



**COMPLIANCE INSPECTION REPORT FOR
FINANCIAL YEAR 2023/2024**

KIKUUBE DISTRICT LOCAL GOVERNMENT

MAY 2025

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ACRONYMS

Act	Public Procurement and Disposal of Public Assets Act, Cap 205
CC	Contracts Committee
FY	Financial Year
GCC	General Conditions of Contract
HPDU	Head, Procurement and Disposal Unit
ITB	Instruction to the Bidders
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SCC	Special Conditions of Contract
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 Kikuube District Local Government that covered a sample of 10 procurement transactions for Financial Year 2023/2024.

The overall objective of the compliance inspection was to assess and establish the degree of compliance of Kikuube District Local Government 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 Kikuube District Local Government for the Financial Year 2023/2024 was **Moderately Satisfactory** with an overall weighted average risk rating of **52.5%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter three of this audit report.

Despite the Moderately Satisfactory performance, the following key exceptions were noted:

1. The Entity failed to implement 22.2% of the previous audit recommendations which hindered performance improvement of the Entity's procurement and disposal function and exposes the Entity to procurement risks;
2. The Entity failed to implement 12% of the procurement plan. This hindered service delivery to the public and exposed the Entity to the risk of budget overruns;
3. In seven procurements worth UGX 1,035,784,459, the Entity issued inadequate solicitation documents such as stating bid validity in days instead of a date, not considering margin of preference and ESHS factors contrary to Section 67 (2) of the PPDA Act Cap 205. This exposed the Entity to the risk of awarding contracts to incompetent bidders.;
4. In four procurements worth UGX 576,554,287, the Evaluation Committees did not undertake detailed bid evaluation and passed non-compliant bidders contrary to Regulation 19 (3) (c) and 19 (3) (d) of the PPDA (Evaluation) Regulations, 2023. This hindered fairness and transparency in the evaluation process and led to award of contracts to non-compliant bidders;
5. Failure to dispose obsolete assets such as Motorcycle Honda, generator, motorcycle Honda, motorcycle Suzuki contrary to Regulation 24, Regulation 2 and Regulation 3 of the PPDA (Disposal of Public Assets) Regulations, 2023. This inhibited achievement of value for money due to loss of asset value caused by further deterioration, theft and vandalism;
6. In the procurement for repair of works and septic tank of Wambabya HC III- Health Department worth UGX 21,978,000, the Accounting Officer signed a contract with altered contract terms from those approved by the Contracts Committee such as different contract type and completion period. This rendered it impossible for the Entity to implement the contract in cases of disputes as a result of non-performance by the contractor;
7. In three revenue centers, the Entity had irregularities such as no copies of signed contracts, revenue sources not incorporated in the procurement plan, no record of issue, receipt and opening of bids. This led to violation of the basic procurement and disposal principles such as transparency, maximization of competition and ensuring value for money;
8. The Entity failed to maintain contract management records for seven procurements worth UGX 868,795,203 contrary to Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023. This hindered transparency and accountability in the procurement process;
9. The Entity had poor workmanship as evidenced by a major crack at the tank base at Lucy Bisereko HC III and poor finishes of plumbing works in the Maternity Ward at Wambabya

- HC III worth UGX 166,989,256 and UGX 21,978,000 respectively. Poor quality works compromised the principle of value for money and delays service delivery;
10. Delayed completion of works in the construction of a 5 Stance Lined Pit Latrine Block at Lucy Bisereko Health Centre II worth UGX 29,957,035 which exposed the staff and patients to Health and safety risks due to outgrown bushes and open manholes;
 11. The Entity was misusing PWDs stance of the constructed five Stance Lined Pit Latrine Block at Lucy Bisereko Health Centre II as a store by the Health Center, therefore denying the Bonafede users the service.
 12. The following irregularities were noted in the implementation of works in the construction of Kyangwali Seed Secondary School worth UGX 2,999,466,780.
 - (a) Slow progress of works as evidenced by pending works such as site levelling, veranda, painting, floor finishes, fixing door locks, planting grass which will lead to delays in service delivery
 - (b) Failure to incorporate Solicitor General's recommendations of adjusting GCC, SCC 24.4 to delete arbitration and replace with litigation. This exposed the Entity to legal risks in case of any litigation
 - (c) Lack of contract monitoring reports by the Clerk of works as there was no evidence of daily, weekly or monthly reports. Lack of supervision exposes the works to the risk of wrong work methods
 - (d) Non adherence to the Environmental, social, health, safety safeguards since site was not hoarded off and the workers on site were not provided with safety wears like Gumboots, hand gloves and helmets. This affects the health and safety of the workers and the community.

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

1. The Permanent Secretary should:
 - (a) Task the Accounting Officer to show cause why disciplinary action should not be taken against him for not incorporating the Solicitor General's guidance in the signed contract in accordance with Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023
2. The Accounting Officer should:
 - (a) Put in place a strong internal mechanism and an Internal Audit team that will always ensure full implementation of the Authority's previous audit recommendations;
 - (b) Regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 60 (7) of the PPDA Act Cap 205 to ensure improved performance;
 - (c) Through the Board of Surveys conduct an assessment and cause verification of the assets in accordance with Section 28 (1) (h) of the PPDA Act Cap 205 for the possibility of disposal;
 - (d) Desist from signing contracts with altered contract terms from those in the bidding documents in accordance with Regulation 9 (2) of the PPDA (Contracts) Regulations, 2023;
 - (e) Ensure that the PWDs stance of the constructed five Stance Lined Pit Latrine Block at Lucy Bisereko Health Centre II facility is put to proper use and provision of a storage facility for the Health Centre;
 - (f) Task the Contract Manager to show cause why disciplinary action should not be taken against him for laxity in supervision and failing to deliver the project within the

- specified terms and condition during the construction of Kyangwali seed secondary School;
- (g) Task the Clerks of Works to provide proof of daily technical supervision of the works and a guarantee that the works were undertaken as per the contractual technical standards or otherwise, recover the salary paid to him.
3. The Head Procurement and Disposal Unit:
- (a) should Prepare quality solicitation documents in accordance with Regulations 33-38 of the PPDA (Rules and Methods for procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023.
- (b) show cause why disciplinary action should not be held against him for not maintaining procurement and contract management records for revenue sources.
4. The Evaluation Committees should ensure that evaluations are conducted in accordance with the bidding document and in line with Regulation 3 (2) (b) of the PPDA (Evaluation) Regulations, 2023.
5. The contract managers should:
- (a) Ensure that copies of contract management records are submitted to Procurement and Disposal Unit for filing in accordance with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023;
- (b) Ensure that all the contract obligations are completed before the expiry of the contract or recommend actions to be taken by the Accounting Officer in line with Regulations 52 (3) (a) (vi) of the PPDA (Contracts) Regulations, 2023;
- (c) Ensure that the implemented works are technically assessed for quality before issuing payment certificates to pay the contractors;
- (d) Ensure that the contractor adheres to health and safety measures as per contract and also monitor the workers to ensure that they utilize the safety gadgets in accordance with 31.1 of Section 7: General Conditions of Contract in the Local Government Bidding Document for Works under Open Bidding, September 2020.

Kikuube District Local Government should implement the recommended action plan on page **51** to **52** of this report.

CHAPTER 1: INTRODUCTION

1.1. Background

The Public Procurement and Disposal of Public Assets Authority carried out a Compliance inspection on the procurement and disposal activities of Kikuube District Local Government that covered a sample of 10 procurement transactions for works, supplies and services under Financial Year 2023/2024. The audit 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 Audit Objectives

The overall objective of the performance audit was to assess and establish the degree of compliance of Kikuube District Local Government 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, 2023 and assess the level of procurement performance over the audit period.

The specific objectives of the audit were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap 205 and the 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.
4. Assess the performance of microscale irrigation projects

1.3. Scope of the Audit

The Audit involved a review of the procurement and disposal process, general compliance issues and contract implementation on sample basis. The exercise covered a sample of 10 procurement transactions worth **UGX 1,183,681,994** during the Financial Year 2023/2024. The sample was selected based on stratified random sampling using Contracts Committee minutes and monthly procurement and disposal reports and the size was assessed as representative of the population of all transactions. The list of sampled transactions is contained in **Annex 1** and the analysis of the population and sample is detailed in Table 1 below;

Table 1: Distribution of the transaction population and sample FY 2023-2024

No	POPULATION			SAMPLE		PERCENTAGE	
	Procurement method	Value (UGX)	No	Value (UGX)	No.	No	Value
1	Open Bidding	1,567,541,200	13	1,091,846,959	7	53.85	69.65
2	Restricted Selective	470,068,858	20	91,835,035	3	15	19.54
3	RFQ	-	-	-	-	-	-
4	Direct Procurement	-	-	-	-	-	-
5	Micro Procurement	-	-	-	-	-	-

TOTAL	2,037,610,058	33	1,183,681,994	10	68.85	89.19
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1.4. Audit Methodology

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

At the end of the document review, physical verification was undertaken to ascertain the level of contractual delivery and fitness for purpose. Special attention was given to reporting mechanisms within the Entity and internal controls due to repeated failures by the Entity as highlighted in previous audit reports. During the audit, the auditors held interviews with the staff from the Procurement and Disposal Unit (PDU) and User Departments that were necessary for obtaining 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 31st January 2025 before the audit team could embark on preparation of the management letter. The management letter was sent to the Entity on 28th February 2025 with a request to submit a Management Response by 6th March 2025 which was submitted on 26th March 2025.

1.5. Procurement Structures

The key players in the procurement structure at Kikuube District Local Government included the Chief Administrative Officer as 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 Audit.

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 Chief Administrative Officer; Mr. Moses Agum was designated as the Accounting Officer of the Entity for financial year 2023/2024.

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.

The district had a fully constituted Contracts Committee appointed on 4th April 2022 and the term ending on 3rd April 2025. The List of Contracts Committee members is indicated in Table 2:

Table 2: Contracts Committee Members

S/N	Name	Job Title	Position on Committee
1.	Mr. Deogratias Byakagaba	District Education Officer	Chairperson
2.	Ms. Zainabu Kyakusimiire	Senior Land Management Officer	Member
3.	Dr. Gerald Asaba	Ag. District Health Officer	Member

4.	Mr. Nelson Mwanje	Ag. Senior Assistant Secretary	Member
5.	Mr. Faustino Baguma Twesigye	Ag. District Planner	Member

The Accounting Officer is advised to nominate members to Contracts Committee for approval by the PS/ST before the expiry for the current members.

3. Staffing of the Procurement and Disposal Unit

Section 32 of the PPDA Act Cap 205 provides that a Procuring and Disposing Entity shall cause to be established a Procurement and Disposal Unit staffed at an appropriate level.

The Authority noted that during the period under review, the Procurement and Disposal Unit was fully staffed and manned by the staff in Table 3:

Table 3: Staff in the Procurement and Disposal Unit

S/N	Name	Position	Qualification	Date of Appointment
1.	Mr. Christopher K. Byarugaba	Senior Procurement Officer	Bachelor of Commerce, Postgraduate Diploma in Procurement and Logistics Management and CIPS Level 6	7 th May 2008
2.	Mr. Herbert J. Ssewanyana.	Procurement Officer	Bachelor of Procurement and Supply Chain Management, Postgraduate Diploma in Procurement and Supply Chain Management	10 th January 2020

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

2.1.1 Failure to fully implement 22.2% of the previous audit recommendations

Section 10(2) of the PPDA Act Cap 205 provides that a competent Authority shall respond in writing to the Authority's recommendations under subsection(1)(b) within a period prescribed by regulations made under this Act.

Kikuube District Local Government was issued a previous audit report for the Financial Year 2022/2023 in May 2024. Out of 18 recommendations made, 12 (66.67%) recommendations were implemented, three (16.67%) recommendations were partially implemented while four (22.2%) were not implemented as indicated in Table 4 below:

Table 4: Implementation of Previous Audit Recommendations

No.	Recommended Action	Comment	Implementation Status	Management Response
1.	The Accounting Officer should provide the Procurement and Disposal Unit with adequate storage facilities to enable proper and safe storage of records as stipulated in Section 41 of the PPDA Act, 2023.	The PDU is housed in the new facility with no filing cabinets in place	Not Implemented	As a short term measure the PDU has been allocated space at the Town Council offices to store bid documents. However, the PDU still lacks storage facilities to enable proper and safe storage of records as required.
2.	Regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance.	Re-occurring	Not Implemented	Effective Financial Year 2024/2025, review of the implementation of the procurement plan is being done and the Plan will be amended as per the review conducted.
3.	The Accounting Officer should establish the possible causes of the low bidder response and devise mechanisms of increasing competition in the Entity's procurement processes to achieve value for money.	Re-occurring	Not implemented	In the financial year 2024/2025 a total number of 6(six) bidders per procurement requirement were invited to participate in the procurement process using quotation method of Procurement Authority's Comment: 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.
4.	The Accounting Officer should ensure that assets of the Entity are reviewed and disposed of following the methods recommended in line with Regulations Regulation 2(1) of the PPDA (Disposal of Public Assets) Regulations 2023.	Re-occurring	Not implemented	Some of the items such as used iron sheets have been reused by the Entity whereas other items may be disposed in this financial year 2024/2025
5.	The Contracts Committee should critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies in accordance with Regulation 10 of the PPDA (Procuring and Disposing Entity) Regulations, 2023.	Re-occurring	Partially Implemented	No Response
6.	Prepare adequate solicitation documents in accordance with Regulations 42, 43, 44 and 45 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	Re occurring	Partially implemented	No Response
7.	Ensure that all records regarding procurement are properly kept and filed in their respective files in accordance with Section 41(1a) of the PPDA Act 2003;	Re-occurring	Partially Implemented	No Response

Implication

Non-implementation of audit recommendations hindered performance improvement of the procurement and disposal function and exposes the Entity to procurement risks.

Recommendation

The Accounting Officer should put in place a strong internal mechanism and an Internal Audit team that will always ensure full implementation of the Authority's previous audit recommendations.

2.1.2 Inadequate storage facilities for procurement and disposal records

The Authority noted that the Entity did not have enough storage facilities to keep the procurement and disposal records with only one old metallic shelf. The procurement files and documents were kept on the floor in the Procurement and Disposal Unit with no provision for shelves and filing cabinets, therefore exposing them to the risk of dampness as shown in Figure 1 below:

Figure 1: Procurement and disposal records spread on floor of the Procurement and Disposal Unit



Implications

- This exposed the procurement records to destruction, damage, theft and misplacement which could compromise the principle of accountability of public funds.
- Hindered easy track and trace of procurement records affecting transparency and accountability.

Management response

As a short term measure the PDU has been allocated space at the Town Council offices to store bid documents. However, the PDU still lacks storage facilities to enable proper and safe storage of records as required.

Recommendation

The Accounting Officer should provide the Procurement and Disposal Unit with sufficient space and shelves in order to maintain and archive records of the procurement and disposal process in accordance with Section 44(1) of the PPDA Act Cap 205.

2.1.3 Failure to implement 12% of the procurement plan

Section 60 (7) of the PPDA Act Cap 205 provides that a Procuring and Disposing Entity shall, on a quarterly basis and in any other case, wherever necessary, review and update its procurement plan.

The Entity's total procurement budget for the Financial Year 2023/2024 was UGX 4,561,068,102 as noted from the Entity's consolidated procurement plan. The quarterly reports submitted to the Authority indicated a total procurement spend of UGX 4,018,494,629 thus the Entity did not implement planned procurements worth UGX 542,573,473 (12%) as indicated Table 5 below:

Table 5: Procurement plan implementation rate

Total procurement plan value (UGX)	4,561,068,102
Actual procurement spend (UGX)	4,018,494,629
Variance (UGX)	542,573,473
Percentage implementation rate (%)	88
Variance (%)	12

Some of the planned procurements that were not implemented are as indicated in Table 6 below:

Table 6: Planned procurements not implemented

No.	Subject of Procurement	Planned value (UGX)
1.	Land Acquisition- Administration Department	35,000,000
2.	0.5 Acre Land for Garbage Management- Kyangwali S/c	6,000,000
3.	Land for Kyabakenda Market- Bugambe S/c	7,000,000
4.	Extension and Rehabilitation of Kyehoro-Nkondo Piped Water System- Water Dept	13,000,000
5.	Extension of Kinakyeitaka Piped Water System- Water Dept	15,000,000
6.	Supply of Water quality testing reagents to test spring water, old boreholes and piped water systems- Water Dept	4,000,000
7.	Routine maintenance of 456.1 Km District roads –Works Dept	194,800,00
8.	Routine Manual Maintenance of Butimba- Munteme Road 9.6 Km –Works Dept	115,000,000
9.	Maintaining Existing Demonstration Sites (Banana and Coffee Nurse bed)- Production Dept	5,000,000
10.	Assorted Vegetable seeds of at least 5 types to demonstrate Kitchen Gardening for improved house hold nutrition- Production Dept	5,000,000
11.	Procure KTB Bee hives for farmers- Production Dept	13,000,000
12.	Gifts, Inputs for excelling farmers during farmers competition- Production Dept	21,487,000
13.	Procure Protective Clothing for Staff (Gum Boots, Hard Boots, Overalls, Rain Coats, Helmets)- Production Dept	8,000,000

No.	Subject of Procurement	Planned value (UGX)
14.	Procure Advanced Soil Tester (GT2) to Support farmers in soil testing for Precision Agriculture- Production Dept	13,486,000

Implication

Failure to fully implement the procurement plan hinders service delivery as the intended services are not procured and may also lead to budget cuts in the subsequent years due to low budget absorption.

Management Response

Management acknowledged the anomaly and effective financial year 2024/2025 review of the implementation of the procurement plan is being done and the Procurement Plan will be amended as per the review conducted in accordance with Section 60 (7) of the PPDA Act Cap 205 to ensure improved performance. However, Routine maintenance of 456.1 Km District roads –Works Department was implemented.

Authority's comment

Whereas the Entity indicated that Routine maintenance of 456.1 Km District roads –Works Department was implemented, the Authority reviewed the submitted documents and noted that there was no evidence to indicate that the above procurement was implemented.

Recommendation

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

2.1.4 Inadequate solicitation documents

Section 67 (2) of the PPDA Act Cap 205 provides that all bidding 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 noted that in eight procurements worth UGX 1,035,784,459 the Procurement and Disposal Unit prepared inadequate solicitation documents as detailed in Table 7 below:

Table 7: procurements with inadequate solicitation documents

No.	Subject of Procurement	Value in UGX	Irregularity
1	Survey, Sighting and Drilling and Test Pumping of Boreholes and Production Well- Water Department	379,720,918	<ul style="list-style-type: none"> ITB 38.1 of the SBD stated that a margin of preference shall not apply and yet an open domestic bidding method was used Bid Validity expressed as 120 days instead of specific date
2	Construction of a four-stance water borne public toilet at Kinogozi market	56,919,369	<ul style="list-style-type: none"> ITB 38.1 of the SBD stated that a margin of preference shall not apply and yet an open domestic bidding method was used
3	Rehabilitation of a three-classroom block at Buhuka primary school	117,936,000	<ul style="list-style-type: none"> Bid Validity expressed as 120 days instead of specific date Non consideration of ESHS factors in the

No.	Subject of Procurement	Value in UGX	Irregularity
			BOQs
4	Repair Works & Septic tank Construction at Wambabya HC III- Health Department	21,978,000	<ul style="list-style-type: none"> • Bid validity expressed as 60 working days instead of specifying the date • No provision for ESHS in the BOQs
5	Design of one piped water system at Rwemparaki RGC	39,900,000	<ul style="list-style-type: none"> • Evaluation criteria in the solicitation document doesn't point out the eligibility requirements
6	construction of a 2-classroom block partitioned with a main hall at Kyebitaka Primary school	113,394,700	<ul style="list-style-type: none"> • ITB 38.1 of the SBD stated that a margin of preference shall not apply and yet an open domestic bidding method was used • Bid Validity expressed as 120 days instead of specific date
7	Construction of a staff house at Lucy Bisereko health centre 111	166,989,256	
8	Construction of a two-classroom block with office at sir Tito Winy PS	138,946,216	
Total		1,035,784,459	

Implications

- Failure to include margin of preference under Open Domestic Bidding may deny local firms or bidders a competitive advantage over foreign firms in the event foreign bidders participate in the process hence undermining the promotion of local content.
- Failure to provide for Environmental, Social, Health and Safety safeguards in the bidding documents exposes the district's project to the risk of having adverse effects on the environment and the communities in which they are implemented.
- Inadequate bidding documents exposed the Entity to the risk of awarding contracts to incompetent bidders.

Management Response

Management acknowledged the anomaly and effective financial year 2024/2025 the Entity has provided for Environmental, Social, Health and Safety safeguards in the bidding documents which will reduce the risk of having adverse or negative effects on the environmental and the communities where the projects are being implemented.

Recommendations

- The Head of Procurement and Disposal Unit should prepare quality solicitation documents in accordance with Regulations 33-38 of the PPDA (Rules and Methods for procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023.
- The Contracts Committee should critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies in accordance with Regulation 10 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.1.5 Low bidder participation

Sections 48 and 49 of the PPDA Act Cap 205 states that all procurement and disposal shall be

conducted in a manner to maximize competition and achieve value for money.

In three procurements worth UGX 288,250,069, there was low bidder participation with the Entity attracting less than three bidders as indicated in Table 8.

Table 8: Procurements with low bidder participation

No.	Subject of procurement	Method of Procurement	Value (UGX)	No. of bids received
1.	Construction of a 2-classroom block partitioned with a main hall at Kyebitaka Primary School	Open Domestic Bidding	113,394,700	1
2.	Construction of a four-stance water borne public toilet at Kinogozi market	Open Domestic Bidding	56,919,369	1
3.	Rehabilitation of a three-classroom block at Buhuka primary school	Open Domestic Bidding	117,936,000	1
Total			288,250,069	

Implication

Low bidder participation hindered competition in the procurement process thus the risk of not achieving of value for money.

Management response

In the financial year 2024/2025 a total number of six bidders per procurement requirement were invited to participate in the procurement process using quotation method of Procurement.

Authority's Comment

Whereas the Entity has committed to shortlisting six bidders while using the quotation method, all other procurement methods especially open Domestic method must be conducted in a manner that maximises competition.

Recommendation

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.

2.1.6 Irregularities at Bid Evaluation

1. Irregularities in the Detailed Evaluation of Bids

Regulation 19 (3) (c) and 19 (3) (d) of the PPDA (Evaluation) Regulations, 2023 provides that the detailed evaluation for a bid for supplies shall determine whether the bid complies with the minimum technical specification stated in the bidding document.

Regulation 19 (4) of the PPDA (Evaluation) Regulations, 2023 requires that a bid that is not substantially responsive to the minimum requirement of the detailed evaluation should be rejected at the detailed evaluation stage.

In four procurements worth UGX 576,554,287, the Evaluation Committees did not undertake detailed bid evaluation and passed non-compliant bidders as indicated in Table 9 below.

Table 9: Procurements with non-compliance during the evaluation of bids

S/N	Subject	Value in UGX	The Authority's findings
1.	Construction of a four-stance water borne public toilet at Kinogozi market	56,919,369	<ul style="list-style-type: none"> The BEB did not indicate in his bid, the proposed personnel that is who is the project manager, clerk of works among others and no CVs were attached to show experience. The BEB did not submit information and documentation of authority to seek references from the bidders' bankers by the BEB
2.	Rehabilitation of a three-classroom block at Buhuka primary school	117,936,000	<ul style="list-style-type: none"> The BEB did not attach CVs of the proposed personnel to show the professional experience, technical and managerial experience relevant to the project. Non submission of information and documentation of authority to seek references from the bidders' bankers by the BEB.
3.	Survey, Sighting and Drilling and Test Pumping of Boreholes and Production Well-Water Department	379,720,918	The Evaluation Committees did not conduct a detailed technical evaluation conducted to determine technical compliance e.g., Personnel qualifications and experience, equipment availability and ownership, not included on evaluation report
4.	Repair Works & Septic tank Construction at Wambabya HC III-Health Department	21,978,000	
Total		576,554,287	

Implication

This hindered fairness and transparency in the evaluation process and leads to award of contracts to non-compliant bidders.

Management response

No response was provided

Recommendations

- The Evaluation Committees should ensure that the evaluations are conducted in accordance with the bidding document in line with Regulation 3 (2) (b) of the PPDA (Evaluation) Regulations, 2023.
- The Contracts Committee should desist from approving evaluation recommendations not in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2023.
- The Accounting Officer should organize a training and capacity building of key technical staff involved in evaluation.

2. Introduction of new criteria during bid evaluation

Regulation 5 (1) and 5 (2) of the PPDA (Evaluation) Regulations, 2023 provides that the evaluation of bids shall be conducted in accordance with the evaluation criteria specified in the bidding documents and an Evaluation Committee shall not, during an evaluation, make any

amendment including any addition to the evaluation criteria stated in the bidding document, and shall not use any other criteria other than the criteria specified in the bidding document

In the procurement for design of one piped water system at Rwemparaki RGC worth UGX 39,900,000, the Evaluation Committee introduced new criteria during evaluation of bids to include declaration of having legal capacity to enter into the contract, declaration of not being insolvent, declaration of not having any business activity suspended, declaration of fulfilling obligation to pay taxes and social security contributions, declaration of having nationality from eligible countries, site visit certificate, valid certificate of registration, mobilization schedule, construction schedule which criteria had not been included in the evaluation methodology of the issued bidding document:

Implication

Hindered fairness in the evaluation process and leads to awards to non-compliant bidders.

Management response

The criteria used at Evaluation was not new or was not introduced at the evaluation stage as it was earlier stated in the bidding document

Authority's comment

The bidding document reviewed did not indicate the criteria to be used during evaluation therefore the Evaluation Committee introduced a new criteria. Furthermore, there were no documents submitted to prove that the criteria was not introduced.

Recommendations

The Authority recommends that;

- The Evaluation Committees should always conduct the evaluation based on evaluation criteria specified in the bidding documents in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2023.
- The Contracts Committee should desist from approving evaluation recommendations not in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2023.
- The Accounting Officer should organize a training and capacity building of key technical staff involved in evaluation.

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

2.2.1 Failure to dispose of obsolete assets

Regulation 122 (1) of the Local Governments (PPDA) Regulations, 2006 requires that disposal of Council assets, including assets identified by a board of survey, shall be carried out in accordance with the Act, Regulations and guidelines.

A review of the Board of Survey report for the Financial Year 2022/2023 dated 31st August 2023 and the Authority noted that no action was taken to dispose of obsolete assets recommended for boarding off as detailed in Table 10 below:

Table 10: Some of the assets recommended for disposal

No.	Asset Description	Unique identifier (Tag /Registration Number)
1	Motorcycle Honda	LG 0210-10
2	Generator	(Not engraved)
3	Motorcycle Honda	LG 0193-10
4	I Motorcycle Suzuki	UG 2206 M
5	1 Motorcycle DT	UBA 121/Z
6	18 old used tyres	
7	Maruti Suzuki Car	
8	251 old iron sheets	
9	Mowing Machine	
10	I motorcycle Yamaha	LG 0190-10
11	I motorcycle Yamaha DT	LG 0188-10
12	I motorcycle Yamaha	LG 0212-10

Implication

Failure to dispose boarded off assets exposes the assets to further loss of value due to deterioration, vandalism and theft.

Management Response

Some of the items such as used iron sheets have been reused by the Entity whereas other items may be disposed in the financial year 2024/2025.

Recommendation

The Accounting Officer, through the Board of Surveys should conduct an assessment and cause verification of the assets in accordance to Section 28 (1) (h) of the PPDA Act Cap 205 for the possibility of disposal in accordance with Regulation 24, Regulation 2 and Regulation 3 of the PPDA (Disposal of Public Assets) Regulations, 2023 may be disposed in this financial year 2024/2025.

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 Alteration of Contract Terms in the Signed Contracts

Regulation 9 (2) of the PPDA (Contracts) Regulations, 2023 provides that a contract document shall be in accordance with the form of contract specified in the bidding document.

The Authority noted that in the signed contract for Repair Works & Septic tank Construction at Wambabya HC III- Health Department worth UGX 21,978,000, the Accounting Officer signed a contract with altered contract terms from those approved by the Contracts Committee as indicated in Table 11 below:

Table 11. Altered Contract Terms

S/N	Contract Term	As stated in Bidding document	As stated in the signed contract document
1	GCC 17.1	Had a completion period of 2 months	Had a completion period of 4 months
2	GCC 2.3:	Provided for a Lumpsum contract	Provided for an Admeasurement contract

Implication

Altering contract terms hindered fairness in the procurement process and may also render it impossible for the Entity to implement the Contract in cases of disputes as a result of non-performance by the contractor.

Management Response

Management acknowledged the anomaly and we pledged to improve in the subsequent procurement processes

Recommendation

The Accounting Officer should desist from signing contracts with altered contract terms from those in the bidding documents in accordance with Regulation 9 (2) of the PPDA (Contracts) Regulations, 2023.

2.3.2 Failure to Appoint Contract Managers

Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023 provides that a User Department shall nominate, a member of the user department, with appropriate skills and experience, or a person who is supervised by a member of the User Department who has the appropriate skills and experience, to be appointed as contract manager.

The Authority noted that in three procurements worth UGX 586,610,174 listed in Table 12, the Accounting Officer did not appoint contract Managers.

Table 12: Procurements without Contract Managers

No.	Subject of procurement	Value (UGX)
1.	Construction of a staff house at Lucy Bisereko health centre 111	166,989,256
2.	Design of one piped water system at Rwemparaki RGC	39,900,000
3.	Survey, Sighting and Drilling and Test Pumping of Boreholes and Production Well- Water Department	379,720,918
Total		586,610,174

Implication

This exposed the Entity to the risk of failure to maximise the contract value, poor quality deliverables and delays in the contract implementation.

Management Response

The Contract Managers for the above-mentioned projects were appointed by the Accounting Officer namely the District Health Officer, and the District Water Officer.

Authority's comment

The Authority reviewed the submitted documents and noted that there was no evidence to indicate that appointment letters for the above-mentioned projects were submitted for verification.

Recommendation

The Heads of User Departments should nominate Contract Managers with the appropriate skills and experience for appointment by the Accounting Officer in accordance with Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023.

2.3.3 Irregularities in management of revenue centres**Preliminaries**

On 24th August 2023, the Contracts Committee awarded contracts for management of revenues sources including revenue collection services from Kagoma Market in Kyangwali S/C worth UGX 16,275,000 per quarter and Livestock Market Kyangwali S/C worth UGX 4,500,000 per quarter to Junjura Jeremiah and Mugisa Richard respectively in the financial year 2023/2024.

Findings

The Authority noted the following:

- Procurement requisitions to initiate the procurement process and terms of reference were not on file.
- Inadequate solicitation document i.e.; bid validity period expressed as 60 working days instead of specifying the date, margin of preference considered not to apply yet the procurement was under open bidding
- Missing records of issue, receipt and opening of bids
- There was Low bidder participation with only two bids received for each procurement
- There were no copies of signed contracts
- Revenues were not incorporated in the monthly/quarterly reports submitted to the Authority
- Missing records of payments to the respective Lower Local Government for the Financial Year 2023/2024.
- Contract supervisors were not nominated by User Departments and therefore no appointments by the Accounting Officer.
- Contract management plan and contract management reports were not prepared for the Financial Year 2023/2024.

Implication

This led to violation of the basic procurement and disposal principles such as transparency, maximization of competition and ensuring value for money

Management Response

- The Procurement requisition for revenue collection services was inform of a letter from Finance Department initiating the procurement process, it contained the names and locations of the revenue sources and their estimated reserve prices. However, this anomaly will be corrected in future procurements of the similar nature.

- The margin of preference was not applied even though an open bidding method of procurement was used because experience has shown that we only attract local bidders whenever we advertise for this procurement requirement.

Recommendations

1. The Head Procurement and Disposal Unit should show cause why disciplinary action should not be taken against him for not maintaining procurement and contract management records for revenue sources.
2. The Head Procurement and Disposal Unit should ensure that all revenue sources are incorporated in the procurement plan and submitted to the Authority in accordance with Regulation 6 (3) of the PPDA (Procurement Planning) Regulations, 2023.
3. The User Department should:
 - Ensure submission of complete proposed technical inputs including the terms of reference at initiation for incorporation in the bidding document in accordance with Section 36 (1) (c) of the PPDA Act, Cap 205.
 - Nominate contract supervisors for appointment by the Accounting Officer for each revenue source in accordance with Regulation 51 (1) of the PPDA (Contracts) Regulations, 2023.
4. Contract Supervisors should:
 - Ensure that copies of contract management records and payments are submitted to Procurement and Disposal Unit for filing in accordance with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023.
 - Appraise the performance of the provider, report on the performance of the provider and submit progress reports on contract performance to the Accounting Officer and Procurement and Disposal Unit in accordance with Regulation 52 (3) (f) and 52 (3) (g) of the PPDA (Contracts) Regulations, 2023

2.3.4 Failure to obtain contract management records

Section 44(1) of the PPDA Act, Cap 205 states that a Procuring and Disposing Entity shall maintain records on its procuring 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.

The Authority noted that seven contracts worth UGX 868,795,203 had missing contract management records as indicated in Table 13 below:

Table 13: Procurements with missing records

No.	Subject of Procurement	Contract Value (UGX)	Missing Records
1	Construction of a 2-classroom block partitioned with a main hall at Kyebitaka Primary School	113,394,700	<ul style="list-style-type: none"> • GCC 14.1 of the ITB states that a site investigation form shall form part of the contract; however, a report was missing on file • Contract management plan (form 49)
2	Survey, Sighting and Drilling and Test Pumping of Boreholes and Production Well-	379,720,918	<ul style="list-style-type: none"> • Completion certificate following the intended six months of completion stated GCC 22.1 • Commencement order (report on site

No.	Subject of Procurement	Contract Value (UGX)	Missing Records
	Water Department		possession) or letter <ul style="list-style-type: none"> Contract management plan (form 49)
3	Construction of a four-stance water borne public toilet at Kinogozi market	56,919,369	Contract management plan (form 49)
4	Rehabilitation of a three-classroom block at Buhuka primary school	117,936,000	
5	Construction of a two-classroom block with office at sir Tito Winy PS	138,946,216	
6	Repair Works & Septic tank Construction at Wambabya HC III-Health Department	21,978,000	No progress reports on file
7	Design of one piped water system at Rwemparaki RGC	39,900,000	<ul style="list-style-type: none"> Contract management plan (form 49) Non submission of an inception report, interim progress report, first status report, second status report, draft final report, final report and brief report for the client's approval as expected in the terms of reference.
Total		868,795,203	

Implication

Failure to keep documentation relating to a procurement or disposal activity casts doubt on transparency and affects the audit trail.

Management Response

No response was provided

Recommendations

- The Contract Managers should;
 - Ensure that all contract management records are kept and archived and copies given to key stakeholders including the PDU as required in accordance with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023;
 - Prepare contract management plans using Form 49 in Schedule 2 and forward a copy of the contract management plan to the Procurement and Disposal Unit in accordance with Regulation 50 (3) of the PPDA (Contract) Regulations, 2023.
- The Procurement and Disposal Unit should ensure that all documentation relating to a procurement should be kept on the procurement action file in accordance with Section 44(1) of the PPDA Act, Cap 205.

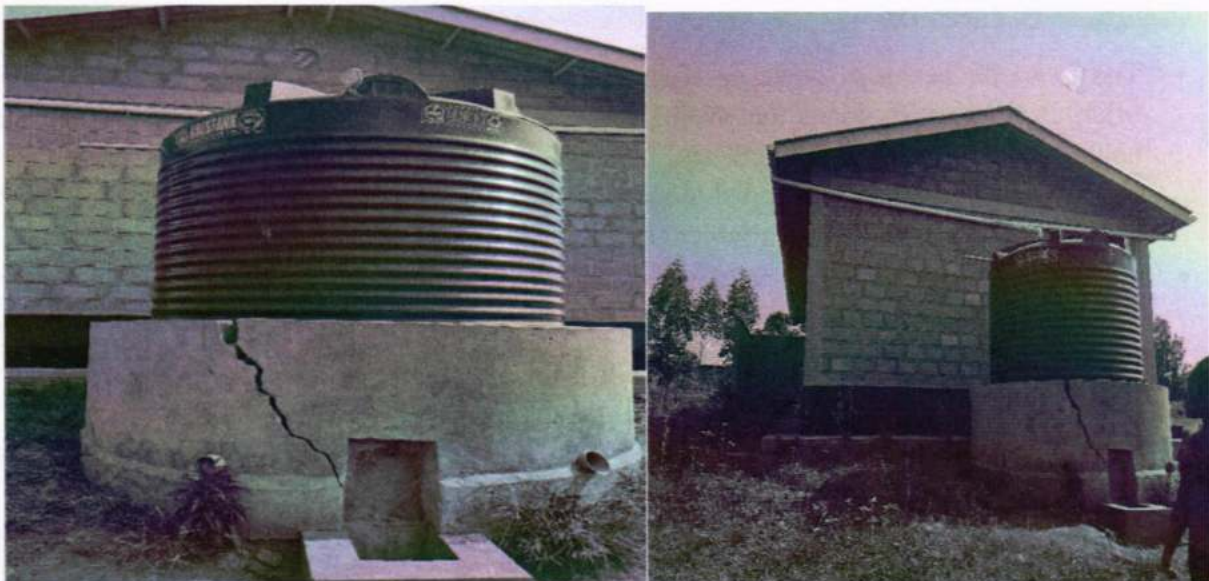
2.3.5 Poor workmanship.

The Entity entered into contracts for construction of Staff House at Lucy Bisereko HC III with Matrixz KS Systems Ltd worth UGX 166,989,256 and Repair Works & Septic tank Construction at Wambabya HC III with Jodha and Mubtrust (U) Ltd worth UGX 21,978,000.

During physical inspection of the project, the Authority noted the following.

- There was a major crack at the tank base at Lucy Bisereko HC III; and
- There were poor finishes of plumbing works in the Maternity Waard at Wambabya HC III which led to a leaking water supply system. An interview with the facility staff revealed that the Contractor was informed of the leaks, however, he had not addressed the leaking maternity ward which led to its closure. The Photos are shown in Figure 2 below:

Figure 2: Shoddy works for construction works at Lucy Bisereko HC III in Kikuube District



Major crack at the tank base constructed under the contract for the Construction of Staff House at Lucy Bisereko HC III





Poor finishes for Repair Works & Septic tank Construction at Wambabya HC III

Implication

Poor quality works compromise the principle of value for money and delays service delivery.

Management response

- The cause of the major crack on the protection wall for the tank was caused by a piece of brick and pieces of stones that were dropped inside between the brick wall and the plastic tank. When water fills the tank and expands, it exerts pressure to the protection wall due limited space filled with dropped stones causing wall cracking. However, the contractor has been instructed to rectify the problem before he gets the retention money.
- For poor finishing works on repairs and septic tank construction at Wambabya Health Center 111, the contractor has been notified and instructed to correct the defects and retention money shall not be paid before the defects are corrected.

Recommendations

The Contract Manager should ensure that;

- All the contract obligations are completed before the expiry of the contract or recommend actions to be taken by the Accounting Officer in line with Regulations 52 (3) (a) (vi) of the PPDA (Contracts) Regulations, 2023;
- The implemented works are technically assessed for quality before issuing payment certificates to pay the contractors.

2.3.6 Incomplete Works

On 19th April 2024, the Entity entered into a contract worth UGX 29,957,035. with M/S Jodha and Akbar Investments Ltd for the construction of a 5 Stance Lined Pit Latrine Block at Lucy Bisereko Health Centre II.

At the time of the audit in January 2025 and physical verification, the Authority noted that:

- The contractor had not completed plumbing works with the soak pit left open, site not restored ground not levelled with a heap of excavated soils close the toilet and outgrown palm tree very close to the toilet not cut down during preliminaries (bush clearance on site) making it a habitat for snakes; and
- Broken manhole cover with palm tree leaves covering the manhole which raised health and safety concerns for the community as shown in Figure 3 below:

Figure 3: Physical Status of the construction of 5 Stance Lined Pit Latrine Block at Lucy Bisereko Health Centre II



No ground levelling, incomplete plumbing works and with palm leaves as provisional cover of the manhole pit for the five Stance Lined Pit Latrine Block at Lucy Bisereko Health Centre II

Implications

- Poor quality and incomplete works compromise the principle of value for money.
- Health and safety risks to patients and staff as a result of snake habitation due to outgrown bushes

Management Response

The contractor was instructed to complete the works at the site during the defects liability period but has not complied yet. The contractor's retention money has not been paid and shall be used to complete.

Recommendation

The Contract Manager should ensure that the provider meets all the performance or delivery obligations in line with the terms and conditions before the expiry of the contract of the contract accordance with Regulation 52 (3) (a) (i) and Regulation 52 (3) (a) (vi) of the PPDA (Contracts) Regulations, 2023

2.3.7 Misuse of the constructed facility for unintended purpose

The Authority noted that at the PWDs stance of the constructed five Stance Lined Pit Latrine Block at Lucy Bisereko Health Centre II for the Staff Quarters was used as a store by the Health Center, therefore denying the bona fide users the service as shown in Figure 4 below:

Figure 4: Physical Status of the construction of 5 stance lined latrine at Lucy Bisereko Health Centre II for the Staff Quarters



Implication

Limits services to bona fide Users.

Management Response

The Health Centre is not fully functional as it is in the process of shifting to this new site with limited infrastructure facilities like stores. The management appreciates the observation though it is a temporary measure to store the items to mitigate the risk of theft.

Recommendation

The Accounting Officer should ensure that the facility is put to proper use and provision of a storage facility for the Health Centre.

2.3.8 Poor management of facilities under use

The Entity commissioned the utilization of the four Stance Water Borne Public-Toilet at Kinogozi Market worth UGX 56,919,369 constructed by Jodha and Akbar Investments Ltd.

During physical verification, the Authority observed that the structure was successfully completed but the sanitation around the toilet was poor as evidenced by littered pieces of paper around the toilet, stool and urine around and outside the toilet as shown in Figure 5 below:

Figure 5: Physical Status of the construction of 4-stance water borne toilet at Kinogozi Market



A 4-stance Water borne toilet at Kinogozi Market littered with trash, stool with the rubbish dumped in the flashing pit.

Implication

Leads to disease outbreaks such as cholera due to human pollution.

Management Response

The management of the facility was entrusted to the Lower Local Government Authority, however due to mismanagement, the facility will be tendered out to a private partner for proper operation and maintenance so as to improve on the hygiene

Recommendations

The Accounting Officer should:

- Ensure proper management of the structures by the Lower Local Government.
- Consider tendering out the management of the public toilet and monitor its hygiene

2.4 THE CONTRACT AUDIT INTO THE CONSTRUCTION OF KYANGWALI SEED SECONDARY SCHOOL

In view of Section 8 (j) (ii) of the PPDA Act Cap 205 the Public Procurement and Disposal of Public Assets Authority (hereinafter referred to as "PPDA or the Authority") conducted a contract audit into the Construction of Kyangwali Seed Secondary School (procurement ref: MoES/UgIFT/Wrks/021-022/00004-Lot 29) in Kikuube District with an overall objective of assessing the status of contract implementation with emphasis to verification that all parties to the contract complied with the requirements and standards set forth in the contract and the provisions of the PPDA laws and UgIFT guidelines.

The specific objectives of the contract audit were to assess:

- (i). The timeliness of contract implementation
- (ii). Adherence to the quality standards, specifications and cost controls
- (iii). Adherence to Environmental, Social, Health and Safety (ESHS) requirements

The summary of the contract is indicated in Table 14 below:

Table 14: Contract Summary

Contract Title	Construction of Kyangwali Seed Secondary School	
	Contract Scope	Amount
	Preliminaries	8,500,000
	Site levelling works	16,856,000
	Three-2-unit classroom blocks	467,752,500
	Science laboratory block	282,800,000
	Administration Block	181,821,000
	Three -2-unit teachers house	456,369,000
	Three -2-unit teachers' kitchen	121,267,500
	2 stance VIP Latrine for Administration	20,613,500
	Three -2 stance VIP Latrine for teachers houses	80,089,500
	5 stance VIP Latrine for boys	42,211,500
	5 stance VIP Latrine for girls	40,945,500
	External works	80,470,000
	Rain water harvest system with 5000L tank	6,165,000
	ICT Library Block	369,420,000
	Multi-Purpose Hall	316,640,000
	Sports Field	50,000,000
	Subtotal	2,541,921,000
	VAT at 18%	457,545,780
	Total	2,999,466,780
Name of Contractor	M/S BANA ENTERPRISES LIMITED	
Method of procurement	Open National Bidding	
Type of Contract	Admeasurement Contract	
Contract Price (UGX)	2,999,466,780	

Contract Signing Date	27 th January 2023
Site hand over date	No commencement letter
Original Contract end date	27 th January 2025 (24 months from the date stated in the SCC)
Defects Liability Period	12 months
Project Manager	District Engineer
Progress as at 28 th January 2024	Time progress- 100% Physical progress - 85% Financial progress –64%

During the course of the audit, the Authority identified a number of exceptions for the attention of Kikuube District Local Government (DLG) management. Therefore, the purpose of this letter is to communicate the findings and recommendations for your management response.

2.4.1 TIMELINESS OF CONTRACT IMPLEMENTATION

2.4.1.1 Slow progress of works.

As at 29th January 2025, 100% project time had elapsed since site handover, and an estimated 85% physical progress had been achieved against a financial progress of 61.18% as indicated in Tables 15,16, & 17 below:

Table 15: Time Progress as at 29th January 2025

Site handover date	Not clear since no copy of commencement letter was on file. Contract sign date was presumed to be the start date
Contract end date	27 th January 2025
Contract period	24 Months
Measurement Date	29 th January 2025
Time Lapse	24 Months
Time Progress	100%

Table 16: Financial Progress as at 29th January 2025

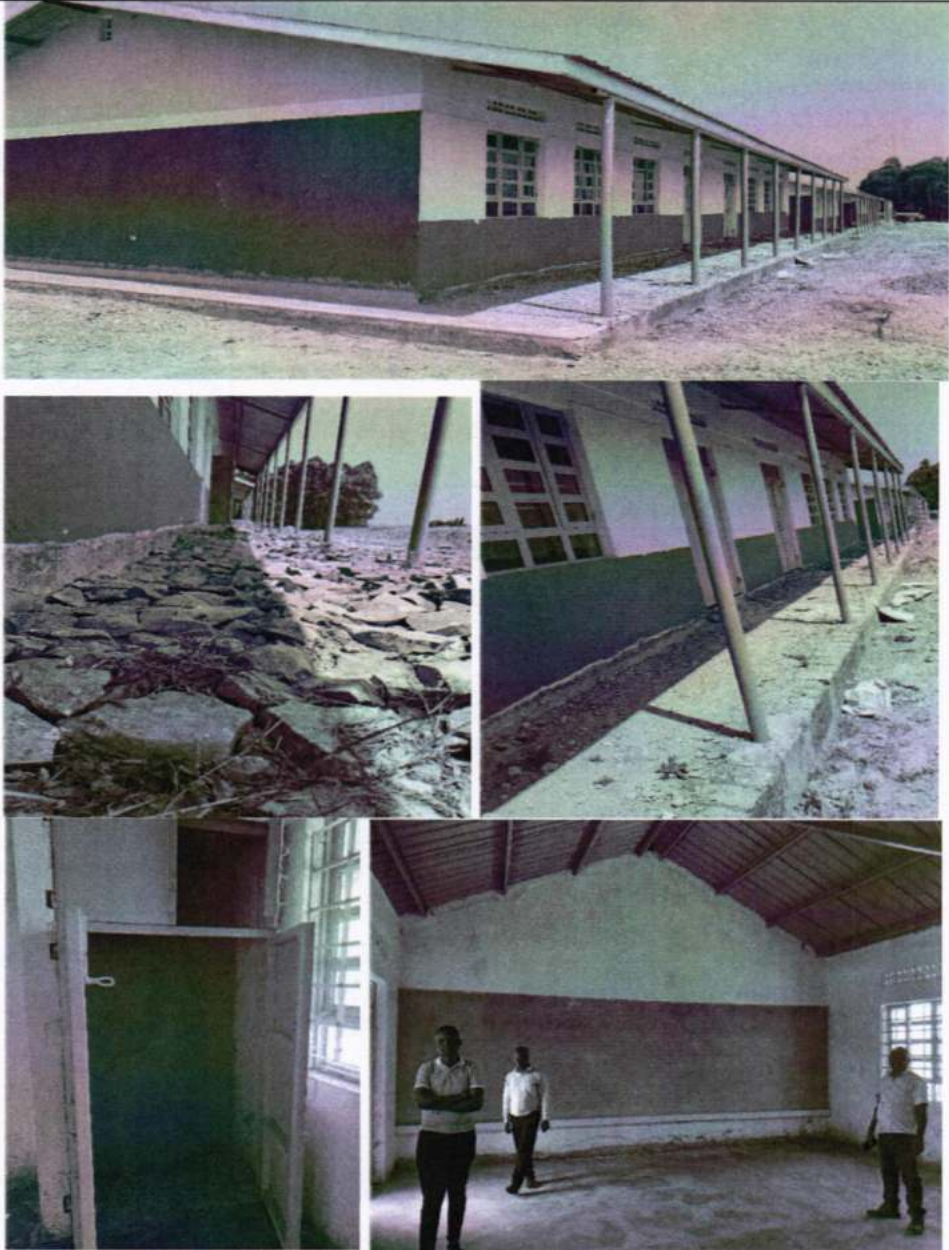
Item	
Contract Value (UGX)	2,999,466,780
Total Payments (UGX)	1,835,193,024
Financial Progress	61.18%


Table 17: Pending works as at 29th January 2025



Item No	Description of works	Pending works
1	Preliminaries	Hoarding of the site
2	Site levelling works	Not complete
3	Three-2-unit classroom blocks	<ul style="list-style-type: none"> • Front apron • Veranda • Painting
4	Science laboratory block	<ul style="list-style-type: none"> • Floor finishes • Front apron • Veranda


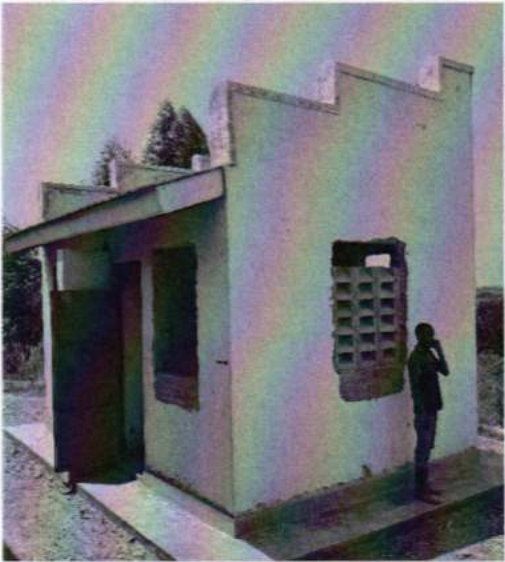


		<ul style="list-style-type: none"> • Painting
5	Administration Block	<ul style="list-style-type: none"> • Ongoing works on the apron • Floor finishes ongoing • Painting.
6	Three 2-unit teachers house	<ul style="list-style-type: none"> • Fixing Door locks • Fixing Internal doors • Painting.
7	Three 2-unit teachers' kitchen	Internal and external finishes
8	2 stance VIP Latrine for Administration	Open manholes yet to be fixed and other external finishes
9	Three 2 stance VIP Latrine for teachers houses	<ul style="list-style-type: none"> • Covers for manholes • Finalising floor finishes
10	5 stance VIP Latrine for boys	Vent pipe
11	5 stance VIP Latrine for girls	<ul style="list-style-type: none"> • Open manhole • Broken door hinge on the side of PWDs yet to be fixed
12	External works	All external works
13	Rain water harvest system with 5000L tank	Supply and installation
14	ICT Library Block	<ul style="list-style-type: none"> • Floor finishes • Painting
15	Multi-Purpose Hall	<ul style="list-style-type: none"> • Front apron • Veranda • Floor finishes • Painting
16	Sports Field	<ul style="list-style-type: none"> • Incomplete levelling • Goal posts and field marking. • Planting grass



Figure 6: Pictorial status of works as at 29th January 2025 at Kyangwali Seed Secondary School






Item No	Description of works	
1	Three-2-unit classroom blocks	




Item No	Description of works	
2	Science laboratory block	



Item No	Description of works	
3	Administration Block	
4	Three 2-unit teachers house	

Item No	Description of works	
		
5	<p>Three 2-unit teachers' kitchen</p>	  

Item No	Description of works	
6	2 stance VIP Latrine for Administration	
7	Three 2 stance VIP Latrine for teachers houses	

Item No	Description of works		
8	5 stance VIP Latrine for boys		
9	5 stance VIP Latrine for girls		
10	ICT Library Block		

Item No	Description of works	
		
11	Multi-Purpose Hall	 

Item No	Description of works	
		
12	Sports Field	

Implications

- Slow progress of the project will lead to delays in service delivery for the intended beneficiaries.
- This also exposes the district to the risk of not completing the project before the end of the UGIFT program which would impact on the district's budget to complete the project.

Management response

- The contractor was instructed to speed up the works and complete the remaining unfinished activities / works indicated by the audit team.

- The Employer has further physically engaged the contractor but seems the contractor is still lacking enough resources to increase the manpower. The employer shall take a serious decision on how to proceed.

Authority's comment

Lack of sufficient resources is an indicator that the contractor did not have capacity to undertake the works. Therefore, the Accounting Officer should intensify supervision.

Recommendations

- The Accounting Officer should task the Contract Manager to show cause why disciplinary action should not be taken against him for laxity in supervision and failing to deliver the project in accordance with the terms and conditions of the contract in line with Regulation 52 (3) (a) (1) of the PPDA (Contracts) Regulations, 2023.
- The Contract Manager should ensure that the Contractor meets all his contractual obligations and that the project is completed before the end of the UGIFT Program.

2.4.1.2 Failure to Incorporate Solicitor General's Recommendation

Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023 provides that a Procuring and Disposing Entity shall not issue a contract, purchase order, or other communication in any form, conveying acceptance of a bid that binds a Procuring and Disposing Entity to a contract with a provider, except where all the relevant agencies, including, where applicable, the Attorney General, make the necessary approval of the contract.

On 24th January 2023, the Solicitor General cleared the contract for construction of Kyangwali seed secondary school subject to the adjustments shown below:

- a) GCC, SCC 25.3 (on dispute resolution) should be edited to state as: Either party may refer a decision of the Adjudicator to a Court of Law in Uganda within 28 days of the Adjudicator's written decision. GCC, SCC 25.3 was not reflected in the signed contract, probably deleted.
- b) GCC, SCC 24.4 should be edited to delete arbitration and replace with litigation conducted in accordance with the established laws and Courts Procedures within Uganda

However, the signed contract did not incorporate the above recommendations.

Implication

This exposed the Entity to legal risks in case of any litigation and may render the contract unenforceable.

Management Response

This was an oversight at the time of contract preparation however effective this financial year 2024/2025 Solicitor General's advice has been incorporated in the signed contracts

Recommendation

The Permanent Secretary Ministry of Local Government should task the Accounting Officer to show cause why disciplinary action should not be taken against him for not incorporating the Solicitor General's guidance in the signed contract in accordance with Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023.

2.4.2 ADHERENCE TO THE QUALITY STANDARDS, SPECIFICATIONS AND COST CONTROLS

2.4.2.1 Contract Monitoring and Management System

(i) Lack of Contract Monitoring Reports by the Clerk of Works

The Authority noted that the Entity recruited and renewed the appointment of the Clerk of Works Mr. John Ssenyange Zuwa to undertake the daily technical supervision of works for Kyangwali Seed Secondary School. However, there was no evidence of daily, weekly, monthly supervision reports from the Clerk of Works to indicate that he was conducting the day-to-day technical supervision as per their appointment.

Implication

Not undertaking adequate technical supervision exposes the works to the risk of use of wrong work methods, materials, measurements and material deviations from contract requirements without backstopping.

Management response

The clerk of works in charge of daily technical supervision of the project was available on site and evidence of weekly and monthly supervision and progress reports are provided for verification.

Authority's comment

There was no evidence of submission of the reports for verification.

Recommendation

The Accounting Officer should task the Clerks of Works to provide proof of daily technical supervision of the works and a guarantee that the works were undertaken as per the contractual technical standards or otherwise, recover the salary paid to him.

(ii) Failure to hold Monthly Site Meetings

Only one site meeting was held on 2nd may 2023 out of the monthly site meetings required as per the contract management records.

Implication

Communication gap on progress updates and milestones leads to uninformed decision-making and potential setbacks.

Management response

The Contract Manager did not manage to organise all the required meetings due to the intermittent / stoppages of works by the contractor on the site. However, the Entity has managed to conduct site meetings with the contractor and other stakeholders since as evidenced by site meeting minutes available for verification.

Authority's comment

As per the Clerk of works appointment letter dated 31st October 2024, the Clerk of works was required to attend scheduled site meetings and submit written progress reports every week or month.

Recommendations

- The Accounting Officer should task the Contract Manager to show cause why disciplinary action should not be taken against him for not holding monthly site meetings despite funds being provided for the same.
- The Project Manager should always arrange for monthly site meetings to discuss project progress, challenges and follow up on previous action points.

2.4.2.2 Failure to Maintain Contract Management Records

Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023 provides that a contract manager shall ascertain that all contract management records are kept and archived as required

The Authority noted missing contract management reports and other records as follows:

- GCC 1 (aa) provided that the project manager was the District Engineer for Kikuube District Local Government; however, there were no details of appointment from the Accounting Officer on file.
- GCC 26 provided that the site possession date shall be after site handover; however, there were no records of site handover and commencement letter
- GCC 36.1 required the Contractor to submit the program for the works within Seven (07) days of contract signature; however, the program of works was not on file
- Performance security/ Guarantee and Environmental and Social (E&S) Performance Security expired on 28th May 2024. There were no copies of extension
- No Social, Environment, Health and Safety reports from Environment and Community Departments.
- Appointment of Project/ Contract Management Team

Implications

Lack of contract management reports and other records casts doubt on whether contracts were executed in accordance with contractual requirements and terms and conditions.

Management Response

The required contract management documentation such as monthly and quarterly reports, commencement letters, site possession letter, programme of works, copy of performance security and appointment of a contract Management team are available for verification.

Authority's comment

There was no evidence of submission of contract management records for verification.

Recommendations

The Contract Manager should:

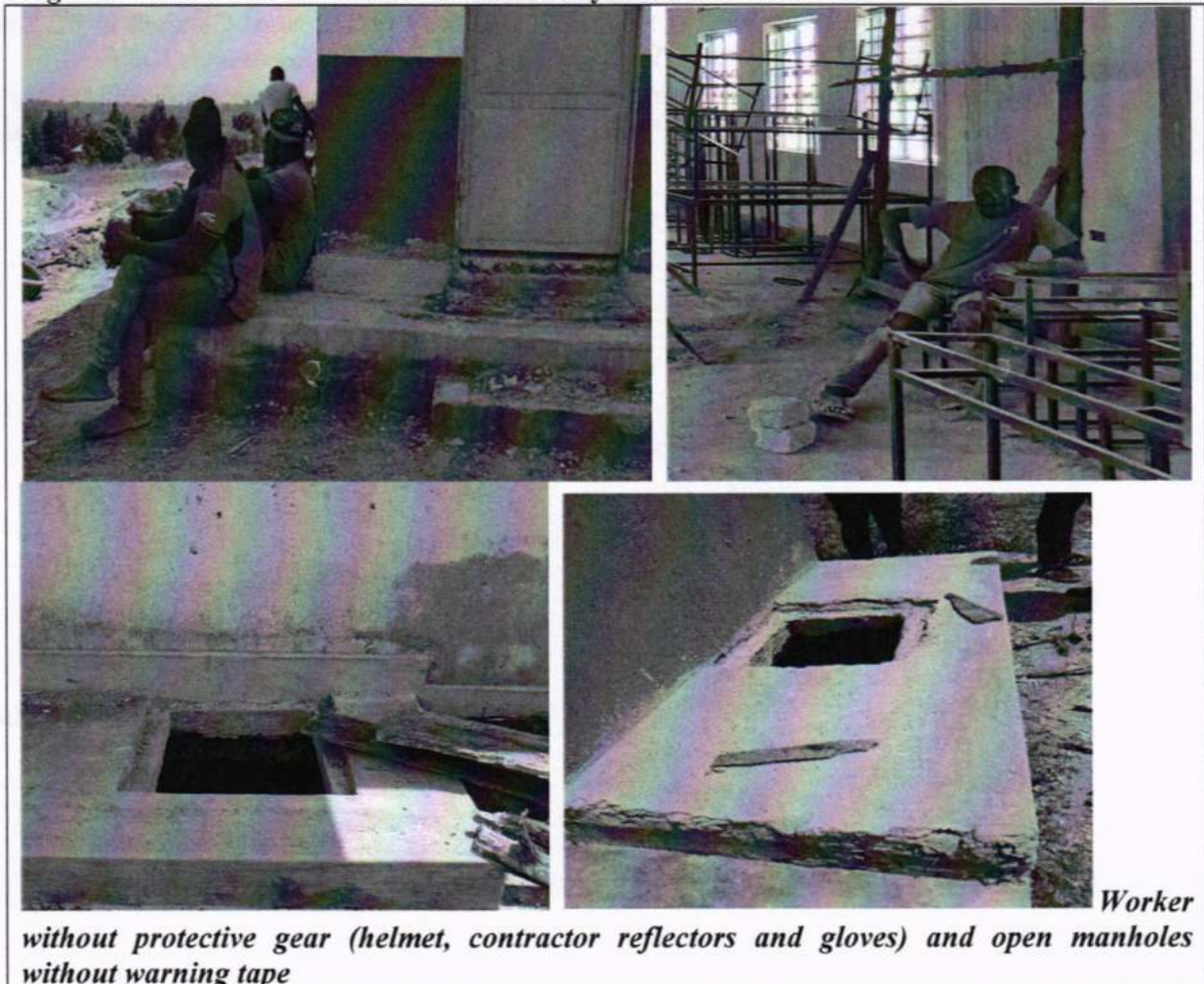
- Ensure that the provider submits all the required documentation in accordance with the terms and conditions of the contract in line with Regulation 52 (3) (a) (ii) of the PPDA (Contracts) Regulations, 2023.
- Ensure that all contract management records are kept and archived as required in line with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023.

2.4.3 THE ADHERENCE TO ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY (ESHS) REQUIREMENT

2.4.3.1 Non-adherence to the Environmental, Social, Health, Safety Safeguards

The Authority noted that the workers on site were not provided with Safety wears like Gumboots, hand gloves and helmets. In addition, the site was not hoarded off as indicated in the Figure 7 below:

Figure 7: Non adherence to health and safety measures for works



Implications

- Health and safety of the workers and the community may be negatively affected.
- Incomplete works may cause damage / accidents to the road users

Management Response

Non-adherence to health and safety measures by the contractor on site is caused by giving out piece works to laborers and not have a full team of workers on site with proper site management. Going forward, strict instructions and follow up shall be done by the district technical management team to ensure compliance

Authority's comment

Clause 51 (c) of the standard bidding document says if the Contractor was, or is, failing to perform any ESHS obligations under the Contract, the value of this work or obligation, as determined by the Engineer, may be withheld until the work or obligation has been performed.

Recommendations

- The Contract Supervisor should ensure that the contractor adheres to health and safety measures as per contract and also monitor the workers to ensure that they utilise the safety gadgets in accordance with 31.1 of Section 7: General Conditions of Contract in the Local Government Bidding Document for Works under Open Bidding, September 2020.
- The Contract Supervisor should ensure provider meets their contractual obligations as enshrined in the contracts in accordance with Regulation 52 (1) of the PPDA (Contracts) Regulations, 2023

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

3.1 Overall Audit Conclusion

The performance of Kikuube District Local Government for the Financial Year 2023/2024 was Moderately satisfactory with overall weighted average risk rating of **52.5%**.

The risk rating is as in Table 18 below:

Table 18: 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 19 below: -

Table 19: Risk Computation

Risk Category	No.	No.%	Value (UGX)	Value %	Weights	Total Weighted Average	
						By No.	By Value
High	3	25	39,900,000	3	0.6	15	2
Medium	8	67	1,025,841,494	87	0.3	20	26
Low	0	0	0	0	0.1	-	-
Satisfactory	1	8	117,940,500	10	0	-	-
Total	12	100	2,494,405,117	100	1	35	28

$$\text{Weighted Average (By NO.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{35}{60} \times 100 = 58.3\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{28}{60} \times 100 = 46.7\%$$

$$\text{Combined Weighted Average} = \frac{58.3+46.7}{2} = 52.5\%$$

Figure 7: Graphical Representation of the Entity's Risk Assessment by Number

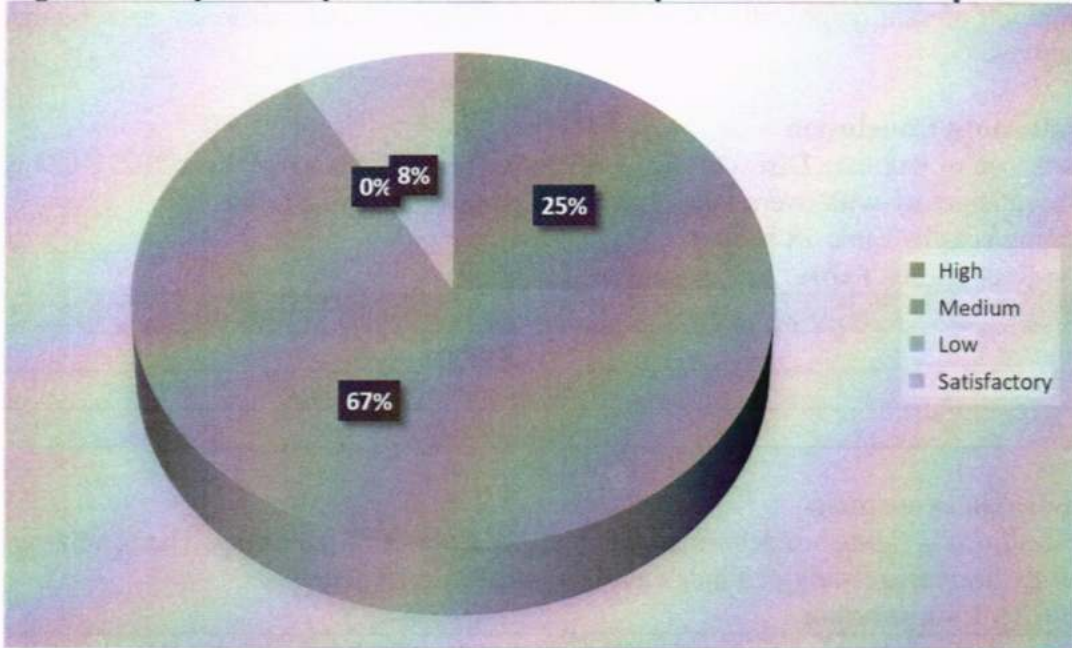
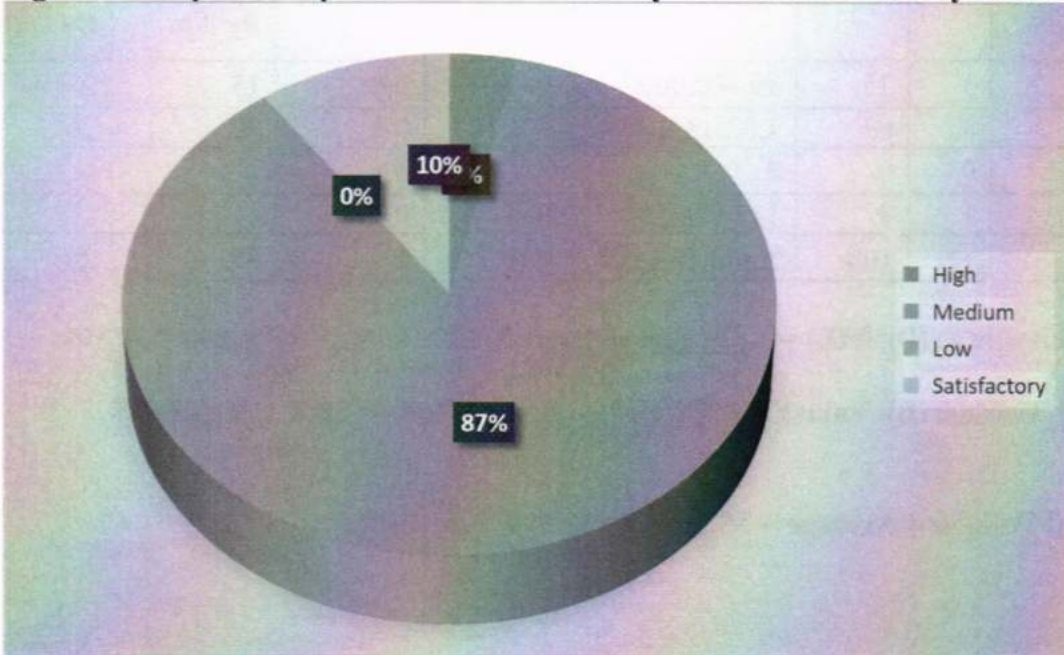


Figure 8: Graphical Representation of the Entity's Risk Assessment by Value



3.3 Recommended Action Plan

Kikuube District Local Government should implement the following recommendations in Table 20 below within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 20: Action Plan

S/N	Responsible Officer	Recommendations	Target Date
1.	The Permanent Secretary	a. Task the Accounting Officer to show cause why disciplinary action should not be taken against him for not incorporating the Solicitor General's guidance in the signed contract in accordance with Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023	30 th September 2025
2.	Accounting Officer	<p>a. Put in place a strong internal mechanism and an Internal Audit team that will always ensure full implementation of the Authority's previous audit recommendations;</p> <p>b. Regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 60 (7) of the PPDA Act Cap 205 to ensure improved performance;</p> <p>c. Through the Board of Surveys conduct an assessment and cause verification of the assets in accordance with Section 28 (1) (h) of the PPDA Act Cap 205 for the possibility of disposal;</p> <p>d. Desist from signing contracts with altered contract terms from those in the bidding documents in accordance with Regulation 9 (2) of the PPDA (Contracts) Regulations, 2023;</p> <p>e. Ensure that the PWDs stance of the constructed five Stance Lined Pit Latrine Block at Lucy Bisereko Health Centre II facility is put to proper use and provision of a storage facility for the Health Centre;</p> <p>f. Task the Contract Manager to show cause why disciplinary action should not be taken against him for laxity in supervision and failing to deliver the project within the specified terms and condition during the construction of Kyangwali seed secondary School;</p> <p>g. Task the Clerks of Works to provide proof of daily technical supervision of the works and a guarantee that the works were undertaken as per the contractual technical standards or otherwise, recover the salary paid to him</p>	30 th September 2025
3.	Head Procurement	a. should Prepare quality solicitation documents in	30 th September

S/N	Responsible Officer	Recommendations	Target Date
	and Disposal Unit	<p>accordance with Regulations 33-38 of the PPDA (Rules and Methods for procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023.</p> <p>b. show cause why disciplinary action should not be held against him for not maintaining procurement and contract management records for revenue sources.</p>	2025
4.	The Evaluation Committee	The Evaluation Committees should ensure that evaluations are conducted in accordance with the bidding document and in line with Regulation 3 (2) (b) of the PPDA (Evaluation) Regulations, 2023	30 th September 2025
5.	The Contract Managers	<p>a. Ensure that copies of contract management records are submitted to Procurement and Disposal Unit for filing in accordance with Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations, 2023;</p> <p>b. Ensure that all the contract obligations are completed before the expiry of the contract or recommend actions to be taken by the Accounting Officer in line with Regulations 52 (3) (a) (vi) of the PPDA (Contracts) Regulations, 2023;</p> <p>c. Ensure that the implemented works are technically assessed for quality before issuing payment certificates to pay the contractors;</p> <p>d. Ensure that the contractor adheres to health and safety measures as per contract and also monitor the workers to ensure that they utilize the safety gadgets in accordance with 31.1 of Section 7: General Conditions of Contract in the Local Government Bidding Document for Works under Open Bidding, September 2020.</p>	30 th September 2025

ANNEX 1: CASE BY CASE ANALYSIS

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1	<p>Subject: Revenue collection services from Kagoma Market in Kyangwali S/C</p> <p>Ref: KIKU863/SRVCS/023-024/00003</p> <p>Actual: UGX 16,275,000</p>	<ul style="list-style-type: none"> Procurement requisitions to initiate the procurement process and terms of reference were not on file. Inadequate solicitation document i.e.; bid validity period expressed as 60 working days instead of specifying the date, Margin of preference considered not to apply yet the procurement was under open bidding Missing records of issue, receipt and opening of bids

	<p>Method: Open Domestic bidding</p> <p>Provider: Junjura Jeremiah</p>	<ul style="list-style-type: none"> • There was Low bidder participation with only two bids received for each procurement • Letter of bid acceptance from the Entity to Service provider not on file • There were no copies of signed contracts • Revenues were not incorporated in the monthly/quarterly reports submitted to the Authority • Missing records of payments to the respective Lower Local Government for the Financial Year 2023/2024. • Contract supervisors were not nominated by User Departments and therefore no appointments by the Accounting Officer. • Contract management plan and contract management reports were not prepared for the Financial Year 2023/2024.
2	<p>Subject: Livestock Market Kyangwali S/C</p> <p>Ref: KIKU863/SRVCS/023-024/00029</p> <p>Actual: UGX 4,500,000</p> <p>Method: Open Domestic bidding</p> <p>Provider: Mugisa Richard</p> <p>Estimated Cost: 4,500,000</p>	<ul style="list-style-type: none"> • Procurement requisitions to initiate the procurement process and terms of reference were not on file. • Inadequate solicitation document i.e.; bid validity period expressed as 60 working days instead of specifying the date, Margin of preference considered not to apply yet the procurement was under open bidding • Missing records of issue, receipt and opening of bids • There was Low bidder participation with only two bids received for each procurement • Letter of bid acceptance from the Entity to Service provider not on file • There were no copies of signed contracts • Revenues were not incorporated in the monthly/quarterly reports submitted to the Authority • Missing records of payments to the respective Lower Local Government for the Financial Year 2023/2024. • Contract supervisors were not nominated by User Departments and therefore no appointments by the Accounting Officer. • Contract management plan and contract management reports were not prepared for the Financial Year 2023/2024.
3	<p>Subject: Design of one piped water system at Rwemparaki RGC</p>	<ul style="list-style-type: none"> • Inadequate solicitation documents • Award of contracts to non-compliant bidders • Introduction of additional criteria during bid

	<p>Ref: KIK863/srvcs/23-24/000036</p> <p>Actual: UGX 39,900,000</p> <p>Method: Restricted bidding method</p> <p>Provider: Biko company Ltd</p>	<p>evaluation</p> <ul style="list-style-type: none"> • Failure to obtain Contract Management reports • Failure to nominate Contract Supervisors • No contract management plan on file
No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
4	<p>Subject: Repair Works & Septic tank Construction at Wambabya HC III-Health Department</p> <p>Ref: Kiku863/Wrks/2023-2024/00024</p> <p>Actual: UGX 21,978,000</p> <p>Method: Open Domestic bidding</p> <p>Provider: Mubtrust (U) Ltd</p>	<ul style="list-style-type: none"> • ITB 38.1 stated that a margin of preference shall not apply and yet the open domestic bidding method was used • ITB 19.1, the bid validity period was stated as 120 days instead of a date • No provision for ESHS in the BOQs • No detailed technical evaluation conducted to determine technical compliance eg. Personnel qualifications and experience, equipment availability and ownership, not included on evaluation report. • Altered contract terms • No progress reports on file • Shoddy works
5	<p>Subject: Survey, Sighting and Drilling and Test Pumping of Boreholes and Production Well-Water Department</p> <p>Ref: KIKU863/WRKS/023-024/00007</p> <p>Actual: UGX 379,720,918</p> <p>Method: Open Domestic bidding</p> <p>Provider: Icon Projects Ltd</p>	<ul style="list-style-type: none"> • ITB 19.1: Bid validity expressed as 120 days instead of specifying the date • ITB 38.1: Margin of preference shall not apply. Yet open bidding method was used • No detailed technical evaluation conducted to determine technical compliance e.g. Personnel qualifications and experience, equipment availability and ownership, not included on evaluation report • Completion certificate following the intended six months of completion stated GCC 22.1 • Commencement order (report on site possession) or letter • Contract management plan (form 49) • Failure to nominate Contract Supervisor • No contract management plan on file
6	<p>Subject: Construction of a 5 stanced Lined Pit Latrine Block with Washroom at Lucy Bisereko Health Center II for the Staff Quarters Premises Health Department</p> <p>Ref: Kiku863/Wrks/023-024/00036</p> <p>Actual: UGX 29,957,035</p>	<ul style="list-style-type: none"> • Incomplete Works • Misuse of the constructed facility for unintended purpose

	<p>Method: Selective bidding</p> <p>Provider: Jodha and Akbar Investments Ltd</p>	
7	<p>Subject: Construction of a 2-classroom block partitioned with a main hall at Kyebitaka Primary School</p> <p>Ref: Kiku863/wrks/23-24/00001</p> <p>Actual: UGX 113,394,700</p> <p>Method: open domestic bidding Provider: Kristo Val Enterprises</p>	<ul style="list-style-type: none"> • Funds availability section was not filled • GCC 14.1 of the ITB states that a site investigation form shall form part of the contract but there is no evidence on file that the report was done • No contract implementation plan on file • ITB 38.1 of the SBD stated that a margin of preference shall not apply and yet an open domestic bidding method was used • Bid Validity expressed as 120 days instead of specific date
8	<p>Subject: Construction of a four-stance water borne public toilet at Kinogozzi market</p> <p>Ref: Kiku863wrks/23-24/00008</p> <p>Actual: 56,919,369</p> <p>Method: Open domestic bidding Provider: - Jodha & Akbar Investment Ltd</p>	<ul style="list-style-type: none"> • ITB 38.1 of the SBD stated that the margin of preference shall not apply and yet the open domestic bidding method was used • Non consideration of ESHS factors in the BOQs • Low bidder participation • The BEB did not indicate in his bid, the proposed personnel that is who is the project manager, clerk of works among others and no CVs were attached to show experience. • Non submission of information and documentation of authority to seek references from the bidders' bankers by the BEB • No contract implementation/management plan on file • Poor management of facilities under use
9	<p>Subject: Rehabilitation of a three-classroom block at Buhuka primary school</p> <p>Ref: Kiku863/wrks/23-24/00004</p> <p>Actual:117,936,000</p> <p>Method: Open bidding Provider: Ruthette partners Ltd</p>	<ul style="list-style-type: none"> • ITB 38.1 of the SBD stated that a margin of preference shall not apply and yet the open domestic bidding method was used • ITB 19.1 of the SBD stated that the bid validity period shall be 120 days instead of a date • Non consideration of ESHS factors in the BOQs • Low bidder participation • The BEB did not attach CVs of the proposed personnel to show the professional experience, technical and managerial experience relevant to the project. • Non submission of information and documentation of authority to seek references from the bidders' bankers by the BEB • No contract implementation plan on file
10	<p>Subject: Construction of a staff house at Lucy Bisereko Health Centre III</p>	<ul style="list-style-type: none"> • ITB 38.1 of the SBD stated that a margin of preference shall not apply and yet the open

	<p>Ref: Kiku863/wrks/23-24/00006</p> <p>Actual: 166,989,256</p> <p>Method: open domestic bidding</p> <p>Provider: Matrixz KS Systems Ltd</p>	<p>domestic bidding method was used</p> <ul style="list-style-type: none"> • ITB 19.1 of the SBD stated that the bid validity period shall be 120 days instead of a date • Failure to nominate Contract Supervisors • Shoddy works
11	<p>Subject: - Construction of a two-classroom block with office at sir Tito Winy PS</p> <p>Ref: kiku863/wrks/23-24/00003</p> <p>Actual: 138,946,216</p> <p>Method: Open domestic bidding</p> <p>Provider: Hanan contractors U Ltd</p>	<ul style="list-style-type: none"> • ITB 38.1 A margin of preference shall not apply. N/A yet this is an open domestic method of procurement • Bid validity period shall be 120 days instead of a date • No contract implementation plan on file
No.	SATISFACTORY CONTRACTS	REASONS FOR SATISFACTORY
12	<p>Subject: Construction of a 2-classroom block Partioned with a main Hall at Musaijamukuru Primary School- Education Department.</p> <p>Ref: Kiku863/Wrks/022-023/00002</p> <p>Actual: UGX 117,940,500</p> <p>Method: open domestic bidding</p> <p>Provider: Ruthette Partners Ltd</p>	<ul style="list-style-type: none"> • No exceptions found

ANNEX 2; PROCUREMENT AND DISPOSAL SAMPLE LIST FOR KIKUUBE DISTRICT LOCAL GOVERNMENT FOR THE FINANCIAL YEAR 2023/24

No.	Reference No.	Subject of procurement	Method of Procurement	Provider	Contract Value (Ugx)
1	KIKU863/WRKS /023-024/00001	Construction of a 2 (two) Classroom Block Partitioned with a Main Hall at Kyebitaka Primary School-Education Department	Open domestic Bidding	Kristo Val Enterprises Ltd	113,394,700
2	KIKU863/WRKS /023-024/00002	Construction of a 2 (two) Classroom Block Partitioned with a Main Hall at Musaijamukuru Primary School- Education Department	Open domestic Bidding	Ruthette Partners Ltd	117,940,500
3	KIKU863/WRKS /023-024/00003	Construction of a 2 (two) Classroom Block with an Office at Sir Tito Winyi Primary School- Education Department	Open domestic Bidding	Hanan Contractors Ltd	138,946,216
4	KIKU863/WRKS /023-024/00004	Rehabilitation of a 3 (three) Classroom Block at Buhuka Primary School- Education Department	Open domestic Bidding	Ruthette Partners Ltd	117,936,000
5	KIKU863/WRKS /023-024/00006	Construction of Staff House at Lucy Bisereko HC III- Health Department	Open domestic Bidding	Matrixz KS Systems Ltd	166,989,256
6	KIKU863/WRKS /023-024/00007	Survey, Sighting and Drilling and Test Pumping of Boreholes and Production Well- Water Department	Open domestic Bidding	Icon Projects Ltd	379,720,918
7	KtKU863/WRKS /023-024/00008	Construction of 4(four) Stance Water Borne Public-Toilet at Kinogozi Market- Water Department	Open domestic Bidding	Jodha and Akbar Investments Ltd	56,919,369
8	Kiku863/Wrks/2 023-2024/00036	Construction of 5(five) Stance Lined Pit Latrine Block at Lucy Bisereko Health Centre II for the Staff Quarters- Health Department	Restricted Domestic Bidding	Jodha and Akbar Investments Ltd	29,957,035
9	Kiku863/Srvcs/2 023-2024/00036	Design of Mini Piped Water System at Rwemparaki RGC- Water Department	Restricted Domestic Bidding	Biko Company Ltd	39,900,000
10	Kiku863/Wrks/2 023-2024/00024	Repair Works & Septic tank Construction at Wambabya HC III- Health Department	Restricted Domestic Bidding	Mubtrust (U) Ltd	21,978,000

Contract Audit Undertaken:

No.	Reference No.	Subject of procurement	Provider	Contract Value (Ugx)
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1	MoEH/UgIFT/Wrks/021-22/00004-Lot 29	Construction of Kyangwali Seed Secondary School	Bana Enterprises Ltd	2,997,106,780
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ANNEX 3: RISK RATING CRITERIA

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	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. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	Planning: Lack of or failure to procure within the approved plan	This implies emergencies and use of the direct procurement method which affects competition and value for money.
		Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals and usurping the powers of the PDU.	This implies use of less competitive methods which affects transparency, accountability and value for money.
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries
MEDIUM	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	Planning: Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		Bidding Process: Deviations from standard procedures namely	This implies lack of efficiency, standardisation and avoiding competition.

RISK	DESCRIPTION	AREA	IMPLICATION
	entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.	bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	
		Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: 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.
		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.	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.	
LOW	Procurements with weaknesses where resolution within the normal management framework is	Planning: Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.

RISK	DESCRIPTION	AREA	IMPLICATION
	considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.	Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

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.