worth UGX 474,432,601. This was contrary to Clause GCC 61.1 of the Special Conditions of the Contract that required the providers to submit Performance Securities within 21 days. However, by the time of the inspection, there was no evidence on the procurement action files that the Performance Security was submitted.

#### **Implication**

The Entity has no recourse for compensation for any loss resulting from the contractor's non-performance of the contract.

#### **Management response**

Management notes the audit finding, however the Entity requested for performance securing declarations as a basis for signing the contract.

#### **Authority's response**

There was no evidence attached to support the management response.

#### **Recommendation**

The Accounting Officer should ensure that all providers submit Performance Securities if it's a requirement in the signed contract in accordance with Regulation 13 (1) (a) of the PPDA (Contracts) Regulations 2023.

#### **2.1.9 Management of Force Account Mechanism**

Section 130 (1) of the PPDA Act, Cap 205 states that "*A Procuring and Disposing Entity may, in accordance with regulations made under the Act, undertake works using force account mechanism.*"

Section 130 (2) of the PPDA Act, Cap 205 states that "*force account mechanism means undertaking the works of a Procuring and Disposing Entity using the personnel and equipment of the Procuring and Disposing Entity or of another Procuring and Disposing Entity.*"

The Authority reviewed the rehabilitation and maintenance of the following roads to establish the Entity's performance in the implementation of the force account mechanism.

#### **Rehabilitation of Kabimbiri-Wacheba-Kahama worth UGX 160,000,000 (9km)**

##### **(i). Failure to reference the procurements during initiation of the road works**

The Authority noted that the Entity failed to allocate a specific reference number during the initiation of each of the road works as evidenced by the initiation form 5 which was left blank. This is contrary to Regulation 3 (6) of the PPDA (Rules and Methods for Procurement of Works, Supplies, and Non-Consultancy Services) Regulations 2023 that requires each procurement requirement to be allocated a specific reference number at the initiation stage.

**(ii). Failure to undertake environmental screening and incorporate environmental and social safeguards in the scope of works**

Section 66 of the PPDA Act, Cap 205 states that “A procuring and disposing Entity shall for each procurement take into account environmental protection, social inclusion and stimulating innovation, as may be prescribed, Contrary to the above Section, the Authority found that the Entity did not carry out an environmental screening and consequently, environmental and social safe guards were not implemented in the scope of works for the road works.

**(iii). Failure to prepare and keep approved accountability for resources utilized**

The Force Account Manager did not prepare and submit filled daily worksheets to indicate the works executed, and accountability for the use of resources that included; personnel, fuel, gravel, culverts, stones to the Force Account Supervisor contrary to Regulation 6 (5) of the PPDA (Force Account Mechanism) Regulations 2014.

There was no evidence of delivery, receipt and accountability (worksheets) for the following resources used:

- i. Culvert installation (Concrete culvert pipe rings 600mm diameter) worth UGX 22,500,000
- ii. Stones- UGX 22,650,000
- iii. Gravel (excavate gravel, remove boulders, stockpile, load, haul, offload, spread, water and compact in place) - UGX 64,800,000

**Rehabilitation of Kibanda Kamwezi road UGX 340,000,000 (21kms)**

**(i) Failure to reference the procurements during initiation of the road works**

The Authority noted that the Entity failed to allocate a specific reference number during the initiation of each of the road works as evidenced by the initiation form 5 which was left blank. This is contrary to Regulation 3 (6) of the PPDA (Rules and Methods for Procurement of Works, Supplies, and Non-Consultancy Services) Regulations, 2023 that requires each procurement requirement to be allocated a specific reference number at the initiation stage.

**(ii) Failure to undertake environmental screening and incorporate environmental and social safeguards in the scope of works**

Section 66 of the PPDA Act, Cap 205 states that “A procuring and disposing Entity shall for each procurement take into account environmental protection, social inclusion and stimulating innovation, as may be prescribed, Contrary to the above Section, the Authority found that the Entity did not carry out an environmental screening and consequently, environmental and social safe guards were not implemented in the scope of works for the road works.

**(iii) Missing accountability**

BOQs for the roadworks Rehabilitation of Kibanda Kamwezi road UGX 340,000,000 (21kms).

**Implications**

- Failure to reference procurements at the initiation stage contravenes the key principles of accountability and transparency at the initiation of procurements.



- Failure to implement environmental and social safeguards on the road projects exposes the planet and the people to the hazards posed by the road works.
- Failure to provide proper accountability for public resources casts doubt on whether the funds were used for the right purpose.

#### **Management responses**

- i. Management notes this with concern and going forward all road works will be referenced.
- ii. Management noted it with concern however, and going forward environmental screening and social safeguards will be incorporated in the scope of works.
- iii. The supporting accountabilities documentation were kept in a separate file and have been availed for ease of reference.

#### **Authority's response**

The Entity provided evidence of fuel accountability; consequently, the specific query regarding fuel was dropped.

#### **Recommendations**

1. The Head Procurement and Disposal Unit should ensure that all the road works are allocated specific reference numbers during initiation of the procurements in accordance with Regulation 3 (6) of the PPDA (Rules and Methods for Procurement of Works, Supplies, and Non-Consultancy Services) Regulations 2023.
2. The Force Account Managers should:
  - i. Engage the Environmental Officer to conduct environmental screening of projects before developing the work plans and come up with detailed activities to be undertaken in the scope of works in accordance with Regulation 37(2)(c) of the PPDA (Rules and Methods for Procurement of Works, Supplies, and Non-Consultancy Services) Regulations, 2023; and
  - ii. Prepare and submit for approval of the Force Account Supervisors, accountability on the works executed and resources used in accordance with Regulation 6 (5) of the PPDA (Force Account Mechanism) Regulations, 2014.

#### **2.1.10 Non-Compliance with beneficial ownership disclosure requirements**

PPDA Circular No. 1 of 2021 requires Procuring and Disposing Entities to submit beneficial ownership information for awarded contracts in their monthly reports to the Authority. The Authority found in all the 10 sampled procurement transactions worth UGX 3,765,752,799, Rukiga District Local Government did not enforce the above requirement. Specifically, bidders were not required to disclose beneficial owner information and consequently, the Entity omitted this crucial detail in their monthly reports to the Authority.

#### **Implication**

This non-compliance increases the risk of corruption, fraud, and tax evasion by the ultimate beneficiaries of company proceeds.

### **Management Response**

Management acknowledges the audit finding however this was an oversight by the entity and going forward will ensure that it adheres to the requirements of PPDA Act.

### **Recommendation**

The Procurement and Disposal Unit should:

1. Require bidders to submit beneficial owner information through bidding forms and company Form 1; and
2. Include particulars of beneficial owners in monthly reports submitted to the Authority in accordance with the PPDA Circular No. 1 of 2021.

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

The inspection revealed the following exceptions:

### **2.2.1 Disposal of Rukiga District Local Government's obsolete assets**

Rukiga District Local Government disposed of obsolete assets recommended by the Board of Survey Report for Financial Year 2022/2023 in accordance with Regulation 3 of the PPDA (Disposal) 2023. However in spite of the execution, the Authority observed the following irregularities:

- (i) The disposal action file did not include the Initiation Form (Form 1) for the consultancy services related to public auctioning.
- (ii) Use of incorrect procedural forms for the procurement of an auctioneer: It was noted that the Entity utilized Disposal Procedural forms instead of the appropriate Procurement forms for consultancy services, as issued by the Authority.
- (iii) Use of incorrect bidding documents: The bidding document issued to the bidders was for Disposal, rather than the Standard Bidding Document for the procurement of consultancy services under selective bidding or request for quotations.

### **Implication**

The controls embedded within the procurement procedural forms like the Local Government Public Procurement (LG PP) Form 1 were avoided.

### **Management response**

The audit findings were true, however the Entity was disposing off items for the first time hence the capacity gaps. Management will ensure it uses the controls embedded into the approved procedural forms as per the PPDA Act.

### **Recommendation**

The Head Procurement and Disposal Unit should ensure that the controls embedded into the approved procedural forms are adhered to in accordance Section 44 and 46 of the PPDA Act, Cap. 205.

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

The following non-conformities were noted:

### **2.3.1 Failure to issue a Certificate of Environmental and Social Management Compliance**

The Authority noted that there was no evidence to show that the Senior Environment Officer and Senior Community Development Officer issued a certificate to certify that the implemented works were compliant with the agreed Environmental Social Management Plan (ESMP) in all the sampled procurements worth UGX 4,289,709,799.

#### **Implication**

This casts doubt on whether the projects achieved the expected outputs in line with the ESMP. Non-adherence to ESHS can lead to serious risks and negative impacts to the environment, contractors' staff, staff of the Entity and the community where the project is undertaken.

#### **Management response**

Management noted the finding with concern and going forward the Senior Environment Officer and Senior Community Development Officer will always issue a certificate to certify that implemented works were compliant with the agreed environmental management plan.

#### **Recommendations**

- The Head of Internal Audit and Head of Finance should ensure that no payment is effected in the absence of a certificate of environmental and social management compliance to ensure the implementation of ESMPs.
- The Accounting Officer should instruct the Project Manager to always prioritize enforcement of the Environmental, Social, Health and Safety Standards so as to safe guard the environment and the neighboring community from the negative impacts arising from the projects and to further safe guard the workers on site from the risk of injuries arising from accidents in accordance with Section 66 of the PPDA Act, Cap 205.

### **2.3.2 Delays at payment and contract implementation**

Section 51 of the PPDA Act, Cap 205 requires all procurement and disposal processes within an Entity to be conducted in a manner that promotes economy, efficiency and value for money.

#### **Observations on Project Delays and Payment Irregularities**

- i. **Kamwezi High School – Construction of Three-Classroom Block (UGX 83,238,000):**  
Delays were noted in the implementation of the contract for the construction of a three-classroom block. The contract was signed on **17<sup>th</sup> October 2023** and commissioned on **30<sup>th</sup> October 2023**, with an intended completion period of six months, ending **30<sup>th</sup> April 2024**. However, according to the completion certificate, the project was completed on **10<sup>th</sup> June 2024**, indicating a delay of over one month beyond the stipulated contract period.



- ii. **St. Paul's Bukinda – Construction of a Multi-Purpose Hall (UGX 474,432,601):** Delays in payment to the contractor, **Geses Uganda Limited**, were observed. The contractor submitted a payment claim and invoice dated **29<sup>th</sup> January 2024**. However, payments were made on **23<sup>rd</sup> April 2024** and **27<sup>th</sup> August 2024**, with the first installment delayed by nearly three months. This is in violation of the General Conditions of Contract, which require the procuring entity to make payments within **30 days** of receipt of the invoice.

#### **Implications**

- Delayed payments affect the provider's cashflow and could lead to bidder's loss of confidence in the Entity thereby affecting the level of participation in the advertised opportunities.
- Delayed contract award and implementation leads to delayed delivery of the much-needed services to the intended beneficiaries and is a sign of inefficiency of the procurement function.

#### **Management Response**

The delays in payment and contract completion were attributed to the following factors:

- Network failures on IFMS which makes it difficult to access the system and make timely payments.
- Delayed contract completion would sometimes be caused by circumstances like heavy rains which would make roads impassable thus making it difficult for the contractors to deliver materials on sites.

#### **Authority's response**

The Authority notes the Entity's response; however, other procurements implemented during the same period were paid on time despite the IFMS challenges and were completed within the contractual timelines.

#### **Recommendations**

Contract managers should ascertain that;

- The Entity meets all the payment and other obligations in accordance with the terms and conditions of a contract following Regulation 52 (3) (a) (iii) of the PPDA (Contracts) Regulations, 2023.
- Providers meet all their performance or delivery obligations following the terms and conditions of the contract in accordance with Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulations, 2023.

#### **2.4 CONTRACT AUDIT OF BUKINDA SEED SECONDARY SCHOOL**

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a contract audits at Rukiga District Local Government, where the following exceptions were noted for the attention of management:

<b>Table 9: Contract Summary</b>	
Contract Title	Construction of Bukinda Seed Secondary School in Bukinda Sub County
Contract Reference no.	MOES/UGIFT/WRKS/2020-21/0002
Name of Contractor	GESES UGANDA LTD
Method of procurement	Open National Bidding
Type of Contract	Lumpsum
Contract Price (UGX)	2,935,060,256
Advance payment (UGX)	
Contract Signing date	18 <sup>th</sup> August 2022
Contract commencement date	23 <sup>rd</sup> August 2022
Initial contract completion date	24 <sup>th</sup> December 2024
Contract extensions	Nil
Defects Liability period	365 days
Project Manager	District Engineer
Payments made (UGX)	
Current implementation status	Physical progress of works stood at 90% as of 10 <sup>th</sup> December 2024
	Contract period elapsed stood at 108% as of 7 <sup>th</sup> February 2025
Approved Contract Variation	Nil

**(i) Delayed contract completion**

The initial contract completion period was 12 months with the contract signed on 18<sup>th</sup> August 2022 and an intended completion date of 23<sup>rd</sup> August 2023. However, due to slow progress of works, the contract completion date was extended to 24<sup>th</sup> December 2024 and as per the site visit undertaken on 7<sup>th</sup> February 2025 (2 months after expiry of contract), Geses Uganda Limited was yet to supply the desks as required in the contract.

**Implication**

Delayed contract completion leads to delayed delivery of the much-needed services to the intended beneficiaries and is a sign of inefficiency of the procurement function.

**Management response**

The supplied desks were not initially made as per specifications in the Bills of quantities, so the contractor was advised to deliver as per the specifications, causing a delay in completion.

**Recommendation**

Contract managers should ascertain that providers meet all their performance or delivery obligations following the terms and conditions of the contract in accordance with Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulations, 2023.

**(ii) Execution of works on expired contract**

The contract was signed on 18<sup>th</sup> August 2022 and expired on 24<sup>th</sup> December 2024. However, as per the site visit undertaken on 7<sup>th</sup> February 2025 (2 months after expiry of contract), Geses Uganda Limited was yet to supply the desks as required in the contract.

**Implication**

The Entity has no contractual obligation with the contractor and as such could be exposed to a risk of abandoned works.

**Management response**

The supplied Desks during the contract period were not standard as per specifications in the Bills of quantities so the contractor was advised to deliver as per the specifications causing a delay in completion.

**Recommendation**

The contract manager(s) should always ascertain that all the contract obligations are completed before the expiry of the contracts in accordance with Regulation 52(3) (vi) of the PPDA (Contracts) Regulations, 2023.

**(iii) Inadequate contract monitoring and reporting**

The Project Manager had not submitted monthly progress reports for the months running from January to December 2024 to the Accounting Officer and the Procurement and Disposal Unit as of 18<sup>th</sup> December 2024 contrary to Regulation 52(3) (g) of the PPDA (Contracts) Regulations, 2023.

**Implication**

This makes timely intervention of stakeholders difficult in terms of deviations from the plan and work program.

**Management response**

The reports were kept in a separate file and have been availed for ease of reference.

**Authority's response**

The Entity submitted only 4 reports dated 5<sup>th</sup> January 2023, 5<sup>th</sup> May 2023, 2<sup>nd</sup> August 2023 and June 2024 for a contract with a contractual completion period of 12 months.

**Recommendation**

The Project Manager should be reminded of the importance of timely and consistent progress reporting and advised to ensure that all future reports are prepared and submitted in accordance with the contract requirements.

**(iv) Delayed submission of performance guarantee**

Clause 61.1 of the General Conditions of Contract required the contractor to provide a Performance Security 21 days of signing the contract. The contract was signed on 18<sup>th</sup> August 2022 and the site was handed over to the contractor on 23<sup>rd</sup> August 2022, Geses Uganda Ltd submitted the Performance Security on 16<sup>th</sup> January 2024, 521 days after contract signing.

**Implication**

The Entity has no recourse for compensation for any loss resulting from the contractor's non-performance of the contract.

**Management response**

This was an oversight which has been noted with concern and going forward performance guarantees will be submitted within the specified period of time.

**Recommendation**

The contract manager(s) should ensure that the obligations and duties of the Procuring and Disposing Entity specified in the contract are well managed and make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract in accordance with Regulation 52 (1) of the PPDA (Contracts) Regulations, 2023.

### CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section presents graphically the compliance inspection scores.

#### 3.1. Overall Compliance Inspection Conclusion

The performance of Rukiga District Local Government for the Financial Year 2023/24 was **Moderately Satisfactory** with an overall weighted average risk rating of **44.5%**.

#### 3.2. Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as detailed in Table 13 below:

**Table 13: Risk Score**

Risk Rating	No.	%No	Value (UGX)	%Value	Weights	Total Weighted Score	
						By No.	By Value
High	1	9	500,000,000	11.6	0.6	5.4	6.9
Medium	5	46	3,629,144,279	84.6	0.3	13.8	25.3
Low	2	18	80,694,520	1.9	0.1	1.8	0.2
Satisfactory	3	27	79,871,000	1.9	0	0	0
<b>Total</b>	<b>11</b>	<b>100</b>	<b>4,289,709,799</b>	<b>100</b>	<b>1</b>	<b>21</b>	<b>32.4</b>

$$\text{Performance by Number} = \frac{21 \times 100}{60} = 35\%$$

$$\text{Performance by Value} = \frac{32.4 \times 100}{60} = 54\%$$

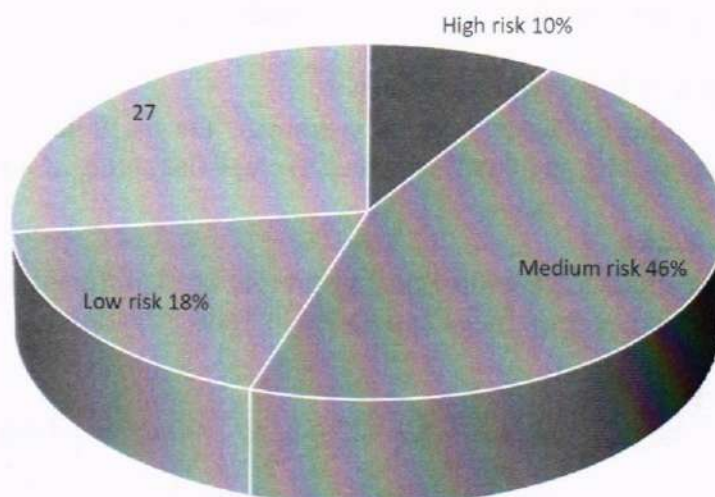
$$\text{The average weighted risk rating} = \frac{35 + 54}{2} = 44.5\%$$

Since 44.5% falls within the 31% - 70% risk range, the performance of the Entity is rated **Moderately Satisfactory** as detailed in Table 14 below.

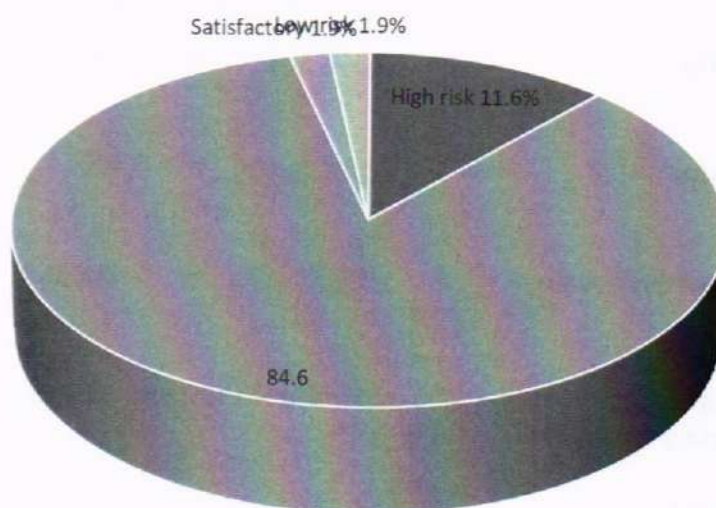
**Table 14: Risk Rating**

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

**Figure 5: Risk Rating by Number**



**Figure 6: Risk Rating by Value**





### 3.3. Recommended Action Plan

Rukiga District Local Government should implement the following recommendations detailed in Table 15 within the time frame given in order to improve its performance in Procurement and Disposal.

**Table 15: Recommended Action Plan**

No.	Recommended Action	Target Date
1.	<p>The Accounting Officer should:</p> <ul style="list-style-type: none"><li>i. Task the Internal Auditor to monitor the status of the implementation of PPDA audit recommendations within the specified time frame to improve the Entity's performance in accordance with Section 10 (1) (a) of the PPDA Act, Cap 205.</li><li>ii. Ensure that procurement plan of the entity states all the supplies, works, consultancy and non-consultancy services to be procured and their cost respectively in accordance with Regulation 6 (a) of the PPDA (Procurement Planning) Regulations, 2023.</li><li>iii. Make use of the framework contracts in place to procure works, services or supplies that are required continuously or repeatedly over a set period of time in accordance with Section 60 (2) (b) of the PPDA Act, Cap. 205.</li></ul>	July 2025
2.	<p>The Head Procurement and Disposal Unit should;</p> <ul style="list-style-type: none"><li>i. Set evaluation criteria that can assess the ability to perform the proposed contract, the technical and financial ability of the bidder in accordance with Regulation 47 (3) of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023.</li><li>ii. Require bidders to submit beneficial owner information through bidding forms and company Form 1 and include particulars of beneficial owners in monthly reports submitted to the Authority in accordance with the PPDA Circular No. 1 of 2021.</li><li>iii. Ensure that all road works are allocated specific reference numbers during initiation as per Regulation 3(6) of the PPDA (Rules and Methods for Procurement of Works, Supplies, and Non-Consultancy Services) Regulations 2023, while Force Account Managers should collaborate with the Environmental Officer for environmental screening before developing work plans and ensure accountability for executed works and resources used, in accordance with Regulation 37(2)(c)</li></ul>	July 2025

No.	Recommended Action	Target Date
	of the PPDA Regulations 2023 and Regulation 6(5) of the PPDA (Force Account Mechanism) Regulations 2014.	
3.	The Evaluation Committee (s) should strictly adhere to the evaluation criteria set out in the solicitation document in accordance with Section 76 (3) of the PPDA Act, Cap 205.	July 2025
4.	The Head of Internal Audit and Head of Finance should ensure that no payment is effected in the absence of a certificate of environmental and social management compliance to ensure the implementation of Environmental and Social Management Plans.	July 2025



## ANNEXES

### Annex A: Case by case Risk analysis

No	HIGH RISK	REASONS FOR HIGH RISK
1.	Force Account Activities worth UGX 500,000,000	Significant non-compliance in the implementation of the force account mechanism for road rehabilitation projects, including failure to reference procurements, lack of environmental screening, and inadequate accountability for resources, undermining transparency and service delivery.

No	MEDIUM RISK	REASONS FOR MEDIUM RISK
2.	Completion of maternity ward at Mparo HCIV worth UGX 65,900,640	Introduction of new criteria during evaluation
3.	Construction of four ferro cement tanks in Kibanda worth UGX 69,859,422	Introduction of new criteria during evaluation
4.	Construction of a 3-classroom block at Kamwezi High School worth UGX 83,238,000	Failure to apply criteria during evaluation
5.	Construction of Multi-Purpose Hall at St. Paul's Bukinda worth UGX 474,432,601	<ul style="list-style-type: none"> <li>• Delays in payment to the contractor</li> <li>• Failure to enforce the requirement of submission of Performance Security</li> </ul>
6.	Construction of Bukinda Seed secondary school worth UGX 2,935,060,256	<ul style="list-style-type: none"> <li>• Delayed contract completion</li> <li>• Inadequate contract monitoring and reporting</li> <li>• Delayed submission of performance guarantee</li> </ul>

No	LOW RISK	REASONS FOR LOW RISK
7.	Extension of Ibumba GFS to Omukisheyi worth UGX 49,694,520	Delayed Confirmation of funding by the Accounting Officer
8.	Disposal of Motor vehicle Double 2 Toyota cabin pick ups worth UGX 31,000,000	Use of incorrect procedural forms for the procurement of an auctioneer

No	SATISFACTORY CONTRACTS
9.	Sitting, drilling and test pumping of a production well in Kahaama Burime Parish worth UGX 33,948,000
10.	Design, supply and installation of micro- scale irrigation systems for Magara Jackline at Karubanda Village worth UGX 21,966,000
11.	Design, supply and installation of micro- scale irrigation systems for Busigye Florence at

<b>No</b>	<b>SATISFACTORY CONTRACTS</b>
	Kita Village in Kasambya Sub County worth UGX 23,957,000

#### Annex B: Risk Rating Criteria

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

RISK	DESCRIPTION	AREA	IMPLICATION
		<b>Contract Management:</b> Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries
<b>MEDIUM</b>	Procurements that were considered to have weaknesses, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands-on management control and oversight" at an appropriate level of seniority.	<b>Planning:</b> Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		<b>Bidding Process:</b> Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms, and splitting procurement requirements.	This implies a lack of efficiency, standardization, and avoiding competition.
		<b>Procurement Structures:</b> Lack of procurement structures	This implies a lack of independence of functions and powers and interference in the procurement process.
		<b>Record Keeping:</b> Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the compliance inspection trail namely; whether the necessary approvals were obtained in a procurement process.
		<b>Contract and Contract Management:</b> Failure to appoint Contract Supervisors, failure to seek the Solicitor	This leads to unjustified contract amendments and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of

RISK	DESCRIPTION	AREA	IMPLICATION
		General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health, and safety.  Aspects of gender, social inclusion, environment, health, and safety are not covered by the contractor during contract implementation.	
<b>LOW</b>	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practices. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance	<b>Planning:</b> Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record-keeping.
		<b>Bidding Process:</b> Not signing the Ethical Code of Conduct	This leads to failure to declare a conflict of interest and a lack of transparency.

<b>RISK</b>	<b>DESCRIPTION</b>	<b>AREA</b>	<b>IMPLICATION</b>
	with detailed procedures.		
<b>SATISFACTORY</b>	Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time.		

**Annex C: Rukiga District Local Government compliance inspection sample list for the Financial Year 2023/2024**

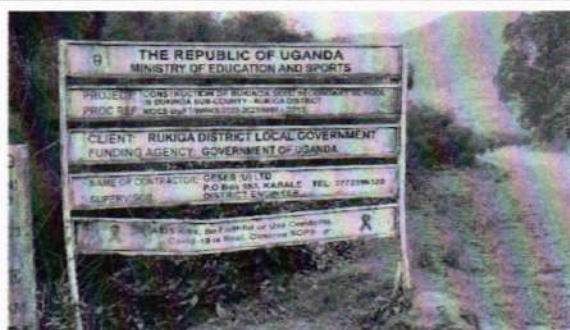
S/No.	Ref. No.	Procurement subject	Procurement method	Provider	Contract value	Risk rating
1.	RUKI923/WRKS/23-24/00004	Completion of a maternity ward at Mparo HCIV	Open bidding	Geses Uganda Limited	66,554,000	Medium risk
2.	RUKI923/WRKS/23-24/	Construction of Bukinda Seed secondary school	Open bidding	Geses Uganda Limited	2,935,060,256	Medium risk
3.	RUKI923/WRKS/23-24/00002	Construction of a 3-classroom block at Kamwezi High School	Open bidding	Kabale Joiners And Contractors Ltd	83,238,000	Medium risk
4.	RUKI923/WRKS/23-24/00017	Sitting, drilling and test pumping of a production well in Kahaama Burime Parish	Open bidding	Optimum Path Uganda Ltd	33,948,000	Satisfactory
5.	RUKI923/WRKS/23-24/00015	Extension of Ibumba GFS to Omukisheyi	Open bidding	Marungi Dream Company Ltd	49,694,520	Low risk
6.	RUKI923/WRKS/23-24/00003	Constriction of 4 ferro cement tanks in Kamwezi Sub County	Open bidding	Eba Business Solutions And Finance Company Ltd	69,859,422	Medium risk
7.	RUKI923/WRKS/23-24/FEMALE/75724	Design, supply and installation of micro- scale irrigation systems for Magara Jackline at Karubanda Village	Selective bidding	Bekunda Investments Ltd	21,966,000	Satisfactory
8.	RUKI923/WRKS/23-24/00001	Construction of Multi-Purpose Hall at St. Paul's Bukinda	Open bidding	Geses Uganda Ltd	474,432,601	Medium risk
9.		Disposal of Motor vehicle Double 2 Toyota cabin pick ups			31,000,000	Low risk
10.	RUKI923/WRKS/23-24/FEMALE/44078	Design, supply and installation of micro- scale irrigation systems for Busigye Florence at	Selective bidding	Sprinktech Uganda	23,957,000	Satisfactory

S/No.	Ref. No.	Procurement subject	Procurement method	Provider	Contract value	Risk rating
		Kita Village in Kasambya Sub County				
11.		Force Account Activities	Open bidding	District Engineer	500,000,000	High risk
<b>Total</b>					<b>4,289,709,799</b>	



# **Annex D: Physical verification pictures as of 7<sup>th</sup> February 2025**

MOES/UGIFT/WRKS/2020-21/0002	<b>Contract value (UGX): 2,935,060,256</b>
<b>Contract:</b> Construction of Bukinda Seed Secondary School	
<b>Provider:</b> Geses Uganda Limited	
<b>Status of works:</b> The works were at 90% during physical verification on 7th February 2025.	



RUKI923/WRKS/23-24/00001	<b>Contract value (UGX): 474,432,601</b>
<b>Contract:</b> Construction of Multi-Purpose Hall at St. Paul's Bukinda	
<b>Provider:</b> Geses Uganda Limited	
<b>Status of works:</b> The works were complete	

