



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

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

KAYUNGA REGIONAL REFERRAL HOSPITAL

APRIL 2026

TABLE OF CONTENT

TABLE OF CONTENT	i
LIST OF TABLES	ii
LIST OF FIGURES	ii
ACRONYMS	iii
EXECUTIVE SUMMARY	iv
CHAPTER 1: INTRODUCTION	1
1.1. Background	1
1.2. Main Inspection Objectives	1
1.3. Scope of the inspection	1
1.4. Inspection Methodology	1
1.5. Procurement Structures	2
CHAPTER TWO: FINDINGS AND RECOMMENDATIONS	3
2.1 COMPLIANCE WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP. 205 AND PPDA REGULATIONS 2023 WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT AND DISPOSAL PROCESSES	3
2.2 COMPLIANCE OF THE ENTITY' DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, CAP. 205 AND PPDA REGULATIONS 2023	10
2.3 EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION INCLUDING THE APPLICATION OF ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY (ESHS) REQUIREMENTS IN THE PROCUREMENT PROCESS	12
CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY	16
3.1 Overall Inspection Conclusion	16
3.2 Entity's risk assessment	16
3.3 Recommended Action Plan	18
APPENDIX 1: PROCUREMENT SAMPLE LIST FOR KAYUNGA REGIONAL REFERRAL HOSPITAL FOR THE FINANCIAL YEAR 2024/2025	20
APPENDIX 2: CASE BY CASE ANALYSIS	21
APPENDIX 3: RISK RATING CRITERIA	25

LIST OF TABLES

Table 1: List of Contracts Committee Members for 2024/2025 2
Table 2: Inadequate solicitation documents..... 5
Table 3: Procurements with low bidder participation..... 7
Table 4: Procurements without issue of the Notice of Best Evaluated Bidder 8
Table 5: Procurements with display of the Notice of Best Evaluated Bidder of less days..... 9
Table 6: Unserviceable items recommended for disposal 10
Table 7: Procurements with missing records on the Procurement Action Files 12
Table 8: Procurements with irregularities at contract management 14
Table 9: Risk rating Table..... 16
Table 10: Risk Computation 16
Table 11: Action Plan 18

LIST OF FIGURES

Figure 1: Graphical Representation of the Entity’s Risk Assessment by Number 17
Figure 2: Graphical Representation of the Entity’s Risk Assessment by Value 17

ACRONYMS

FY	Financial Year
GCC	General Conditions of Contract
PPDA	Public Procurement and Disposal of Public Assets
UGX	Uganda Shillings
ESHS	Environmental, Social, Health and Safety

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection of the procurement and disposal activities of Kayunga Regional Referral Hospital that covered a sample of 10 procurement transactions for Financial Year 2024/2025.

The overall objective of the compliance inspection was to assess and establish the degree of compliance of Kayunga Regional Referral Hospital's procurement and disposal systems and processes with the provisions of the PPDA Act, Cap. 205 and the attendant Regulations, and assess the level of procurement performance over the period.

From the findings of the compliance inspection exercise, the performance of Kayunga Regional Referral Hospital for the Financial Year 2024/2025 was **Moderately Satisfactory** with an overall weighted average risk rating of **32.98%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in chapter three of this report.

The following key exceptions were noted:

1. Section 28 (1) (c) of the PPDA Act, Cap. 205 provides 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 causing to be established a Procurement and Disposal Unit staffed at an appropriate level. The Authority found that the Entity had one staff (Procurement Officer) instead of two as provided in the approved structure for Regional Referral Hospitals issued by the Ministry of Public Service, MSD 135/306/02 Vol. 66, dated 9th March 2023 which impacted on the efficiency of the procurement function. The position of Senior Procurement Officer was not filled.
2. Regulation 27 (a) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 requires the Internal Audit department to inspect the method used for a procurement and the payment made to establish whether the supplies, works or services are properly ordered, received, verified and paid for. The Authority found that the Internal Auditor did not audit the methods used for procurements and the payments made to establish whether the supplies, works or services were properly ordered, received, verified and paid for, during the financial year under review, thus failing to address weaknesses in the procurement process at the earliest opportunity.
3. Section 60 (1) of the PPDA Act, Cap. 205 requires the Entity to prepare and submit to the Secretary to the Treasury and the Authority (PPDA), its annual procurement plan; and Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 requires submission of monthly report on procurement and disposal activities undertaken to the Authority, by the fifteenth day of the following month for the previous month. The Authority found that the Entity did not submit its annual procurement plan and the monthly procurement and disposal reports for the financial year 2024-2025, rendering the Entity non-compliant to the legal requirement and limited transparency on the procurement activities of the Entity.
4. Regulation 3 (4) and (5) of the PPDA (Contracts) Regulations, 2023 requires the Entity to deliver a copy of the notice of best evaluated bidder to all bidders who participated in the bidding process by electronic mail, post or courier and or in person and to obtain proof of

delivery. The Authority found that in ten procurements worth UGX 688,322,077, the Entity did not deliver copies of the Best Evaluated Bidder Notices to all bidders who participated in respective procurements which left the unsuccessful bidders unaware of the evaluation outcome on time and denied them the opportunity to register their dissatisfaction.

5. Section 28 (1) (h) of the PPDA Act, Cap. 205 requires the Accounting Officer to assess and verify the public assets identified by a User Department or by the Board of Surveys, for disposal; cause the assets verified to be valued in accordance with regulations; and approve the reserve price of the public assets to be disposed of. The Authority found that the Entity did not value and dispose of obsolete assets including computers, printers, office chairs, bed side tables and specialised items such as an incubator, electrical suction machines, autoclave and Ultrasound, among others. This resulted into continued holding of obsolete assets, leading to avoidable storage and maintenance costs, reduced accountability for public assets, and increased risk of loss, misuse, deterioration or pilferage.
6. Section 44(1) of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity to maintain records on its procurement and disposal proceedings for a period of seven years from the date of a decision to terminate the procurement or disposal action, or the date of the contract completion, whichever comes later, except where a contract is ongoing or is challenged, in which case, the records shall be kept for an additional year after the completion of the contract or the settlement of the dispute, whichever comes earlier. The Authority found that the Entity failed to maintain procurement and contract management records including progress reports for works, payment certificates, certificates of completion, Programs for the works, call off orders and contract management plans, among others in eight procurements worth UGX 528,348,477, which hindered transparency and accountability in the procurement processes.

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

1. The Accounting Officer should:
 - (a) Follow up with the Ministry of Finance Planning and Economic Development, particularly the office of the Accountant General for the full staffing of the Procurement and Disposal Unit in line with the approved structure for Regional Referral Hospitals issued by the Ministry of Public Service, MSD 135/306/02 Vol. 66, dated 9th March 2023;
 - (b) Submit to the Authority the procurement plan for 2024-2025; and all the monthly reports on procurements and disposals conducted during the FY 2024-2025 and in the current FY 2025-2026 in accordance with Section 60 (1) PPDA Act, Cap. 205 and Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023;
 - (c) Use the appropriate means to value the assets including the board of survey in accordance with Regulation 24 of the PPDA (Disposal of Public Assets) Regulations, 2023; and
 - (d) Have copies of the notices of best evaluated bidder delivered to all bidders participating in the bidding process of a specific procurement through electronic mail, post/courier or in person and should obtain proof of delivery in accordance with Regulation 3 (4) and (5) of the PPDA (Contracts) Regulations, 2023.
2. The Head Procurement and Disposal Unit should keep all documentation relating to a procurement on the procurement action file in accordance with Section 44 (1) of the PPDA Act, Cap. 205.

3. The Internal Auditor should at least on a quarterly basis, audit and prepare a report on the procurement and disposal procedures of the Entity in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.
4. Contract managers should:
 - (a) Keep and archive all contract management records and distribute copies to key stakeholders including the Procurement and Disposal Unit as required in accordance with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023; and
 - (b) Prepare Contract Management Plans using Form 49 and forward a copy to the Procurement and Disposal Unit for purposes of monitoring in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.

Kayunga Regional Referral Hospital should implement the recommended action plan on page **18** to **19** of this report.

CHAPTER 1: INTRODUCTION

1.1. Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) undertook a compliance inspection on the procurement and disposal activities of Kayunga Regional Referral Hospital that covered a sample of ten procurement transactions for works, supplies and services under Financial Year 2024/2025. The inspection involved a review of procurement and disposal structures, systems and processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act, Cap. 205 and the PPDA Regulations 2023.

1.2. Main Inspection Objectives

The overall objective of the compliance inspection was to assess and establish the degree of compliance of Kayunga Regional Referral Hospital procurement and disposal system and processes with the provisions of the PPDA Act, Cap. 205 and the Public Procurement and Disposal of Public Assets Regulations and assess the level of procurement performance over the review period.

The specific objectives of the inspection were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap. 205 and PPDA Regulations 2023 with regard to the performance of the procurement structures and conduct of procurement and disposal processes;
2. Assess the degree of compliance of the Entity' disposal process with the provisions of the PPDA Act, Cap. 205 and PPDA Regulations 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. Scope of the inspection

The compliance inspection covered a sample of 10 procurement transactions worth UGX 688,321,07 conducted under the Financial Year 2024/2025 vide Appendix 1.

1.4. Inspection Methodology

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

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

A debrief meeting to discuss preliminary findings was held with the Entity management and staff on 10th December 2025 before the team could embark on preparation of the management letter. The management letter was sent to the Entity on 9th March 2026 with a request to submit a Management Response by 18th March 2026 which was submitted on 18th March 2026.

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

1.5. Procurement Structures

The key players in the procurement structure at Kayunga Regional Referral Hospital included the Hospital Director as the Accounting Officer, the Contracts Committee (CC), the Procurement and Disposal Unit (PDU) and the User Departments. The Authority found that the Entity's procurement structures were fully functional at the time of Inspection.

1. Accounting Officer

Section 28 of the PPDA Act, Cap. 205 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. The Hospital Director; Dr. Robert Ssentongo was the designated Accounting Officer of the Entity for the financial year 2024/2025.

2. Composition of the Contracts Committee

Section 29 (1) and (2) of the PPDA Act, Cap. 205 and the PPDA (Amendment of Schedule 4) Instrument, 2023 provides that a Contracts Committee of a Procuring and Disposing Entity shall be composed of a Chairperson; a maximum of three other members, one of whom shall be a lawyer, except for a Contracts Committee of a Local Government, where the members may not include a lawyer; and the Secretary to the Contracts Committee and the committee shall be approved by the Permanent Secretary/Secretary to the Treasury. During the period under review, the Entity's Contracts Committee was fully constituted in accordance with Schedule Four of the PPDA Act, Cap. 205 as indicated in Table 1 below:

Table 1: List of Contracts Committee Members for 2024/2025

No.	Name	Job Title	Position on Committee	Date of Appointment
1.	Dr Tsubira Sanyu Kiwanuka	Consultant Obstetrics & Gynecology	Chairperson	25 th July 2023
2.	Mr. Henry Kibirango	Medical Records Assistant	Secretary	25 th July 2023
3.	Dr. Christina Namatovu	Medical Officer	Member	25 th July 2023
4.	Sr Grace Zungu	Nursing Officer	Member	25 th July 2023
5.	Ms Sarah Babirye	Senior State Attorney	Member	14 th November 2024

CHAPTER TWO: FINDINGS AND RECOMMENDATIONS

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

2.1.1 Under staffing of the Procurement and Disposal Unit

Section 28 (1) (c) of the PPDA Act, Cap. 205 provides 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 causing to be established a Procurement and Disposal Unit staffed at an appropriate level.

The Authority found that the Procurement and Disposal Unit had only one staff, Mr. Emmanuel Ebesu, who was substantively appointed as a Procurement Officer and the position of a Senior Procurement Officer had not been filled in line with the approved structure for Regional Referral Hospitals issued by the Ministry of Public Service, MSD 135/306/02 Vol. 66, dated 9th March 2023.

Implication

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

Management response

Management acknowledged that understaffing was not only to the Procurement and Disposal Unit but to the entire Hospital since it was fairly new, and explained this was the role of the Ministry of Finance Planning and Economic development under the office of the Accountant General in appointing staff in the Procurement Unit Management, this had not affected the performance of the procurement function within the hospital. Further stated that the Accounting Officer has written to the Accountant General in this regard. Nevertheless.

Recommendation

The Authority noted the Entity's response and recommends that the Accounting Officer should follow up with the Ministry of Finance, Planning and Economic Development, particularly the office of the Accountant General for the full staffing of the Procurement and Disposal Unit in line with the approved structure for Regional Referral Hospitals issued by the Ministry of Public Service, MSD 135/306/02 Vol. 66, dated 9th March 2023.

2.1.2 Failure by the Internal Auditor to Audit the procurement and disposal function

Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 provides that the Internal Audit department of a Procuring and Disposing Entity shall audit the method used for a procurement and the payment made to establish whether the supplies, works or services are properly ordered, received, verified and paid for in accordance with the Public Finance Management Act, 2015 and the other applicable laws; and the method used for a disposal to establish whether the disposal was appropriate and that where applicable, payment to the procuring and disposing entity was effected.

The Authority found that the Internal Auditor did not audit the methods used for procurements and the payments made to establish whether the supplies, works or services were properly ordered,

received, verified and paid for, during the financial year under review, contrary to Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

Implication

This exposed the Entity to the risk of failure to identify and address weaknesses within the procurement function of the Entity at the earliest opportunity.

Management Response

Management noted the Authority's observation and explained that the Internal Auditor verified all the delivered goods and services before payments with the audit of the procurement function carried out as part of the statutory inspections.

Authority's comment: Noted the Entity's response; however, no evidence i.e., documentation was provided to support the management response.

Recommendation

The Internal Auditor should:

- a) On a quarterly basis, audit and prepare a report on the procurement and disposal procedures of the Entity in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023; and
- b) Where any procedures are undertaken, records of such procedures be maintained and made accessible whenever required.

2.1.3 Failure to submit the annual procurement plan and monthly reports to the Authority

Section 60 (1) of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity to prepare and submit to the Secretary to the Treasury and the Authority (PPDA), its annual procurement plan. Furthermore, Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 requires a Procuring and Disposing Entity to submit its monthly report on procurement and disposal activities undertaken to the Authority, by the fifteenth day of the following month for the previous month.

The Authority found that the Entity did not submit its annual procurement plan for the financial year 2024-2025 and the monthly reports on procurement within the same period, contrary to Section 60 (1) of the PPDA Act, Cap. 205 and Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 respectively.

Implication

This rendered the Entity non-compliant to the legal requirement and limited transparency in the procurement activities of the Entity.

Management response

Management acknowledged the Authority's observation as an oversight and explained that this had since been addressed as the plan for the subsequent financial year i.e., 2025-2026 was submitted to the Authority on 14th July 2025.

Recommendations

The Authority notes the Entity's response and therefore recommends that the Accounting Officer should:

1. Submit its procurement plan for FY 2024-2025 to the Authority in accordance with Section 60 (1) PPDA Act, Cap.205; and
2. Submit all the monthly reports on procurements and disposals for the FY 2024-2025 and FY 2025-2026 to the Authority in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.1.4 Inadequate solicitation documents

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

The Authority found that in three procurements worth UGX 95,171,393, the Procurement and Disposal Unit prepared inadequate bidding documents with no statements of requirements contrary to Section 67 (2) of the PPDA Act, Cap. 205 as indicated in Table 2 below:

Table 2: Inadequate solicitation documents

No.	Subject of Procurement	Value (UGX)	Irregularity	Management Response
1.	Provision of Internal cleaning services to the hospital	22,008,026	Details of requirements such as working days and time of operation; and methodology among others were not provided to bidders.	<i>Management explained that ESHS requirements were included in the issued solicitation documents which was the standard bidding document issued by PPDA</i>
2.	Procurement of external cleaning services under framework	15,673,367		Authority's comment: Noted the Entity's response; however, details on working days and time of operation; and methodology were not included in the statement of requirements
3.	Provision of repair and servicing of air conditioners	57,490,000	There was no statement of requirements e.g., the scope of work	<i>Management acknowledged the Authority's observation as an oversight and explained that the supplier carried out the routine servicing of the air conditioners which was assumed as a standard</i> Authority's comment: Noted the Entity's response; however, routine servicing may not qualify as a standard service since the scope of works may vary from one service to another.
Total		95,171,393		

Implication

This led to issuance of incomplete bidding documents and potentially contributed to low bidder participation.

Recommendations

1. The Contracts Committee should critically review all bidding documents submitted by the Procurement and Disposal Unit to confirm completeness, accuracy, and internal consistency, in line with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023 before granting approval.
2. The Head, Procurement and Disposal Unit should prepare quality solicitation documents with detailed and clear statements of requirements in accordance with Regulations 33-38 of the PPDA (Rules and Methods for procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023.
3. User Departments should propose to the Procurement and Disposal Unit, the technical inputs on the statements of requirements and technical specifications, when necessary, in accordance with Section 36 (1) (c) and Section 36 (1) (d) of the PPDA Act, Cap. 205.

2.1.5 Failure to communicate the bidding opportunity to shortlisted bidders

Section 59 (1) of the PPDA Act, Cap. 205 provides that all communication between a Procuring and Disposing Entity, bidder, or provider, shall be in writing and may be transmitted electronically and communication in any other form shall be referred to and confirmed in writing.

The Authority found that the Entity did not communicate the invitations to bid to all shortlisted bidders, including electronic means such as email for the procurement of assorted laboratory supplies, CBC and cobas Reagents worth UGX 110,301,500.

Implication

Failure to communicate to shortlisted bidders concealed information on bidding opportunities, limited bidder participation and competition, thus leading to low bidder participation.

Management response

Management noted the Authority's observation and explained that direct procurement method was used with bidders invited to participate in the procurement process.

Authority's comment: Noted the Entity's response; however, three firms i.e., Science Scope Africa, Semark Medical Suppliers Ltd and Aim Dignostics U Ltd were invited using Request for Quotation as indicated in the bidding document that was issued.

Recommendation

The Accounting Officer should have all the shortlisted bidders for a specific procurement, access the invitation to bid including the electronic means of transmission in accordance with Section 59 (1) of the PPDA Act, Cap. 205.

2.1.6 Low bidder participation

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

Regulation 13 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 provides that procurement using the open domestic bidding method shall be open to all bidders and shall be by public advertisement of a bid notice in at least one newspaper of nation-wide circulation.

The Authority found that the Entity had an Open Domestic Bidding method and a shortlist of six bidders under Request for Quotation method approved by the Contracts Committee in accordance with the Regulations above. However, in five procurements worth UGX 263,882,893, the Entity on average received less than two bids as indicated in Table 3 below:

Table 3: Procurements with low bidder participation

No.	Subject of procurement	Value (UGX)	Procurement Method	No. of bids received
1.	Provision of Internal cleaning services to the hospital under framework	22,008,026	Open domestic bidding	1
2.	Procurement of external cleaning services under framework	15,673,367	Open domestic bidding	1
3.	Procurement of Oxygen Flowmeter for piped oxygen and cylinder heads	37,100,000	RFQ	1
4.	Procurement of assorted laboratory supplies, CBC and cobas Reagents	110,301,500	RFQ	3
5.	Procurement of food for inpatients under framework	78,800,000	Open domestic bidding	3
Total		263,882,893		

Implication

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

Management response

Management acknowledged the Authority's observation and explained that competitive methods were used with no control over the number of bids received.

Recommendation

The Authority notes the Entity's response and recommends that; the Accounting Officer should conduct a supplier appraisal to ascertain why providers, do not want to do business with the Entity and should develop strategies to maximize competition in accordance with Section 48 and 49 of the PPDA Act, Cap. 205.

2.1.7 Failure to issue Notices of Best Evaluated Bidder

Regulation 3 (4) and (5) of the PPDA (Contracts) Regulations, 2023 requires the Entity to deliver a copy of the notice of best evaluated bidder to all bidders who participated in the bidding process by electronic mail, post or courier and or in person and to obtain proof of delivery.

The Authority found that in ten procurements worth UGX 688,322,077, the Entity did not deliver copies of the Best Evaluated Bidder Notices to all bidders who participated in respective

procurements, contrary to Regulation 3 (4) and (5) of the PPDA (Contracts) Regulations, 2023. The procurements are as indicated in Table 4 below:

Table 4: Procurements without issue of the Notice of Best Evaluated Bidder

No.	Subject of procurement	Value (UGX)
1.	Maintenance work of theatre air handling unit	52,012,158
2.	Procurement of plumbing and hardware supplies for hospital maintenance	49,672,100
3.	Servicing and maintenance of Oxygen plant	104,391,926
4.	Provision of repair and servicing of air conditioners	57,490,000
5.	Procurement of sundries	160,873,000
6.	Procurement of assorted laboratory supplies, CBC and cobas Reagents	110,301,500
7.	Procurement of Oxygen Flowmeter for piped oxygen and cylinder heads	37,100,000
8.	Provision of Internal cleaning services to the hospital under framework	22,008,026
9.	Procurement of external cleaning services under framework	15,673,367
10.	Procurement of food for inpatients under framework	78,800,000
Total		688,322,077

Implication

This left the unsuccessful bidders unaware of the evaluation outcome on time and denied them the opportunity to record their dissatisfaction.

Management Response

Management acknowledged the Authority's observation and promised to communicate to all bidders with documentation accordingly.

Recommendation

The Accounting Officer should have copies of the notices of best evaluated bidder delivered to all bidders participating in the bidding process of a specific procurement through electronic mail, post/courier or in person and should obtain proof of delivery in accordance with Regulation 3 (4) and (5) of the PPDA (Contracts) Regulations, 2023.

2.1.8 Provision of less than 10 working days for the display of the Notice of Best Evaluated Bidder

Regulation 3 (1) of the PPDA (Contracts) Regulations, 2023 provides 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 found that in two procurements worth UGX 271,174,500, the Entity provided four working days for the display of the notice of the best evaluated bidder, contrary to Regulation 3 (1) of the PPDA (Contracts) Regulations, 2023. The procurement details are as indicated in Table 5 below:

Table 5: Procurements with display of the Notice of Best Evaluated Bidder of less days

No.	Subject of procurement	Value (UGX)	PPDA findings
1.	Procurement of sundries	160,873,000	Display for four working days with the date of display indicated as 19 th March, 2025 and the date of removal as 24 th March 2025
2.	Procurement of assorted laboratory supplies, CBC and cobas Reagents	110,301,500	Display for four working days with the date of display indicated as 25 th March, 2025 and the date of removal as 28 th March, 2025
Total		271,174,500	

Implication

This limits time for the participating bidders to raise their concerns or request for clarification.

Management Response

Management noted the Authority's observation and explained that the provision was amended in the Regulations issued in 2023 and is therefore no longer applicable.

Authority's comment: Noted the Entity's response; however, the Entity did not cite the specific amendment of the regulation referred to in their management response. Notably, there is no provision in the amended Regulations, 2023 for a display period of four working days.

Recommendation

The Accounting Officer should display-the notice of best evaluated bidder for ten working days in accordance with Regulation 3 (1) of the PPDA (Contracts) Regulations, 2023 to allow participating bidders ample time to respond to the notice by way of raising concerns or requesting for clarification.

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

2.2.1 Failure to dispose obsolete assets

Section 28 (1) (h) of the PPDA Act, Cap. 205 provides 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 the following activities, for the purposes of disposal of the public assets of a Procuring and Disposing Entity—

- (i) assessing and verifying the public assets identified by a User Department or by the Board of Surveys, for disposal;
- (ii) causing the assets verified under subparagraph (i) to be valued in accordance with regulations made under this Act; and
- (iii) approving the reserve price of the public assets to be disposed of.

The Authority reviewed the Board of Survey report for the Financial Year 2024/2025 and found that several unserviceable items were recommended for disposal, but no action had been taken to board them off at the time of this inspection, contrary to Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023. Some of the items recommended for disposal were as indicated in Table 6 below:

Table 6: Unserviceable items recommended for disposal

Item	Unique identifier (Tag/Registration Number)	Quantity
Operating bed	-	1
Office file cabinet	-	1
Incubator	-	1
Computers	Assorted	11
Mikrotic router	RB2011UASPM	1
TV Screen	Hisense 55 Inch	1
UPS	Assorted	12
Blower	421/LAB/TOO/051	1
Autoclave	421/ADM/ATC/011	1
Ultrasound	BHC/01	1
Printers	Assorted	5
Wheel chairs	421/OTH/WHR/018, 421/OTH/MAT/001 and 421/OTH/MAT/005	3
Office Chairs	Assorted	18
Bed side tables	Assorted	41
Patient monitor	Assorted	5
Electrical suction machines	421/OPT/STM/004 and 421/OPT/STM/006	2

Implication

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

Management Response

Management acknowledged the Authority's observation and explained that the Hospital was waiting for the Chief Government Valuer to establish reserve prices.

Authority's comment: Noted the Entity's comment; however, there was no evidence of correspondence requesting the Chief Government Valuer for technical person for the items in table 6 above including specialised items.

Recommendations

1. The Accounting Officer should cause the assets verified by the Board of Survey to be valued by specialised persons in accordance with Regulation 24 of the PPDA (Disposal of Public Assets) Regulations, 2023.
2. User Departments responsible for the management of the public assets should initiate the disposal process of the public assets by requesting disposal to the Accounting Officer in accordance with Regulation 3 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 Maintain Contract Management Records

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

The Authority found that eight procurements worth UGX 528,348,477 had missing contract management records including progress reports, Contract Management Plans, payment records and program for works among others contrary to Section 44(1) of the PPDA Act, Cap. 205 as indicated in Table 7 below:

Table 7: Procurements with missing records on the Procurement Action Files

No.	Subject of Procurement	Contract Value (UGX)	Missing Records
1.	Maintenance work of theatre air handling unit	52,012,158	<ul style="list-style-type: none"> • Progress report for the works • Payment certificate • Certificate of completion • Program for the works as required under GCC 27 that provides that the contractor shall submit the program for the works within five days of contract signing
2.	Provision of Internal cleaning services to the hospital	22,008,026	<ul style="list-style-type: none"> • Contract management reports • Contract Management Plan (Form 49) • Invoices requesting payments (tax invoice), signed Local purchase order and cleaning report from contract manager as required under GCC 24.2 of the framework contract. • Details of quarterly payments and the documentation indicated in the GCC 22.3 of the framework contract • Call off orders
3.	Procurement of external cleaning services under framework	15,673,367	<ul style="list-style-type: none"> • Invoices requesting payments (tax invoice), signed Local purchase order and cleaning report from contract manager as required under GCC 24.2 of the framework contract. • Details of quarterly payments and the documentation indicated in the GCC 22.3 of the framework contract • Call off orders

No.	Subject of Procurement	Contract Value (UGX)	Missing Records
4.	Servicing and maintenance of Oxygen plant	104,391,926	<ul style="list-style-type: none"> • Certificate of completion as required under GCC 24.2 of the framework contract. • Comprehensive progress report with pictorial evidence before and after repairs, with the details of supplies delivered
5.	Provision of repair and servicing of air conditioners	57,490,000	Comprehensive progress report and completion report with pictorial evidence.
6.	Procurement of sundries	160,873,000	Verification report
7.	Procurement of Oxygen Flowmeter for piped oxygen and cylinder heads	37,100,000	Performance/progress report from the supervisor as required under GCC 24.2 of the contract.
8.	Procurement of food for inpatients	78,800,000	<ul style="list-style-type: none"> • Documentation including invoices requesting payments: completion certificate and delivery note contrary to GCC 24.2 of the framework contract • Procurement requisition (Form 5) • Call off orders • Payment details including the payment vouchers • Progress/Status reports indicating details of delivery and supplier performance. • Contract Management Plan (Form 49)
Total		528,348,477	

Implications

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

Management Response

Management acknowledged the Authority's observation and promised to address this accordingly with the Contract managers notified to be more vigilant in the performance of their roles.

Recommendations

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

1. The Head, Procurement and Disposal Unit should keep all documentation relating to a procurement on the procurement action file in accordance with Section 44 (1) of the PPDA Act, Cap. 205.

2. Contract Managers should:

- i) Keep and archive all contract management records and distribute copies to key stakeholders including the Procurement and Disposal Unit as required under Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023.
- ii) Prepare Contract Management Plans using Form 49 and forward a copy to the Procurement and Disposal Unit for purposes of monitoring in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.

2.3.2 Irregularities in contract management

Section 51 of the PPDA Act, Cap. 205 provides that all procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money.

The Authority found irregularities in the execution of four contracts worth UGX 299,657,258 such as delays in appointment of contract managers and preparation of contract management plans as indicated in Table 8 below:

Table 8: Procurements with irregularities at contract management

No.	Subject of Procurement	Contract Value (UGX)	PPDA Findings
1.	Maintenance work of theatre air handling unit	52,012,158	Delay in appointment of contract manager Mr. Zephania Kalule by 14 days. The contract was signed on 16 th May 2025 with the contract manager appointed on 30 th May 2025, 14 days from date of contract signing with the contract commencing five days after contract signing as provided in GCC 1.1 (ee).
2.	Procurement of plumbing and hardware supplies for hospital maintenance	49,672,100	Delay in appointment of contract manager Mr. Zephania Kalule. The contract was signed on 21 st March 2025 with the contract manager appointed on 30 th May 2025, 14 days from date of contract signing.
3.	Procurement of Oxygen Flowmeter for piped oxygen and cylinder heads	37,100,000	Delay in preparation of contract management plan which was dated 5 th May 2025, 61 days from 6 th March 2025, the date of contract signing.
4.	Procurement of sundries	160,873,000	The report on confirmation of supplies and the request for payment to contractor were initiated and signed by Mr. Conrad Muhumuza on 16 th April 2025, as a contract manager instead of Mr. Ismael Ssenkungu who was substantively appointed by the Accounting Officer for the procurement of sundries.
Total		299,657,258	

Implications

- The delays in appointment of Contract Managers leads to inefficiencies in contract management as a result of poor monitoring and management of the contractor in line with the delivery schedules in the contract.
- Delayed preparation of Contract Management Plans casted doubt on the effectiveness in tracking of contractual milestones in the course of execution.

Management Response

Management acknowledged the Authority's observation and pledged for better performance.

Recommendations

1. The Accounting Officer should appoint a person nominated by the User Departments with the appropriate skills and experience, as a Contract Manager after contract award but before contract execution in accordance with 50 (1) of the PPDA (Contracts) Regulations, 2023.
2. Contract Managers should, upon receipt of the contract, prepare a Contract Management Plans using Form 49 in Schedule 2 and forward a copy to the Procurement and Disposal Unit for purposes of monitoring in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section presents graphically the scores based on the procurement transactions assessed during the inspection.

3.1 Overall Inspection Conclusion

The performance of Kayunga Regional Referral Hospital for the Financial Year 2024/2025 was **Moderately Satisfactory** with overall weighted average risk rating of **32.98%**.

The risk rating is as in Table 9 below:

Table 9: Risk rating Table

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

3.2 Entity's risk assessment

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 10 below:

Table 10: Risk Computation

Risk Category	No.	No. %	Value (UGX)	Value %	Weights	Total Weighted Average	
						By No.	By Value
High	0	-	0	-	0.6	0	-
Medium	5	50	329,365,551	47.85	0.3	15	14.36
Low	5	50	358,955,526	52.15	0.1	5	5.21
Satisfactory	0	-	0	-	0	0	-
Total	10	100	688,321,077	100	1	20.00	19.57

$$\text{Weighted Average (By No.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{20.0 \times 100}{60} = 33.33\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{19.57 \times 100}{60} = 32.62\%$$

$$\text{Combined Weighted Average} = \frac{33.33+32.62}{2} = 32.98\%$$

Figure 1: Graphical Representation of the Entity's Risk Assessment by Number

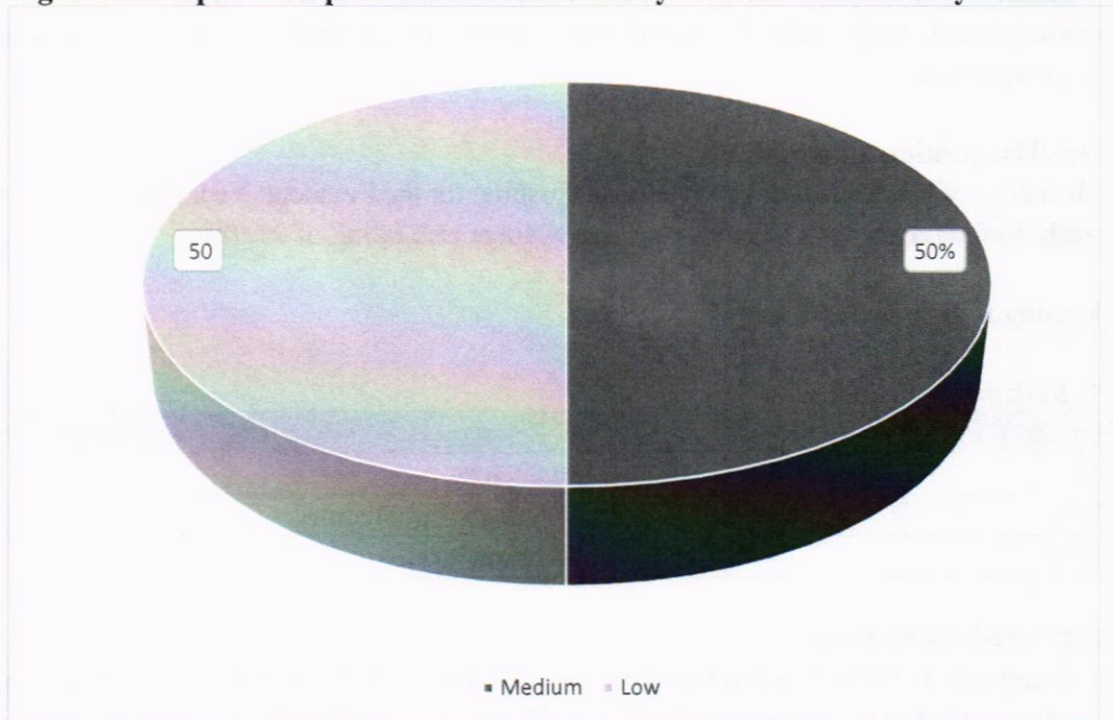
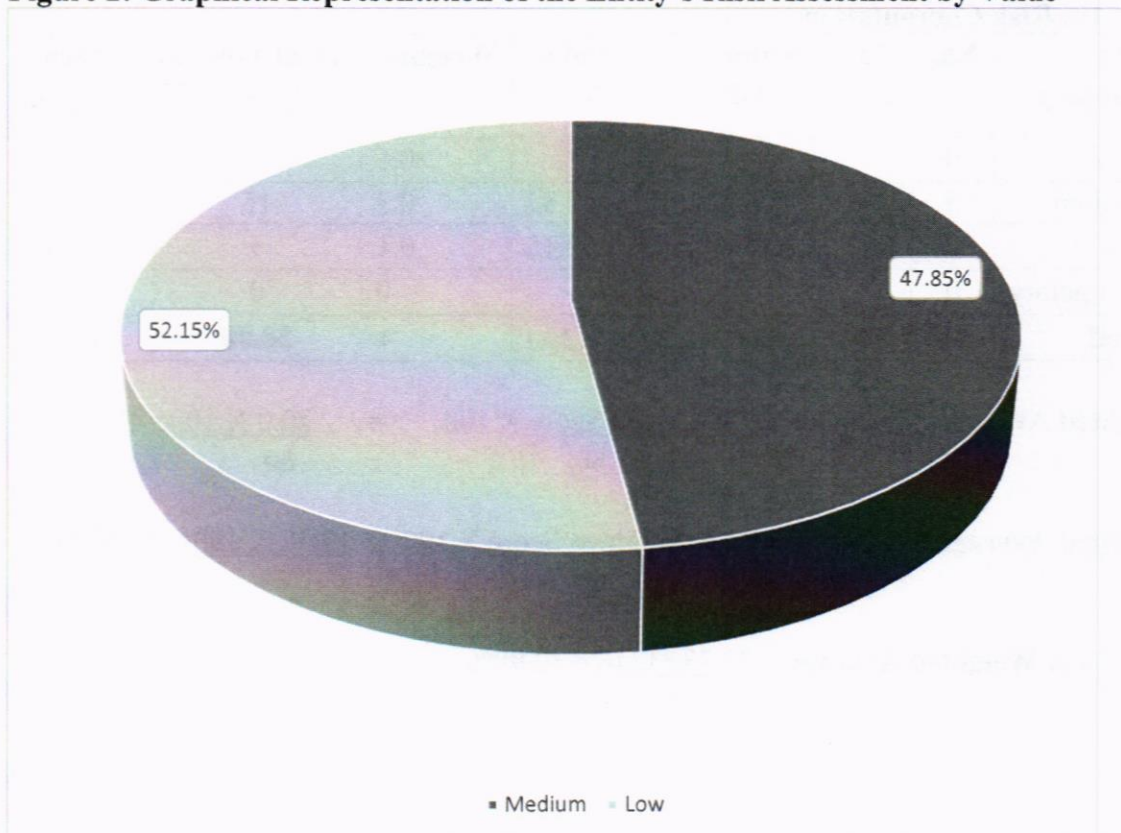


Figure 2: Graphical Representation of the Entity's Risk Assessment by Value



3.3 Recommended Action Plan

Kayunga Regional Referral Hospital should implement the following recommendations in Table 11 below within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 11: Action Plan

No.	Responsible Officer	Recommendation	Target Date
1.	Accounting Officer	<p>(a) Follow up with the Ministry of Finance Planning and Economic Development, particularly the office of the Accountant General for the full staffing of the Procurement and Disposal Unit in line with the approved structure for Regional Referral Hospitals issued by the Ministry of Public Service, MSD 135/306/02 Vol. 66, dated 9th March 2023;</p> <p>(b) Submit to the Authority the procurement plan for 2024-2025; and all the monthly reports on procurements and disposals conducted during the FY 2024-2025 and in the current FY 2025-2026 in accordance with Section 60 (1) PPDA Act, Cap. 205 and Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023;</p> <p>(c) Use the appropriate means to value the assets including the board of survey in accordance with Regulation 24 of the PPDA (Disposal of Public Assets) Regulations, 2023; and</p> <p>(d) Have copies of the notices of best evaluated bidder delivered to all bidders participating in the bidding process of a specific procurement through electronic mail, post/courier or in person and should obtain proof of delivery in accordance with Regulation 3 (4) and (5) of the PPDA (Contracts) Regulations, 2023</p>	September 2026
2.	Head Procurement and Disposal Unit	Should keep all documentation relating to a procurement on the procurement action file in accordance with Section 44 (1) of the PPDA Act, Cap. 205	September 2026
3.	The Internal Auditor	Should at least on a quarterly basis, audit and prepare a report on the procurement and disposal procedures of the Entity in accordance with Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023	September 2026

No.	Responsible Officer	Recommendation	Target Date
4.	The Contract Managers	<p>(a) Keep and archive all contract management records and distribute copies to key stakeholders including the Procurement and Disposal Unit as required in accordance with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023; and</p> <p>(b) Prepare a Contract Management Plan using Form 49 and forward a copy to the Procurement and Disposal Unit for purposes of monitoring in accordance with Regulation 50 (3) of the PPDA (Contracts) Regulations, 2023</p>	September 2026

APPENDIX 1: PROCUREMENT SAMPLE LIST FOR KAYUNGA REGIONAL REFERRAL HOSPITAL FOR THE FINANCIAL YEAR 2024/2025

No.	Reference No.	Subject of procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk Rating
1.	KRRH/SUPLS/24-25/00076	Procurement of plumbing and hardware supplies for hospital maintenance	Request for Quotation	Jimbo technical company ltd	49,672,100	Low
2.	KRRH/SRVCS/24-25/1500	Provision of repair and servicing of air conditioners	Request for Quotation	A&S Electronics Ltd	57,490,000	Low
3.	KYRRH/SUPLS/2024-2025/00102	Procurement of sundries	Request for Quotation	VVSAOL Investments Limited	160,872,000	Medium
4.	KYRRH/SUPLS/2024-2025/00085	Procurement of assorted laboratory supplies, CBC and cobas Reagents	Request for Quotation	Semark Medical Supplies Ltd	110,301,500	Low
5.	KYRRH/SUPLS/2024-2025/00079	Procurement of Oxygen Flowmeter for piped oxygen and cylinder heads	Request for Quotation	St. Jude Electrical and Medical Equipment Workshop Limited	37,100,000	Low
6.	KRRH/WRKS/24-25/1000	Maintenance work of theatre air handling unit	Direct procurement	Appliance World Ltd	52,012,158	Medium
7.	KRRH/SRVCS/2024-2025/15000	Servicing and maintenance of Oxygen plant	Direct Procurement	Genome Scientific Limited	104,391,926	Low
8.	KRRH/SRVCS/2024-2025/00032	Procurement of food for inpatients	Framework contract	Kyajja Kitya Women's Group	78,800,000	Medium
9.	KRRH/SRVCS/2024-2025/00029	Provision of Internal cleaning services to the hospital	Framework contract	Omega Best Cleaning Services Ltd	22,008,026	Medium
10.	KRRH/SRVCS/2024-2025/00030	Procurement of external cleaning services under framework	Framework contract	Smartlance Agencies Limited	15,673,367	Medium

APPENDIX 2: CASE BY CASE ANALYSIS

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	<p>Subject: Procurement of sundries</p> <p>Ref: KYRRH/SUPLS/2024-2025/00102</p> <p>Actual: UGX 160,872,000</p> <p>Method: Request for Quotation</p> <p>Provider: VVSAOL Investments Limited</p>	<ul style="list-style-type: none"> • The Entity did not deliver copies of the Best Evaluated Bidder Notices to all bidders who participated in respective procurement • the Entity provided four working days for the display of the notice of the best evaluated bidder • No verification reports • The report on confirmation of supplies and the request for payment to contractor were initiated and signed by Mr. Conrad Muhumuza on 16th April 2025, as a contract manager instead of Mr. Ismael Ssenkungu who was substantively appointed by the Accounting Officer for the procurement of sundries
2.	<p>Subject: Procurement of external cleaning services under framework</p> <p>Ref: KRRH/SRVCS/2024-2025/00030</p> <p>Actual: UGX 15,673,367</p> <p>Method: Framework contract</p> <p>Provider: Smartlance Agencies Limited</p>	<ul style="list-style-type: none"> • Inadequate solicitation documents i.e., The statements of requirements were not in the bidding document. Therefore, details of requirements working days and time of operation; and methodology among others were not provided to bidders • Low bidder participation • The Entity did not deliver copies of the Best Evaluated Bidder Notices to all bidders who participated in respective procurement • Missing records as follows: - <ul style="list-style-type: none"> - Invoices requesting payments (tax invoice), signed Local purchase order and cleaning report from contract manager as required under GCC 24.2 of the framework contract. - Details of quarterly payments and the documentation indicated in the GCC 22.3 of the framework contract - Call off orders
3.	<p>Subject: Maintenance work of theatre air handling unit</p> <p>Ref: KRRH/WRKS/24-25/1000</p> <p>Actual: UGX 52,012,158</p> <p>Method: Direct procurement</p> <p>Provider: Appliance World Ltd</p>	<ul style="list-style-type: none"> • The Entity did not communicate the invitations to bid to all shortlisted bidders, including electronic means such as email • The Entity did not deliver copies of the Best Evaluated Bidder Notices to all bidders who participated in respective procurement • Missing records as follows: - <ul style="list-style-type: none"> - Progress report for the works - Payment certificate - Certificate of completion - Program for the works as required under GCC 27 that provides that the contractor

		<p>shall submit the program for the works within five days of contract signing</p> <ul style="list-style-type: none"> • Delay in appointment of contract manager Mr. Zephania Kalule by 14 days. The contract was signed on 16th May 2025 with the contract manager appointed on 30th May 2025, 14 days from date of contract signing with the contract commencing five days after contract signing as provided in GCC 1.1 (ee)
4.	<p>Subject: Provision of Internal cleaning services to the hospital</p> <p>Ref:KRRH/SRVCS/2024-2025/00029</p> <p>Actual: UGX 22,008,026</p> <p>Method: Framework contract</p> <p>Provider: Omega Best Cleaning Services Ltd</p>	<ul style="list-style-type: none"> • Inadequate solicitation documents i.e., The statements of requirements were not in the bidding document. Therefore, details of requirements working days and time of operation; and methodology among others were not provided to bidders • Low bidder participation • The Entity did not deliver copies of the Best Evaluated Bidder Notices to all bidders who participated in respective procurement • Missing records as follows: - <ul style="list-style-type: none"> - Contract management reports - Contract management plan (Form 49) - Invoices requesting payments (tax invoice), signed Local purchase order and cleaning report from contract manager as required under GCC 24.2 of the framework contract. - Details of quarterly payments and the documentation indicated in the GCC 22.3 of the framework contract - Call off orders
5.	<p>Subject: Procurement of food for inpatients</p> <p>Ref:KRRH/SRVCS/2024-2025/00032</p> <p>Actual: UGX 78,800,000</p> <p>Method: Framework contract</p> <p>Provider: Kyajja Kitya Women's Group</p>	<ul style="list-style-type: none"> • Low bidder participation • The Entity did not deliver copies of the Best Evaluated Bidder Notices to all bidders who participated in respective procurement • Missing records as follows: - <ul style="list-style-type: none"> - Documentation including invoices requesting payments: completion certificate and delivery note contrary to GCC 24.2 of the framework contract - Procurement requisition (Form 5) - Call off orders - Payment details including the payment vouchers - Progress/Status reports indicating details of delivery and supplier performance. - Contract management plan (Form 49)

No.	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	<p>Subject: Servicing and maintenance of Oxygen plant</p> <p>Ref:KRRH/SRVCS/2024-2025/15000</p> <p>Actual: UGX 104,391,926</p> <p>Method: Direct Procurement</p> <p>Provider: Genome Scientific Limited</p>	<ul style="list-style-type: none"> • The Entity did not communicate the invitations to bid to all shortlisted bidders, including electronic means such as email • Missing records as follows: - <ul style="list-style-type: none"> - Certificate of completion as required under GCC 24.2 of the framework contract. - Comprehensive progress report with pictorial evidence before and after repairs, with the details of supplies delivered
2.	<p>Subject: Procurement of Oxygen Flowmeter for piped oxygen and cylinder heads</p> <p>Ref: KYRRH/SUPLS/2024-2025/00079</p> <p>Actual: UGX 37,100,000</p> <p>Method: Request for Quotation</p> <p>Provider: St. Jude Electrical and Medical Equipment Workshop Limited</p>	<ul style="list-style-type: none"> • Low bidder participation • The Entity did not deliver copies of the Best Evaluated Bidder Notices to all bidders who participated in respective procurement • No performance/progress report from the supervisor as required under GCC 24.2 of the contract • Delay in preparation of contract management plan which was dated 5th May 2025, 61 days from 6th March 2025, the date of contract signing
3.	<p>Subject: Provision of repair and servicing of air conditioners</p> <p>Ref: KRRH/SRVCS/24-25/1500</p> <p>Actual: UGX 57,490,000</p> <p>Method: Request for Quotation</p> <p>Provider: A&S Electronics Ltd</p>	<ul style="list-style-type: none"> • Inadequate solicitation documents i.e., There was no statement of requirements e.g., the scope of work • No comprehensive progress report and completion report with pictorial evidence
4.	<p>Subject: Procurement of assorted laboratory supplies, CBC and cobas Reagents</p> <p>Ref: KYRRH/SUPLS/2024-2025/00085</p> <p>Actual: UGX 110,301,500</p> <p>Method: Request for Quotation</p> <p>Provider: Semark Medical Supplies Ltd</p>	<ul style="list-style-type: none"> • The Entity did not communicate the invitations to bid to all shortlisted bidders, including electronic means such as email • Low bidder participation • The Entity did not deliver copies of the Best Evaluated Bidder Notices to all bidders who participated in respective procurement • The Entity provided four working days for the display of the notice of the best evaluated bidder

5.	<p>Subject: Procurement of plumbing and hardware supplies for hospital maintenance</p> <p>Ref: KRRH/SUPLS/24-25/00076</p> <p>Actual: UGX 49,672,100</p> <p>Method: Request for Quotation</p> <p>Provider: Jimbo Technical Company Ltd</p>	<ul style="list-style-type: none"> • The Entity did not deliver copies of the Best Evaluated Bidder Notices to all bidders who participated in respective procurement • Delay in appointment of contract manager Mr. Zephania Kalule. The contract was signed on 21st March 2025 with the contract manager appointed on 30th May 2025, 14 days from date of contract signing
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APPENDIX 3: RISK RATING CRITERIA

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

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

RISK	DESCRIPTION	AREA	IMPLICATION
	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.