



**COMPLIANCE INSPECTION REPORT FOR FINANCIAL  
YEAR 2024/25**

**BUSIA MUNICIPAL COUNCIL**

**APRIL 2026**

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## ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
BOQs	Bills of quantities
CC	Contracts Committee
CIPS	Chartered Institute of Purchasing and Supply
EC	Evaluation Committee
FY	Financial Year
HIV	Human Immunodeficiency Virus
LPO	Local Purchase Order
LTD	Limited
MBA	Masters in Business Administration
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PGD	Post Graduate Diploma
PM	Per- month
PPDA	Public Procurement and Disposal of Public Assets Authority
SOR	Statement of requirements
TCC	Tax Clearance Certificate
UGX	Uganda Shillings

## **EXECUTIVE SUMMARY**

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection of Busia Municipal Council that covered a representative sample of 11 procurement transactions worth UGX 826,696,400 under the Financial Year 2024/25.

The overall objective of the compliance inspection was to assess and establish the degree of compliance of Busia Municipal Council's procurement and disposal system and process with the provisions of the PPDA Act Cap 205 and the attendant PPDA Regulations and assess the level of procurement and disposal performance over the inspection period.

From the findings of the compliance inspection exercise, the performance of Busia Municipal Council for the Financial Year 2024/25 was **Satisfactory** with overall weighted average risk rating of **25%** as detailed in Chapter 3 of the report.

### **Despite the satisfactory performance the following issues were noted for management's attention:**

- 1. Failure to fully implement the Entity's procurement plan.** Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023 provides that the Procurement and Disposal Unit may, where necessary, revise the procurement plan of a Procuring and Disposing Entity at any time during the Financial Year. The Authority observed that the Entity revised its procurement plan to UGX 2,204,102,391, compared to an actual procurement expenditure of UGX 1,958,478,048, resulting in a variance of UGX 245,624,343. Failure to fully implement the procurement plan denies service delivery to the intended beneficiaries and also exposes the Entity to risks of budgetary cuts for subsequent periods due to non-performance;
- 2. Approval of inadequate solicitation documents.** Regulation 10 (b) of the PPDA (PDEs) Regulations 2023 requires the Contracts Committee to confirm that the proposed evaluation methodology and criteria contained in the bidding documents are appropriate and applicable to the procurement or disposal requirement. However, in two procurements worth UGX 47,190,000, the Contracts Committee approved solicitation documents with inadequate evaluation criteria and inadequate statements of requirements. Issuance of inadequate bidding documents may lead to bidders misunderstanding the Entity's requirements and thereafter submitting poorly prepared and non-responsive bids. Similarly, it may confuse bidders and may become a source of potential conflicts with the Entity;
- 3. Low bidder participation.** Contrary to Section 49 of the PPDA Act, Cap. 205 which provides that all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money, the Authority noted that in two procurements worth UGX 22,200,000, the Entity received less than three bids in response to invitations to bid, an indicator of lack of confidence by bidders in the Entity's procurement processes. Low bidder participation limits competition and reduces the Entity's ability to obtain the best price and quality from the market, thereby undermining the achievement of value for money;
- 4. Failure to apply reservation schemes.** PPDA Guideline No 11/2024 paragraph 2.1 (i) requires every Procuring and Disposing Entity to reserve a minimum of 15% of its annual procurement plan budget for award to registered associations of Women, Youth, and Persons with Disabilities. However, the Authority noted that the Entity did not comply with this requirement. Failure to apply reservation schemes limits the participation of registered

associations of Women, Youth, and Persons with Disabilities in public procurement. This undermines Government efforts to promote inclusiveness, equitable economic empowerment, and increased access to procurement opportunities for marginalized groups;

5. **Weak contract Management.** Regulation 52 (1) (b) of the PPDA (Contracts) Regulations 2023 requires a contract manager to ascertain that the provider performs the contract in accordance with the terms and conditions specified in the contract. However, the Authority noted that there was laxity in contract management as denoted by poor enforcement of contractual requirements in two procurements worth UGX 136,755,000. Weak contract management exposes the Entity to risks of non-performance and non-compliance with contractual obligations ultimately undermining the effectiveness and value for money of the procurement process;
6. **Insufficient period for display of the Best Evaluated Bidder Notice.** Regulation 3 (1) of the PPDA (Contracts) Regulations, 2023 states that; “*A Procuring and Disposing Entity shall, within five working days after the award decision of the Contracts Committee, display a notice of best evaluated bidder on the notice board of the Procuring and Disposing Entity for ten working days*”. The Authority noted that in the procurement of Supply and installation of double arm solar street lights for Busia Municipal Council and supply of solar street light materials worth 9,189,840, the Entity provided insufficient period for the display of the Best Evaluated Bidder Notice. The Best Evaluated Bidder Notice was displayed from 29<sup>th</sup> May 2025 to 5<sup>th</sup> June 2025, a period of six working days. Displaying the Best Evaluated Bidder Notice for an insufficient period may deny the bidders opportunity to lodge Administrative Reviews; and
7. **Non-compliance with the requirement to submit Performance Securities.** Regulation 11 (1) of the PPDA (Contracts) Regulations, 2023 states that; “*the bidding documents shall state the requirement for a performance security or a performance securing declaration*”. The Authority noted that in the procurement for supply, delivery, installation, user training and commissioning of assorted medical equipment for Busia Municipal Council Health Centre III under Uganda Intergovernmental Fiscal Transfer Program (UGIFT) lot 8 worth UGX 103,115,000, there was no evidence that the contractor (N2M Company Limited) submitted a Performance Security contrary to GCC 19.1 which stated that a performance security shall be required. This leaves the Entity with no recourse in case of non-performance of the provider.

**Key Recommendations:**

**1. The Accounting Officer should:**

- i. Ascertain that procurement planning is realistic, comprehensive, and aligned to the Entity’s approved budget and actual needs to enhance full implementation. The Procurement and Disposal Unit should strengthen periodic monitoring and review of the procurement plan to promptly identify and address implementation gaps in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023;
- ii. Implement targeted measures to increase bidder participation, including conducting market surveys, widely publishing bid opportunities, engaging supplier associations, and organizing bidder sensitization sessions. These efforts will enhance transparency, promote competition, and ensure value for money in line with Sections 48 and 49 of the PPDA Act, Cap. 205;

- iii. Strengthen oversight over contract management to ensure that Contract Managers fully execute their duties in line with Regulation 52 (1) (b) of the PPDA (Contracts) Regulations, 2023;
- iv. Earmark at least 15% of the annual procurement plan for award to registered associations of Women, Youth, and Persons with Disabilities in alignment with PPDA Guideline 11/2024; and
- v. Task contract supervisors to closely monitor the providers and ensure that they satisfactorily deliver according to the contract terms in line with Regulation 52 (1) (b) of the PPDA (Contracts) Regulations 2023.

**2. The Head Procurement and Disposal Unit should**

- i. Conduct procurement and Disposal planning in a rational manner and ensure that sufficient time is allocated for the entire procurement process including bidding, evaluation, NOBEB display, contract execution and payment in line with Section 60 (2) of the PPDA Act, Cap. 205; and
  - ii. Provide for a Performance Securing Declaration in the bidding documents for Local Providers in line with Guideline No. 4/2025 on Bid, Performance and Advance Payment Securities.
3. The Contracts Committee should scrutinize bidding documents for quality before approval in line with Regulation 10 of the PPDA (PDEs) Regulations 2023.

Busia Municipal Council should implement the recommended action plan on pages **16 and 17** of the compliance inspection report.

## CHAPTER ONE: INTRODUCTION

### 1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out the compliance inspection of Busia Municipal Council that covered a representative sample of 11 procurement transactions under the Financial Year 2024/25. The inspection involved a review of the procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act Cap 205 and the attendant PPDA Regulations.

### 1.2 Overall Objective

The overall objective of the inspection was to assess and establish the degree of compliance of Busia Municipal Council's procurement system, process and disposal process with the provisions of the Public Procurement and Disposal of Assets Act Cap 205 and the attendant PPDA Regulations, and assess the level of procurement performance over the inspection period.

#### The specific objectives were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap. 205 and attendant PPDA Regulations with regard to the performance of the procurement structures and the conduct of the procurement processes;
2. Assess the degree of compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap. 205 and the PPDA (Disposal of Public Assets) Regulations 2023; and
3. Assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process.

### 1.3 Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation on sample basis. The audit covered a representative sample of 11 procurement transactions under the Financial Year 2024/25. The list of sampled transactions is contained in **Annex 2**. Table 1 below details the distribution of the transaction population and sample.

**Table 1: Distribution of the Transaction Population and Sample**

Procurement method	Popn Value (UGX)	Sample Value (UGX)	% Value	Popn no	Sample no	% no
Open Bidding	677,415,646.0	677,415,646.0	100.0	5.0	5.0	100.0
Request for Quotations	1,263,555,402.0	149,280,754.0	11.8	40.0	6.0	15.0
Micro	17,507,000.0	0.0	0.0	4.0	0.0	0.0
<b>Total</b>	<b>1,958,478,048.0</b>	<b>826,696,400.0</b>	<b>42.2</b>	<b>49.0</b>	<b>11.0</b>	<b>22.4</b>

### 1.4 Methodology

The Authority examined records and documents for each sampled procurement transaction and/or disposal and obtained the relevant evidence to derive audit conclusions. This involved a review of the Entity's procurement and disposal planning, initiation, bidding, evaluation, contract placement and processes. At the end of the document review, a physical verification was undertaken to ascertain the level of contractual delivery and fit for purpose.

During the inspection, the Authority held interviews with the staff from the Procurement and Disposal Unit and User Departments that were necessary in obtaining crucial qualitative information about the internal control systems and processes in place.

A debrief meeting to clear all pending issues that arose during the inspection was held with the Entity management and staff on **12<sup>th</sup> September 2025** before the auditors could embark on preparation of the management letter. The Authority prepared the management letter, which was sent to the Entity on **30<sup>th</sup> January 2026** with a request to submit a management response by **6<sup>th</sup> February 2026** which was submitted on **13<sup>th</sup> February 2026**.

On completion of data collection and before writing the report, the Regional Manager reviewed the working papers for completeness. The working papers contain detailed chronology of findings on each of the sampled transactions. The audit report presents the key findings and conclusions arising from the audit.

## CHAPTER TWO: KEY FINDINGS AND RECOMMENDATIONS

### 2.1 Compliance by the Entity with the general provisions of the PPDA Act Cap 205 and attendant PPDA Regulations with regard to the performance of the procurement structures and the conduct of the procurement process

#### 2.1.1 Procurement structures

The key players in the procurement structure at Busia Municipal Council include the Town Clerk as Accounting Officer, the Contracts Committee, the Procurement and Disposal Unit and the User Departments.

The Authority noted the following regarding the Entity's procurement structures:

##### i. Accounting Officer

Section 28 of the PPDA Act, Cap 205 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. The Town Clerk; Mr. Fernard Katanda Mukuru was designated as the Accounting Officer of the Entity during the Financial Year 2024-2025.

##### ii. Composition and tenure of the Contracts Committee

Section 28 (1) (a) of the PPDA Act, Cap 205 states that, "*The Accounting Officer of a procuring and disposing entity shall have overall responsibility for the execution of the procurement and disposal process in the procuring and disposing entity and, in particular, shall be responsible for establishing a contracts committee*". The Authority noted that the Entity's Contracts Committee was fully constituted with five members during the audit period. Details are provided in Table 2 below:

**Table 2: List of Contracts Committee Members**

No	Name	Job Title	Committee Position	Date of appointment
1.	Mr. William Joosten Agaba	Head Teacher Busia Border Primary School	Chairperson	9 <sup>th</sup> February, 2026
2.	Dr. Joachim Sserunkuma	Veterinary Officer	Member	9 <sup>th</sup> February, 2026
3.	Mrs. Lilian Anyango	Commercial Officer	Member	28 <sup>th</sup> January, 2023
4.	Dr. Fortunate Shanga Ayoma	Medical Officer	Member	28 <sup>th</sup> January, 2023
5.	Mr. Christopher Barasa	Education Officer	Secretary	20 <sup>th</sup> September, 2023

##### iii. Staffing of the Procurement and Disposal Unit

Section 28 (1) (c) of the PPDA Act, Cap. 205 mandates the Accounting Officer to establish a Procurement and Disposal Unit (PDU) that is adequately staffed. The Authority noted that the Procurement and Disposal Unit was fully staffed as detailed in Table 3 below:

**Table 3: Staff in the procurement and Disposal Unit**

No	Name	Academic qualifications	Job Title
1	Maliza Obale Nabwiri	Bachelor of Procurement and Logistics Management	Senior Procurement Officer
2	Harriet Anyango	Bachelor of Commerce	Procurement Officer

**2.1.2 Failure to implement 33% of the previous audit recommendations**

Section 10 (1) (a) of the PPDA Act, Cap. 205 requires an Entity to take corrective action on recommendations by the Authority, as may be necessary in the circumstances to rectify the breach. The Authority noted that the Entity had been issued its previous audit report for the Financial Year 2022-2023 in May 2024. Out of 12 recommendations made four (33%) were partially implemented while 8(67%) were fully implemented. Details are provided in Table 4 below: -

**Table 4: Implementation of previous audit recommendation**

No.	Recommendations	Implementation status
1.	The Contracts Committee should ensure that the bidding documents are scrutinized for quality before approval.	Partially Implemented
<p><b><u>Management Response</u></b>  <i>A hands-on technical support meeting on procurement was conducted by Ministry of Local Government to provide support to the procurement functions and Contracts Committee members were among those trained.</i></p> <p><b>Authority's comment</b>  The Authority commends the Entity for participating in the hands-on technical support meeting on procurement organized by the Ministry of Local Government. However, despite this intervention, the inspection noted that gaps persist in the preparation of solicitation documents, as evidenced by the inadequacies highlighted in this report. This suggests that the knowledge and skills acquired have not yet been fully translated into practice, and further effort is required to ensure compliance with established procurement standards and guidelines.</p>		
2.	The Accounting Officer should ensure that the assets of the Entity are reviewed and disposed of following the methods recommended under Part II of the PPDA (Disposal of Public Assets) Regulations, 2023;	Partially Implemented
<p><b><u>Management response</u></b>  <i>The process of disposal is under way a report from ministry of works and transport on valuation of obsolete assets was obtained and assets are yet to be disposed. The entity also published an advert for sale of obsolete items.</i></p> <p><b>Authority's comment</b>  The Authority acknowledges Management's efforts in initiating the disposal process, including obtaining a valuation report from the Ministry of Works and Transport and advertising the obsolete items for sale. However, despite these steps, the disposal process had not been concluded at the time of the audit, and the identified assets remain undisposed.</p>		

No.	Recommendations	Implementation status
Delays in finalizing the disposal process continue to expose the Entity to risks associated with asset deterioration, loss of value, and possible misuse. The matter has therefore been retained for follow-up to ensure that the disposal process is completed in a timely and compliant manner.		
3.	The Accounting Officer should Address procurement irregularities such as unfairness at evaluation, poor quality bidding documents, delayed initiation among others that could be responsible for the low bidder participation leading to reduced competition in the Entity, thus affecting value for money;	Partially Implemented
<p><b><u>Management response</u></b>  <i>A hands-on technical support meeting on procurement was conducted by Ministry of Local Government to provide support to the procurement functions where key stakeholders involved in the procurement process were trained.</i></p> <p><b><u>Authority's comment</u></b>  The Authority acknowledges the Entity's intervention. However, despite the training, the Entity still registered low bidder participation, with less than three bids received. This persistent low response suggests the existence of underlying constraints such as limited market engagement, inadequate solicitation documents, or perceived biasness in the procurement process.</p>		
4.	Accounting Officer along with Management should regularly carry out a review of the implementation of the procurement plan and update the procurement plan to exclude unimplemented procurements in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance.	Partially Implemented
<p><b><u>Management response</u></b>  <i>The Procurement plan for FY 2024/2025 was reviewed and the updated plan was approved by Contracts Committee and submitted to the Authority</i></p> <p><b><u>Authority's comment</u></b>  The Authority has taken note of Management's explanation regarding the revision of the procurement plan and the reported completion of planned procurements. However, a review of the updated figures indicates that a variance of UGX 245,624,343 still persists between the revised procurement plan and actual procurement expenditure. This variance signifies that a portion of the planned procurements was not implemented during the financial year, contrary to Management's assertion.</p>		

**Implication**

Failure to fully implement audit recommendations affects performance of the procurement function and is an indicator of a weak implementation mechanism by the Entity.

**Recommendation**

The Accounting Officer with support from Internal Audit should come up with a strong mechanism and task force that will ensure that all audit recommendations are regularly monitored and implemented to improve the Entity's performance. This could include sharing them with Internal Audit, training, including them among the key performance indicators, and discussing them in top management meetings, among others.

### 2.1.3 Failure to fully implement the Procurement plan

Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023 provides that the Procurement and Disposal Unit may, where necessary, revise the procurement plan of a Procuring and Disposing Entity at any time during the financial year. The Authority observed that the Entity revised its procurement plan to UGX 2,204,102,391, compared to an actual procurement expenditure of UGX 1,958,478,048, resulting in a variance of UGX 245,624,343 accounting for 11%. Further details are presented in Table 5 below:

**Table 5: Analysis of implementation of the procurement plan**

Total procurement plan value inclusive of VAT (UGX)	2,204,102,391
Procurement spend value inclusive of VAT (UGX)	1,958,478,048
Procurement plan Implementation Rate (%)	89
Budget variance (UGX)	245,624,343
Budget variance (%)	11

#### Implication

Failure to fully implement the procurement plan denies service delivery to the intended beneficiaries and also exposes the Entity to risks of budgetary cuts for subsequent periods due to non-performance.

#### Management Response

*Management takes note of the issue. However, the procurement plan was updated and all the planned items of procurement were implemented as shown in the monthly report for June under contracts completed.*

#### Authority's comment

The Authority has taken note of Management's explanation regarding the revision of the procurement plan and the reported completion of planned procurements. However, a review of the updated figures indicates that a variance of UGX 245,624,343 still persists between the revised procurement plan and actual procurement expenditure. This variance signifies that a portion of the planned procurements was not implemented during the financial year, contrary to Management's assertion.

#### Recommendations

- The Accounting Officer should ensure that procurement planning is realistic, comprehensive, and aligned to the Entity's approved budget and actual needs to enhance full implementation.
- The Procurement and Disposal Unit should strengthen periodic (quarterly) monitoring and review of the procurement plan to promptly identify and address implementation gaps in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023.

### 2.1.4 Approval of inadequate solicitation documents

Regulation 10 (b) of the PPDA (PDEs) Regulations 2023 requires the Contracts Committee to confirm that the proposed evaluation methodology and criteria contained in the bidding documents are appropriate and applicable to the procurement or disposal requirement. However, in two procurements worth UGX 47,190,000, the Contracts Committee approved solicitation documents with inadequate evaluation criteria and inadequate Statements of Requirements. Details are provided in Table 6 below:

**Table 6: Procurements with inadequacies in the bidding documents**

S/No	Details of procurements	Contract Amount (UGX)	Inadequacies in the bidding document
1.	Supply of hardwood lockable doors and hardwood frames with thick clear plate glass vision panels for Busia Municipal Council Administration Block	33,640,000	<ul style="list-style-type: none"> <li>• Inadequate evaluation criteria. The Entity did not seek to assess the bidders' financial capacity.</li> <li>• The requirement of experience did not indicate a cutoff point.</li> <li>• Inadequate statements of requirements. The requirement for a thick clear plate glass vision panel did not indicate the thickness of the glass required.</li> </ul>
2.	Collection of revenue from Night parking and street parking fees	13,550,000	Inadequate statements of requirements. It did not define the specific streets and parking areas that would be subject to revenue collection.
<b>Total</b>		<b>47,190,000</b>	

**Implication**

Issuance of inadequate bidding documents may lead to bidders misunderstanding the Entity's requirements and thereafter submitting poorly prepared and non-responsive bids. Similarly, it may confuse bidders and may become a source of potential conflicts with the Entity.

**Management response**

*Management acknowledges the anomalies and commits to improve going forward.*

**Recommendation**

The Contracts Committee should scrutinize bidding documents for quality before approval in line with Regulation 10 of the PPDA (PDEs) Regulations 2023.

**2.1.5 Low bidder participation**

Contrary to Section 49 of the PPDA Act, Cap. 205 which provides that all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money, the Authority noted that in two procurements worth UGX 22,200,000, the Entity received less than three bids in response to invitations to bid, an indicator of lack of confidence by bidders in the Entity's procurement processes. The procurements with low bidder participation are indicated in Table 7 below: -

**Table 7: Procurements with low bidder participation**

S/No	Procurement	Amount (UGX)	Bids received	Method of procurement
1.	Supply of fuel, petroleum products and lubricants and servicing of motor vehicles and motor cycles	345,000,000	2	Open domestic bidding
2.	Collection of revenue from loading and offloading fees in Town and Busia Municipal Council gazette markets	22,200,000	2	Open domestic bidding

S/No	Procurement	Amount (UGX)	Bids received	Method of procurement
<b>Total</b>		<b>367,200,000</b>		

### **Implication**

Low bidder participation limits competition and reduces the Entity's ability to obtain the best price and quality from the market, thereby undermining the achievement of value for money.

### **Management response**

*Management takes note of the issue. However, these particular items of procurement were subject to public bidding using the open bidding method.*

### **Authority's comment**

The Authority has taken note of Management's explanation that the procurements were conducted using the open bidding method. However, despite the use of this method, the Entity still registered low bidder participation, with less than three bids received. This persistent low response suggests the existence of underlying constraints such as limited market engagement, inadequate solicitation documents, or perceived biasness in the procurement process.

### **Recommendation**

The Accounting Officer should implement targeted measures to increase bidder participation, including conducting market surveys, widely publishing bid opportunities, engaging supplier associations, and organizing bidder sensitization sessions. These efforts will enhance transparency, promote competition, and ensure value for money in line with Sections 48 and 49 of the PPDA Act, Cap. 205.

### **2.1.6 Delayed confirmation of funding**

Section 51 of the PPDA Act Cap 205 requires all procurement and disposal to be conducted in a manner which promotes economy, efficiency and value for money. However, in the procurement of works for phased construction of Busia Municipal Council in Eastern Division worth UGX 54,998,200, there was delayed confirmation of funding. Confirmation of need by the Head of Department was done on 3<sup>rd</sup> December 2024 while confirmation of funding by the Accounting Officer was on 7<sup>th</sup> February 2025, a delay of two months.

### **Implication**

A delay in the procurement cycle affects the entire process that in turn leads to delays in service delivery to the intended beneficiaries.

### **Management Response**

Management takes note of the issue. The delay of confirmation of funding was as a result of delayed realization of local revenue since this particular project was budgeted under both DDEG and Local Revenue.

### **Recommendation**

The Authority noted the Entity's response and recommends that in instances where funds are anticipated in future, the Entity should initiate the procurement, receive and evaluate bids, award the contract and stay contract signature until funds are available in accordance with the circular on initiation of procurements from the Permanent Secretary/Secretary to the Treasury. refer to the applicable regulations.

### 2.1.7 Failure to apply reservation schemes

PPDA Guideline No 11/2024 paragraph 2.1 (i) requires every Procuring and Disposing Entity to reserve a minimum of 15% of its annual procurement plan budget for award to registered associations of Women, Youth, and Persons with Disabilities. However, the Authority noted that the Entity did not reserve any procurement to the Special Interest Groups, contrary to these provisions thereby limiting their participation.

#### Implication

This undermines Government efforts to promote inclusiveness, equitable economic empowerment, and increased access to procurement opportunities for marginalized groups.

#### Management Response

*Management acknowledges the anomaly and commits to improve going forward.*

#### Recommendation

The Accounting Officer should earmark at least 15% of the annual procurement plan for award to registered associations of Women, Youth, and Persons with Disabilities in alignment with PPDA Guideline 11/2024.

## 2.2 Compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap 205 and the PPDA (Disposal of Public Assets) Regulations 2023

### 2.2.1 Failure to dispose obsolete items

Regulation 3 (2) of the PPDA (Disposal of Public Assets) Regulations, 2023, states that; "A User Department may initiate a process for disposal of public assets where the board of survey of the Entity recommends for the disposal of a public asset". However, whereas, the board of survey report for Financial Year 2023/2024 recommended several items for disposal, the Entity did not put any mechanism in place to initiate the disposal process to ensure that these items are disposed of. Table 8 below indicates the items recommended for disposal:

**Table 8: Items recommended for disposal**

No	Asset to be disposed / Subject of Disposal	Quantity	Reserve Price
1.	Jienfang Lorry LG 0004-08	1	300,000
2.	Pick up Nissan LG 0054-08	1	200,000
3.	Motorcycle Honda LG0049-08	1	50,000
4.	Jienfang Lorry LG00223-01	1	300,000
5.	Yamaha DT motorcycle UG 0284S	1	80,000
6.	Vega power system generator	1	100,000
7.	Stephill generator	1	100,000
8.	Jialing motorcycle UG3192M	1	100,000
9.	Yamaha motorcycle LG 0024-08	1	50,000
10.	Yamaha motorcycle LG 0024-08	1	50,000
11.	Honda motorcycle UG 2467R	1	50,000
12.	Pick up Nissan UG-0977R	1	20,000
13.	School Bus UAG 467 J	1	1,000,000
14.	Honda motorcycle UG 3065R	1	50,000
15.	Office block	1	500,000

No	Asset to be disposed / Subject of Disposal	Quantity	Reserve Price
16.	Classroom blocks at Marachi P/S	1	1,000,000

### Implications

- Failure to dispose of assets whose use ceased inhibits achievement of value for money as funds are held up in assets and also lost through depreciation of these assets.
- This also exposes the assets to possible theft, destruction or vandalism.

### Management Response

*Management takes note of the issue. The process of disposal is under way a report from ministry of works and transport on valuation of obsolete assets was obtained. The entity also published an advert for sale of obsolete items.*

### Authority's comment

The Authority acknowledges Management's efforts in initiating the disposal process, including obtaining a valuation report from the Ministry of Works and Transport and advertising the obsolete items for sale. However, despite these steps, the disposal process had not been concluded at the time of the audit, and the identified assets remain undisposed. Delays in finalizing the disposal process continue to expose the Entity to risks associated with asset deterioration, loss of value, and possible misuse. The matter has therefore been retained for follow-up to ensure that the disposal process is completed in a timely and compliant manner

### Recommendation

The Accounting Officer should ensure that the items for disposal are promptly disposed of, in accordance with the appropriate disposal methods outlined in Part II of 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 in the procurement process.

### 2.3.1 Failure to request bidders to quote for ESHS and preliminary Items

In two procurements worth UGX. 83,173,367, the Authority observed that the Entity did not request bidders to provide quotations for specific items listed under Environment, Social Safeguards, and Preliminaries in the Bills of Quantities. Instead, the Entity indicated that the applicable rates would be determined by the Environmental Officer during contract execution. Details are provided in Table 9 below:

**Table 9: Procurements where bidders were not requested to quote for ESHS Issues**

No	Subject of Procurement	Contract Amount (UGX)
1.	Procurement of works for renovation of 3 classroom block at Busia SSS	38,672,721
2.	Construction of western Division Administrative block phase III	44,500,646
<b>Total</b>		<b>83,173,367</b>

### Implication

Failure to allow bidders to quote for Environmental, Social, Health, and Safety (ESHS) and Preliminary items results in unclear pricing, which may lead to cost variations, contract

disputes, and inadequate implementation of safeguard measures. This undermines transparency, value for money, and effective management of environmental and social risks during contract execution.

**Management Response**

*Management takes note of the issue. ESHS and Preliminary requirements were clearly provided and broken down in the Bills of Quantities. Bidders also provided the costs to those estimates.*

**Authority’s comment**

The Authority noted the Entity’s response, however, there was no documentary evidence to the refute the finding.

**Recommendation**

The Accounting Officer should ensure that the Municipal Environmental Officer, Community Development Officer, and Labour Officer provide clear and detailed ESHS and preliminary requirements during the preparation of the BOQs. This will enable bidders to price these items accurately and transparently in accordance with Regulation 34 of the PPDA (Rules and Methods for the Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023.

**2.3.2 Weak Contract Management**

Regulation 52 (1) (b) of the PPDA (Contracts) Regulations 2023 requires a contract manager to ascertain that the provider performs the contract in accordance with the terms and conditions specified in the contract. However, the Authority noted that there was laxity in contract management as denoted by poor enforcement of contractual requirements in two procurements worth UGX 136,755,000 indicated in Table 10 below:

**Table 10: Weak Contract Management**

No	Subject of Procurement	Contract Amount (UGX)	Issues at contract management
1.	Supply, delivery, installation, user training and commissioning of assorted medical equipment for Busia Municipal Council Health Centre iii under Uganda Intergovernmental Fiscal Transfer Program (ugift) lot 8	103,115,000	GCC 25 provided that insurance coverage shall be required and that it should be 110%. However, there was no evidence that it was obtained by the contractor
2.	Supply of hardwood lockable doors and hardwood frames with thick clear plate glass vision panels for Busia Municipal Council Administration Block	33,640,000	
<b>Total</b>		<b>136,755,000</b>	

**Implication**

Weak contract management exposes the Entity to risks of non-performance and non-compliance with contractual obligations ultimately undermining the effectiveness and value for money of the procurement process.

## **Management Response**

Management acknowledges the anomalies and commits to improve going forward.

## **Recommendation**

The Accounting Officer should strengthen oversight over contract management to ensure that Contract Managers fully execute their duties in line with Regulation 52 (1) (b) of the PPDA (Contracts) Regulations, 2023.

### **2.3.3 Delayed delivery**

Regulation 52 (3) (a) (vi) of the PPDA (Contracts) Regulations, 2023 obliges a contract manager to ensure that all contractual obligations are fulfilled before the contract expires. However, the Authority noted delayed delivery in the procurement for supply, installation, user training, and commissioning of assorted medical equipment for Busia Municipal Council under the Uganda Intergovernmental Fiscal Transfer Program (UGIFT), Lot 8, valued at UGX 103,115,000. The contract, signed on 17<sup>th</sup> January 2025, had a delivery period of four months and was therefore expected to be completed by 17<sup>th</sup> May 2025. Contrary to this requirement, delivery was made on 12<sup>th</sup> June 2025, resulting in a delay of one month. There was no extension of the contractual completion period.

## **Implication**

This delayed service delivery to the intended beneficiaries may inhibit achievement of value for money.

## **Management response**

*Management acknowledges the anomalies and commits to improve going forward.*

## **Recommendations**

- The Accounting Officer should task contract supervisors to closely monitor the providers and ensure that they satisfactorily deliver according to the contract terms in line with Regulation 52 (1) (b) of the PPDA (Contracts) Regulations 2023.
- Where delays are anticipated, the contract supervisor may issue change orders requiring the contractors to adjust the duration of the contract in accordance with Regulation 53 of the PPDA (Contracts) Regulations 2023.

### **2.3.4 Insufficient period for display of the Best Evaluated Bidder Notice**

Regulation 3 (1) of the PPDA (Contracts) Regulations, 2023 states that; *“A procuring and disposing entity shall, within five working days after the award decision of the Contracts Committee, display a notice of best evaluated bidder on the notice board of the procuring and disposing entity for ten working days”*. The Authority noted that in the procurement of Supply and installation of double arm solar street lights for Busia Municipal Council and supply of solar street light materials worth 9,189,840, the Entity provided insufficient period for the display of the Best Evaluated Bidder Notice. The Best Evaluated Bidder Notice was displayed from 29<sup>th</sup> May 2025 to 5<sup>th</sup> June 2025, a period of six working days.

## **Implication**

Displaying the Best Evaluated Bidder Notice for an insufficient period may deny the bidders opportunity to lodge Administrative Reviews.

## **Management Response**

*Management acknowledges the anomalies and commits to improve going forward. However, the insufficiency in the display period was to allow time to the entity and contractor to be able*

*to sign the contract, provide sufficient time to the contractor to supply and install the solar street lights and also enable the entity pay on time.*

**Authority's comment**

The Authority has taken note of Management's explanation. However, the circumstances reflect inadequate procurement planning by the Entity rather than an unforeseen or emergency circumstance that would warrant deviation from the prescribed procurement procedures.

**Recommendations**

- The Head Procurement and Disposal Unit should conduct procurement and Disposal planning in a rational manner and ensure that sufficient time is allocated for the entire procurement process including bidding, evaluation, NOBEB display, contract execution and payment in line with Section 60 (2) of the PPDA Act, Cap. 205.
- In emergency situations, the Head Procurement and Disposal Unit should provide appropriate justifications to the Contracts Committee for approval of the procurement method and make necessary adjustments in accordance with Regulation 7 of the PPDA (Rules and Methods for procurement of supplies, works and non-Consultancy services) Regulations, 2023 and Regulation 3 (6) (c) of the PPDA (Contracts) Regulations, 2023.

**2.3.5 Noncompliance with the requirement to submit Performance Securities**

Regulation 11 (1) of the PPDA (Contracts) Regulations, 2023 states that; *"the bidding documents shall state the requirement for a Performance Security or a Performance Securing Declaration"*. The Authority noted that in the procurement for supply, delivery, installation, user training and commissioning of assorted medical equipment for Busia Municipal Council Health Centre III under Uganda Intergovernmental Fiscal Transfer Program (UGIFT) lot 8 worth UGX 103,115,000, there was no evidence that the contractor (N2M Company Limited) submitted a Performance Security contrary to GCC 19.1 which stated that a Performance Security shall be required.

**Implication**

Without obtaining performance securities, the Entity loses out on compensation that results from the contractors' failure to meet their obligations under the contract.

**Management Response**

*Management acknowledges the anomalies and commits to improve going forward.*

**Recommendations**

The Head, Procurement and Disposal Unit should consider providing for a Performance Securing Declaration in the bidding documents for Local Providers in line with Guideline No. 4/2025 on Bid, Performance and Advance Payment Securities.

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

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

#### 3.1 Overall Audit Conclusion

The performance of Busia Municipal Council for the Financial Year 2024/25 was Satisfactory with overall weighted average risk rating of **25%**.

#### 3.2 Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 16 below:

**Table 11: Summary of performance of Busia Municipal Council**

Risk Category	Number of Sampled Procurements	% No	Value (UGX)	% Value	Weights	Total weighted average	
						By No.	By Value
High	0	0.0	0	0.0	0.6	0.0	0.0
Medium	4	36.4	155,244,833	18.8	0.3	10.9	5.6
Low	6	54.5	637,971,567	77.2	0.1	5.5	7.7
Satisfactory	1	9.1	33,480,000	4.0	0	0.0	0.0
<b>Total</b>	<b>11</b>	<b>100.0</b>	<b>826,696,400</b>	<b>100.0</b>	<b>1</b>	<b>16.4</b>	<b>13.4</b>

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{16.4}{60} \times 100 = 27\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{13.4}{60} \times 100 = 22\%$$

$$\text{The average weighted risk rating} = \frac{27 + 22}{2} = 25$$

**Table 12: The risk rating is as follows:**

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

### 3.3 Chart representation of risk rating

Figure 1: Chart Representation of Risk Rating by Value

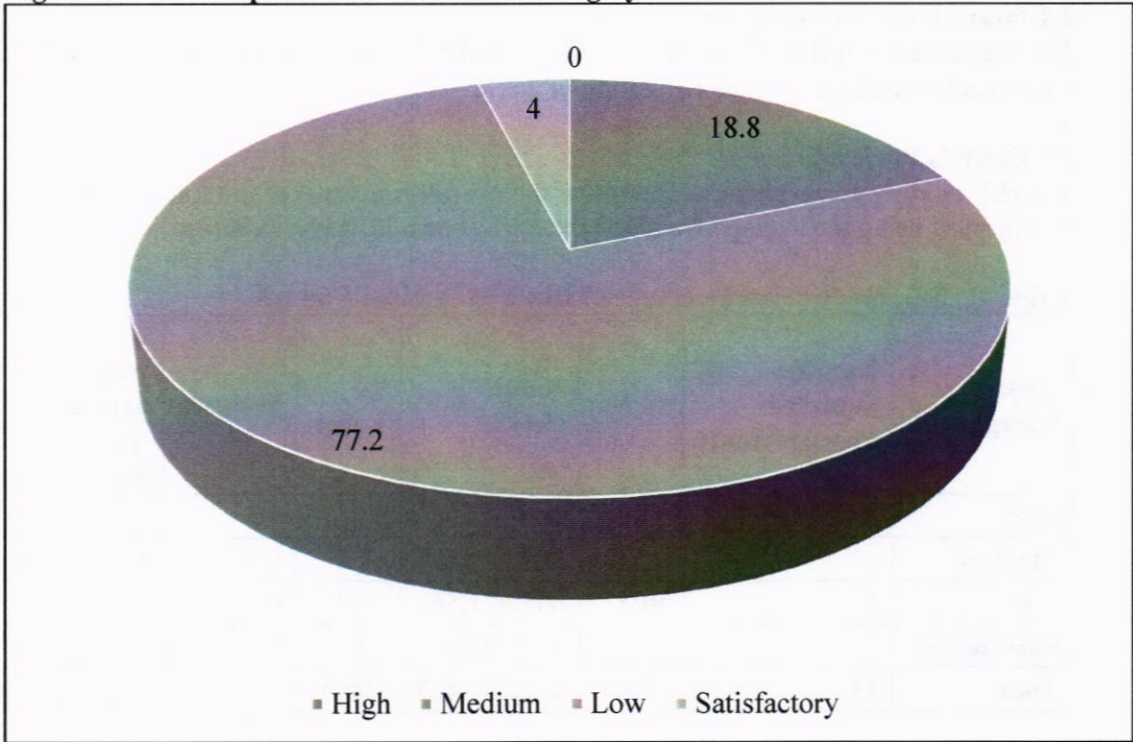
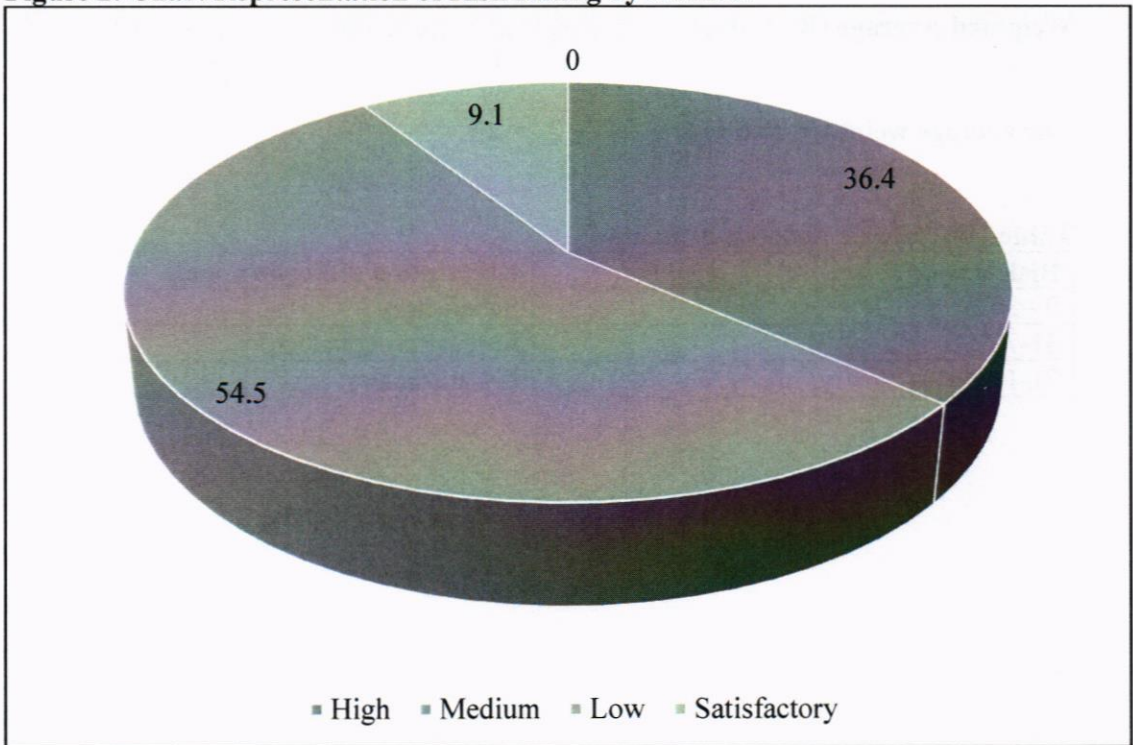


Figure 2: Chart Representation of Risk Rating by Number



### 3.4 Recommended Action Plan

Busia Municipal Council should implement the following recommendations in Table 13 within the timeframe given in order to improve its performance in Procurement and Disposal.

**Table 13: Recommended Action plan**

No.	Recommendation	Target Date
1.	<p>The Accounting Officer should:</p> <ul style="list-style-type: none"> <li data-bbox="336 434 1257 651">i. Ascertain that procurement planning is realistic, comprehensive, and aligned to the Entity’s approved budget and actual needs to enhance full implementation. The Procurement and Disposal Unit should strengthen periodic monitoring and review of the procurement plan to promptly identify and address implementation gaps in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023;</li> <li data-bbox="336 696 1257 913">ii. Implement targeted measures to increase bidder participation, including conducting market surveys, widely publishing bid opportunities, engaging supplier associations, and organizing bidder sensitization sessions. These efforts will enhance transparency, promote competition, and ensure value for money in line with Sections 48 and 49 of the PPDA Act, Cap. 205;</li> <li data-bbox="336 958 1257 1064">iii. Strengthen oversight over contract management to ensure that Contract Managers fully execute their duties in line with Regulation 52 (1) (b) of the PPDA (Contracts) Regulations, 2023;</li> <li data-bbox="336 1108 1257 1214">iv. Earmark at least 15% of the annual procurement plan for award of contract to registered associations of Women, Youth, and Persons with Disabilities in alignment with PPDA Guideline 11/2024;</li> <li data-bbox="336 1258 1257 1400">v. Task contract supervisors to closely monitor the providers and ensure that they satisfactorily deliver according to the contract terms in line with Regulation 52 (1) (b) of the PPDA (Contracts) Regulations 2023; and</li> <li data-bbox="336 1444 1257 1550">vi. Ascertain that procurement planning is realistic, comprehensive, and aligned to the Entity’s approved budget and actual needs to enhance full implementation.</li> </ul>	<p>June 2026</p> <p>June 2026</p> <p>Immediate</p> <p>June 2026</p> <p>Immediate</p> <p>Immediate</p>
2.	<p><b>The Head Procurement and Disposal Unit should</b></p> <ul style="list-style-type: none"> <li data-bbox="336 1610 1257 1794">i. Conduct procurement and Disposal planning in a rational manner and ensure that sufficient time is allocated for the entire procurement process including bidding, evaluation, NOBEB display, contract execution and payment in line with Section 60 (2) of the PPDA Act, Cap. 205;</li> <li data-bbox="336 1839 1257 1897">ii. Consider providing for a Performance Securing Declaration in the bidding documents for Local Providers in line with Guideline No.</li> </ul>	<p>Immediate</p>

No.	Recommendation	Target Date
	4/2025 on Bid, Performance and Advance Payment Securities; and	
3.	The Contracts Committee should scrutinize bidding documents for quality before approval in line with Regulation 10 of the PPDA (PDEs) Regulations 2023.	Immediate

ANNEXES

**Annex 1: Risk Rating Per Case**

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	<p><b>Subject:</b> Supply and installation of 4 double arm solar street lights  <b>Reference number:</b> Busi704/Supls/2024-2025/00005  <b>Procurement method:</b> RFQ  <b>Contractor:</b> Basham Associates(U)Ltd  <b>Contract signature date:</b> 15<sup>th</sup> April 2025  <b>Contract value:</b> UGX. 9,299,993  <b>Intended delivery:</b> within 2 months from the date of purchase orders</p>	<p><b>Insufficient period for display of the Best Evaluated Bidder Notice</b>                      The Authority noted that in the procurement of Supply and installation of double arm solar street lights for Busia Municipal Council and supply of solar street light materials worth 9,189,840. The Entity provided insufficient period for the display of the Best Evaluated Bidder Notice. BEB was displayed from 29<sup>th</sup> May 2025 to 5<sup>th</sup> June 2025, a period of six working days.</p>
2.	<p><b>Subject:</b> Supply and installation of double arm solar street lights for Busia Municipal Council and supply of solar street light materials  <b>Reference number:</b> Busi704/Supls/2024-2025/00005  <b>Procurement method:</b> RFQ  <b>Contractor:</b> Tripo Walk General Investments Ltd  <b>Contract signature date:</b> 19<sup>th</sup> June 2025  <b>Contract value:</b> UGX. 9,189,840  <b>Intended delivery:</b> within 1 month from the date of purchase orders</p>	
3.	<p><b>Subject:</b> Supply, delivery, installation, User training and commissioning of assorted medical equipment under UGFIT  <b>Reference number:</b> MOH/SUPLS/24-25/00023  <b>Procurement method:</b> Open domestic bidding  <b>Contractor:</b> N2M Company Ltd  <b>Contract signature date:</b> 17<sup>th</sup> /01/2025  <b>Contract value:</b> UGX. 103,115,000</p>	<p><b>Contracting and contract management</b></p> <ul style="list-style-type: none"> <li>• Delayed delivery. The delivery period was 4 months from signing of the contract (Contract was signed on 17<sup>th</sup> January 2025) thus expiry was on 17<sup>th</sup> May 2025, however, delivery was made on 12<sup>th</sup> June2025.</li> <li>• GCC 19.1 stated that a performance-securing bond should be required. However, there was no evidence that it was furnished by the contractor.</li> </ul>
4.	<p><b>Subject:</b> Supply of hardwood lockable doors and hardwood frames with thick clear plate glass  <b>Reference number:</b> Busi704/Srvcs/24-25/0001  <b>Procurement method:</b> Restricted bidding  <b>Contractor:</b>  <b>Contract signature date:</b> 24<sup>th</sup> /10/2025  <b>Contract value:</b> UGX. 33,640,000</p>	<p><b>Bidding document</b></p> <ul style="list-style-type: none"> <li>• Inadequate evaluation criteria. The Entity did not seek to assess the bidders' financial capacity.</li> <li>• The requirement of experience did not indicate a cutoff point.</li> <li>• Inadequate statements of requirements. The requirement for a thick clear plate glass vision panel does not indicate the thickness of the glass required.</li> </ul>

No.	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	<p><b>Subject:</b> Supply of fuel, petroleum products and lubricants and servicing of motor vehicles and motor cycles</p> <p><b>Reference number:</b> Busi704/Supls/24-25/00008</p> <p><b>Procurement method:</b> Open Domestic bidding</p> <p><b>Contractor:</b> Cullinan Company Limited</p> <p><b>Contract signature date:</b> 21<sup>st</sup> August 2024</p> <p><b>Contract value:</b> Pump price</p>	<p><b>Bidding</b></p> <p>Low bidder participation. Only two firms that is Retta Solutions and cullinan Company Limited return their bids out of the three that were invited.</p>
2.	<p><b>Subject:</b> Collection of revenue from light parking and street parking fees</p> <p><b>Reference number:</b> Busi704/srvcs/24-25/0004</p> <p><b>Procurement method:</b> Open domestic bidding</p> <p><b>Contractor:</b> Busia Municipal truck owners and drivers' association</p> <p><b>Contract signature date:</b> 17<sup>th</sup> /12/2024</p> <p><b>Contract value:</b> UGX. 13,550,000 per month</p>	<p><b>Bidding document</b></p> <p>Inadequate statements of requirements. The requirements does not define the specific streets and parking areas that will be subject to revenue collection.</p>
3.	<p><b>Subject:</b> Collection of revenue from loading and offloading fees in Town and Busia Municipal council gazetted markets</p> <p><b>Reference number:</b> Busi704/Srvcs/2024-2025/00002</p> <p><b>Procurement method:</b> Open domestic bidding</p> <p><b>Contractor:</b> Busia Municipal market vendors and Traders Association Ltd</p> <p><b>Contract signature date:</b> 4<sup>th</sup> October 2025</p> <p><b>Contract value:</b> UGX. 22,200,000</p> <p><b>Intended completion:</b> 30<sup>th</sup> June 2025</p>	<p><b>Bidding</b></p> <p>Low bidder participation. Only two bidders returned their bids including Busia Agro Market Traders Association and Busia Municipal market Vendors Association and Traders Association.</p>
4.	<p><b>Subject:</b> Procurement of works for renovation of 3 classroom block at Busia SSS</p> <p><b>Reference number:</b> Busi704/Supls/2024-2025/00002</p> <p><b>Procurement method:</b> RFQ</p> <p><b>Contractor:</b> Praise Nisi Business Ventures Ltd</p> <p><b>Contract signature date:</b> 10<sup>th</sup> December 2024</p> <p><b>Contract value:</b> UGX. 38,672,721</p> <p><b>Intended Completion:</b> 10<sup>th</sup> February 2024</p> <p><b>Defects liability Period:</b> 180 days</p>	<p><b>Failure to Allow Bidders to Quote for ESHS and Preliminary Items</b></p> <p>The Entity did not allow bidders to provide quotations for specific items listed under Environment, Social Safeguards, and Preliminaries in the Bills of Quantities. Instead, the Entity indicated that the applicable rates would be determined by the Environmental Officer during contract execution.</p>
5.	<p><b>Subject:</b> Construction of western Division Administrative block phase III</p> <p><b>Procurement method:</b> Open domestic bidding</p> <p><b>Contractor:</b> Raph Constructors and Consultants Ltd</p> <p><b>Contract signature date:</b> 2<sup>nd</sup> /12/2024</p> <p><b>Contract value:</b> UGX. 44,500,646</p> <p><b>Intended completion:</b> 30<sup>th</sup> /06/ 2025</p> <p><b>Defects liability period:</b> 6 months</p>	<p><b>Bidding document</b></p> <p>Confusing requirements under preliminaries. In the BOQs under rate. The Entity simply stated that the Environment Officer will guide the rate yet these were amounts that should be determined by the contractor. These included; signboard, Safety, health and welfare of the workers, provide 100</p>

No.	LOW RISK CONTRACTS	REASONS FOR LOW RISK
		litre hand washing facility, first aid box at the site.
6.	<p><b>Subject:</b> Procurement of works for phased construction of Busia Municipal Council Eastern Division</p> <p><b>Reference number:</b> Busi704/Wrks/2024-2025/00012</p> <p><b>Procurement method:</b> RFQ</p> <p><b>Contractor:</b> Nassi construction Ltd</p> <p><b>Contract signature date:</b> 11<sup>th</sup> April 2025</p> <p><b>Contract value:</b> UGX. 54,998,200</p> <p><b>Intended completion:</b> 30<sup>th</sup> June 2025</p>	There was delayed confirmation of funding. Initiation was done on 3/12/2024 while confirmation of funding was done on 7 <sup>th</sup> /2/2025. User department Head (Division Town Clerk Ouma Robert delayed the initiation.

No.	SATISFACTORY CONTRACTS	REASONS FOR SATISFACTORY
1	<p><b>Subject:</b> Supply of 186 school desks chairs and tables</p> <p><b>Reference number:</b> Busia1704/Supls/2024-2025/00001</p> <p><b>Procurement method:</b> RFQ</p> <p><b>Contractor:</b> Raph Contractors and Consultations</p> <p><b>Contract signature date:</b> 20<sup>th</sup> /08/2024</p> <p><b>Contract value:</b> UGX. 33,480,000</p>	<i>There were no observations found</i>

**Annex 2: Transaction list and rating per case**

No.	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk Rating
1.	Busi704/Supls/24-25/00008	Supply of fuel, petroleum products and lubricants and servicing of motor vehicles and motor cycles	Open Domestic bidding	Cullinan Company Limited	345,000,000	Low
2.	Busi704/Supls/2024-2025/00005	Supply and installation of 4 double arm solar street lights Lot 1	RFQ	Basham Associates(U)Ltd	9,299,993	Medium
3.	Busi704/Supls/2024-2025/00005	Supply and installation of double arm solar street lights for Busia Municipal Council and supply of solar street light materials Lot 2	RFQ	Tripo Walk General Investments Ltd	9,189,840	Medium
4.	Busi704/Srvcs/2024-2025/00002	Collection of revenue from loading and offloading fees in Town and Busia Municipal council gazetted markets	Open domestic bidding	Busia Municipal market vendors and Traders Association Ltd	22,200,000	Low
5.	Busi704/Supls/2024-2025/00002	Procurement of works for renovation of 3 classroom block at Busia SSS	RFQ	Praise Nisi Business Ventures Ltd	8,672,721	Low
6.	Busi704/Wrks/2024-2025/00012	Procurement of works for phased construction of Busia Municipal Council Eastern Division	RFQ	Nassi construction Ltd	54,998,200	Low
7.	<b>BUSI704/WRKS/24-25/00001</b>	Construction of western Division Administrative block phase III	Open domestic bidding	Raph Constructors and Consultants Ltd	44,500,646	Low

No.	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk Rating
8.	Busi704/srvcs/24-25/0004	Collection of revenue from light parking and street parking fees	Open domestic bidding	Busia Municipal truck owners and drivers association	162,600,000	Low
9.	MOH/SUPLS/24-25/00023	Supply, delivery, installation, User training and commissioning of assorted medical equipment under UGFIT	Open domestic bidding	N2M Company Ltd	103,115,000	Medium
10.	Busi704/Srvcs/24-25/0001	Supply of hardwood lockable doors and hardwood frames with thick clear plate glass	Restricted bidding	Nabahera Enterprises Limited	33,640,000	Medium
11.	Busia1704/Supls/2024-2025/00001	Supply of 186 school desks chairs and tables	RFQ	Raph Contractors and Consultations	33,480,000	Satisfactory
	<b>Total</b>					

**Annex 3: Risk Rating Criteria**

RISK	DESCRIPTION	AREA	IMPLICATION
<p><b>HIGH</b></p>	<p>Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry risk for the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management.</p> <p>Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".</p>	<p><b>Planning:</b> Lack of or failure to procure within the approved plan</p>	<p>This implies emergencies and use of the direct procurement method which affects competition and value for money.</p>
		<p><b>Bidding Process:</b> Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals and usurping the powers of the PDU.</p>	<p>This implies use of less competitive methods which affects transparency, accountability and value for money.</p>
		<p><b>Evaluation:</b> Use of inappropriate evaluation methodologies or failure to conduct evaluation.</p>	<p>This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.</p>
		<p><b>Record Keeping:</b> Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.</p>	<p>This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.</p>
		<p><b>Fraud/forgery:</b> Falsification of Documents</p>	<p>This implies lack of transparency and value for money.</p>
		<p><b>Contract Management:</b> Payment for shoddy work or work not delivered.</p>	<p>This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries</p>
<p><b>MEDIUM</b></p>	<p>Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management framework to</p>	<p><b>Planning:</b> Lack of initiation of procurements and confirmation of funds.</p>	<p>This implies committing the Entity without funds thereby causing domestic arrears.</p>
		<p><b>Bidding Process:</b> Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of</p>	<p>This implies lack of efficiency, standardisation and avoiding competition.</p>

RISK	DESCRIPTION	AREA	IMPLICATION
	ensure a formal and effective system of management controls is put in place. Such	bids, usage of non-pre-qualified firms and splitting procurement requirements.	
	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>Procurement Structures:</b> Lack of procurement structures	This implies 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 audit 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 General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety.  Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
<b>LOW</b>	Procurements with weaknesses where resolution within the normal management	<b>Planning:</b> Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
	framework is considered desirable to improve efficiency or to ensure that the business matches current market best	<b>Bidding Process:</b> Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

RISK	DESCRIPTION	AREA	IMPLICATION
	practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.		

**SATISFACTORY**

Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time.