



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

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

JULY 2025

TABLE OF CONTENTS

| | |
|--|-----|
| List of Key Tables..... | ii |
| ACRONYMS..... | iii |
| EXECUTIVE SUMMARY..... | iv |
| CHAPTER ONE: INTRODUCTION..... | 1 |
| 1.1 Structure of the Entity..... | 1 |
| 1.2 Background..... | 1 |
| 1.3 Objective of the compliance inspection..... | 1 |
| 1.4 Scope of the Compliance Inspection..... | 1 |
| 1.5 Methodology..... | 2 |
| 1.6 Reporting..... | 2 |
| CHAPTER TWO: FINDINGS OF THE AUTHORITY..... | 3 |
| CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY..... | 24 |
| 3.1. Overall Compliance Inspection Conclusion..... | 24 |
| 3.2. Entity's Performance..... | 24 |
| Figure 1: Risk Rating by Number..... | 25 |
| Figure 2: Risk Rating by Value..... | 25 |
| 3.3. Recommended Action Plan..... | 26 |
| ANNEXES..... | 27 |
| Annex A: Case by Case Risk analysis..... | 27 |
| Annex B: Risk Rating Criteria..... | 30 |
| Annex C: Kotido District Local Government compliance inspection sample list for the Financial Year 2023/2024..... | 33 |
| Annex D: Contracts Committee members..... | 35 |

List of Key Tables

Table 1: Partially implemented and unimplemented previous recommendations..... 3

Table 2: Procurement plan implementation..... 6

Table 3: Procurements conducted outside the plan 6

Table 4: Procurements with irregularities during initiation..... 7

Table 5: Procurements with irregularities during evaluation..... 9

Table 6: Evidence of poor storage of procurement records at the Procurement and Disposal Unit
..... 14

Table 7: Transactions with irregularities at contracting and contract management 15

Table 8: Issues noted during physical verification 19

Table 9: Risk Score 24

Table 10: Risk Rating 24

Table 11: Recommended Action Plan 26

ACRONYMS

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

EXECUTIVE SUMMARY

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

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

From the findings of the procurement and disposal inspection exercise, the performance of the Kotido District Local Government for the Financial Year 2023/24 was **unsatisfactory** with an overall weighted average risk rating of **73.5%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the inspection report.

The following exceptions were noted:

1. The Entity implemented only 31% of the previous audit recommendations for FY 2021/22, leaving 38% partially implemented and 31% not implemented contrary to Section 10 (1) (a) of the PPDA Act, Cap. 205.
2. The Entity's procurement plan implementation rate stood at only 48% during Financial Year 2023/2024, equivalent to UGX 2,080,070,500, leaving a variance of UGX 2,297,105,085 (52%) unimplemented. Failure to fully implement the planned activities denied service delivery to the intended beneficiaries, thus affecting progress towards the overall national development goals.
3. Two procurements worth UGX 34,713,900 were conducted outside the approved procurement plan, contrary to Section 60 (10) of the PPDA Act, Cap. 205 which provides that "*a procurement shall not be carried out outside the procurement plan except in cases of emergency situations.*"
4. The Procurement and Disposal Unit was not staffed to an appropriate level contrary to Section 28 (1) (c) of the PPDA Act, Cap. 205. The Unit did not have the Senior Procurement Officer position filled and was managed by only one staff i.e., Mr. Hassan Mohamed Lomwar; the Procurement Officer.
5. The inspection revealed that the Internal Auditor did not review the Entity's procurement and disposal procedures for the period under review, contrary to Regulation 27 of the PPDA (Procuring and Disposing Entities) Regulations, 2023, which requires verification that appropriate methods and processes are followed.
6. The User Departments did not recommend a statement of requirements (bills of quantity) in five procurements worth UGX 596,228,500, and had unexplained delays at the initiation stage of two procurements worth UGX 370,329,260, thereby contravening Section 60 of the PPDA Act, Cap. 205.
7. The inspection revealed that, in the procurement for the siting and drilling of three (3) deep production boreholes worth UGX 134,166,000, the Entity received only two bids despite using the open bidding method

8. Irregularities at the evaluation stage were observed in five procurements worth UGX 666,396,500 contrary to Regulation 73 (1), (2), and (3) of the Local Governments (PPDA) Regulations, 2006 and Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2003. Specifically, the evaluation was not conducted in strict accordance with the criteria and conditions set out in the bidding documents, as required by the Regulations.
9. The Procurement and Disposal Unit did not have an appropriate storage facility for bids and procurement action files. As a result, bids were found stored on the floor within the Unit, which compromises proper records management and security, and contravenes Section 44 (1) of the PPDA Act, Cap. 205.
10. The Authority noted incomplete and defective works, as well as a deserted site, during physical verification of two projects: Construction of a Teachers' Staff House at Lookorok Primary School (UGX 186,876,000), where issues included uninstalled ramps, poor door locks, incomplete rainwater gutters, unconnected electrical wiring, cracks, and lack of landscaping, and Renovation of a Health Department Block Phase II at the District Headquarters (UGX 21,521,500), where old and damaged boards were not replaced, water leakages and mold were evident, and roof repairs were incomplete, contrary to Regulation 52 (1) & (2) of the PPDA (Contracts) Regulations 2023.

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

1. The Accounting Officer should:
 - i. Task the Internal Audit Section to monitor the status of implementation of the PPDA audit recommendations so as to improve the Entity's performance in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205;
 - ii. Ensure that the Internal Audit department reviews the procurement and disposal procedures on a quarterly basis and documents the findings in the internal audit report, in compliance with Regulation 27 of the PPDA (Procuring and Disposal Entities) Regulations, 2023
 - iii. Staff the Procurement and Disposal Unit to an appropriate level in accordance with Section 28 (1) (c) of the PPDA Act, Cap. 205;
 - iv. Ensure that the Entity's procurement plan is reviewed and updated whenever the Entity experiences changes that affect the User Department work plans in accordance with Section 60 (7) of the PPDA Act, Cap. 205;
 - v. Equip the Procurement and Disposal Unit with cabinets and storage space 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; and
 - vi. Implement targeted measures to increase bidder participation, including conducting market surveys, engaging supplier associations, and organizing bidder sensitization sessions. These efforts promote competition and ensure value for money in line with Sections 49 of the PPDA Act, Cap 205.
2. The Head Procurement and Disposal Unit should ensure that the Evaluation Committee members strictly adhere to the evaluation criteria in the bidding document in accordance with Section 76 (3) of the PPDA Act, Cap. 205.

3. User Departments should always recommend a statement of requirements (specifications, bills of quantity, and terms of reference) at the initiation of their procurements in accordance with Section 60 of the PPDA Act, Cap. 205.
4. Contract Managers for the above projects should show cause as to why appropriate disciplinary action should not be taken against them for failure to execute their roles and responsibilities in line with Regulation 52 (1) & (2) of the PPDA (Contracts) Regulations, 2023.

A recommended action plan for Kotido District Local Government is on pages **26** of this report.

CHAPTER ONE: INTRODUCTION

1.1 Structure of the Entity

According to Section 28 of the PPDA Act, Cap. 205, the Accounting Officer holds the overall responsibility for the successful execution of procurement, disposal, and contract management within a Procuring and Disposing Entity. During the financial year under review, the Accounting Officer for Kotido District Local Government was the Chief Administrative Officer (CAO), Mr. Oola Donato Olam.

According to Section 33(a) of the PPDA Act, Cap. 205, all procurement and disposal activities of a Procuring and Disposing Entity, except adjudication and the award of contracts, are to be managed by the Procurement and Disposal Unit. During the financial year under review, the Procurement and Disposal Unit of Kotido District Local Government was managed by a single staff member, Mr. Hassan Mohamed Lomwar, who served as the Procurement Officer.

1.2 Background

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

1.3 Objective of the compliance inspection

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

The specific objectives of the inspection were:

- i. To establish the level of compliance of the Entity with the provisions of the PPDA Act, Cap. 205, and the attendant PPDA Regulations with regard to the performance of the procurement structures and conduct of the procurement processes;
- ii. To assess the degree of compliance of the Entity's disposal processes with the provisions of the PPDA Act, Cap. 205, and the attendant PPDA Regulations; and
- iii. To assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements

1.4 Scope of the Compliance Inspection

The Authority conducted the procurement and disposal compliance inspection of the Kotido District Local Government from 10th March 2025 to 14th March 2025. The exercise covered a sample of 11 procurement transactions worth UGX 1,665,762,750 conducted during the Financial Year 2023/2024, a review of procurement structures, and a review of the procurement plan performance. The list of sampled transactions is contained in **Annex C**.

1.5 Methodology

Kotido District Local Government was notified about the upcoming exercise on 3rd March 2025. A sample of 11 procurement transactions was selected based on stratified random sampling using Contracts Committee minutes, the contracts register, and quarterly procurement and disposal reports.

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

A debrief meeting was held with the Accounting Officer on **14th March 2025** to share the preliminary findings. A management letter was sent to the Entity on **28th May 2025** with a request to submit a management response by **5th June 2025** which was submitted on **19th June 2025**.

The inspection report presents the key findings and conclusions arising from the inspection.

1.6. Reporting

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

CHAPTER TWO: FINDINGS OF THE AUTHORITY

2.0 COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP. 205, AND ATTENDANT PPDA REGULATIONS

2.1.1 Failure to fully implement 69% of the previous recommendations

The Authority noted that the Entity had been issued its previous audit report for the Financial Year 2021/2022 in November 2023. Out of 13 recommendations made, four recommendations representing 31% were fully implemented, five recommendations representing 38% were partially implemented and four representing 31% were not implemented as detailed in Table 1 below:

Table 1: Partially implemented and unimplemented previous recommendations

| No. | Recommendation | Status |
|-----|--|--|
| 1. | <p>The Accounting Officer should:</p> <p>a. Expedite the recruitment process to ensure that the Procurement and Disposal Unit is dully constituted and staffed at an appropriate level in accordance with Section 26 (1) (c) of the PPDA Act. 2003;</p> <p>b. Intervene and ensure that the Procurement and Disposal Unit is empowered to perform their roles in accordance with Section 31 of the PPDA Act.2003;</p> <p>c. Come up with a strong mechanism that will ensure that all audit recommendations are regularly monitored and implemented so as to improve the Entity's performance. This could include sharing them with Internal Audit, training, including them among the key performance indicators, and discussing them in top management meetings, among others;</p> <p>d. Strengthen contracts management with in the Entity through having dedicated contract management teams that regularly monitor the progress of projects against the terms and conditions of the contract and report on the same in time for action by the Accounting Officer such as enforcing contract clauses such as liquidated damages. recommending contract termination and appraising poor performers in accordance with Regulation 104 of the Local Governments (PPDA) Regulations, 2006:</p> <p>e. Task the Head of the Procurement and Disposal Unit to always report on procurements conducted on a quarterly basis to the Internal Audit Department and likewise, task the Internal Audit Department to conduct comprehensive audits of the procurement function on a sample basis:</p> | <p>Not implemented</p> <p>Partially implemented</p> <p>Not implemented</p> <p>Partially implemented</p> <p>Not implemented</p> |

| No. | Recommendation | Status |
|-----|--|-----------------------|
| | f. Caution in writing the Head Procurement and Disposal Unit for failure to ensure that the bidding process is fair and transparent as required by Section 45 of the PPDA Act. 2003. | Not implemented |
| 2. | The Accounting Officer and Head. Procurement and Disposal Unit and Contracts should ensure that all procurements are conducted in a manner that promotes competition. Transparency, fairness, and value for money. This could include preparation of good quality solicitations with generic, clear and well-defined statements of requirements and specific evaluation criteria that is adhered to in order to increase bidder participation. | Partially implemented |
| 3. | Evaluation Committees should ensure that evaluations are conducted according to the criteria set in the bidding document in accordance with Section 71 (3) of the PPDA Act, 2003. | Partially implemented |
| 4. | The Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 45 of the PPDA Act,2003 before approving the evaluation reports. | Partially implemented |

Implication

Failure to fully implement audit recommendations affects the performance of the procurement and disposal function and indicates an inadequate implementation mechanism by the Entity.

Management response

Management takes note of the above, and will ensure that the evaluation is conducted in accordance with Sections 45 and 71 of the PPDA Act 2003.

Recommendation

The Accounting Officer, with the assistance of the Internal Audit department, should establish a robust system to ensure that all recommendations are consistently tracked and implemented, in order to enhance the Entity's performance in accordance with Section 10 of the PPDA Act, Cap. 205.

2.1.2 Understaffing of the Procurement and Disposal Unit

The inspection revealed that the Procurement and Disposal Unit was not staffed to an appropriate level contrary to Section 28 (1) (c) of the PPDA Act, Cap. 205. The Unit did not have the Senior Procurement Officer position filled and was managed by only one staff i.e, Mr. Hassan Mohamed Lomwar; the Procurement Officer.

Implication

Inadequate staffing of the Procurement and Disposal Unit undermines efficiency and effectiveness in multiple areas of the procurement and disposal function.

Management Response

Due to wage issues, the entity was unable to staff the Procurement and Disposal Unit; however, the entity is receiving wages to adequately staff the disposal unit in the next financial year.

Recommendation

The Accounting Officer should prioritise budgeting for and promptly staffing the Procurement and Disposal Unit to an appropriate level, in accordance with Section 28 (1) (c) of the PPDA Act, Cap. 205.

2.1.3 Failure by the Internal Auditor to audit procurement processes and practices

The inspection revealed that the Internal Auditor did not review the procurement and disposal procedures of the Entity for the period under review to ensure that the appropriate methods and processes were followed contrary to Regulation 27 of the PPDA (Procuring and Disposal Entities) Regulations, 2023 which provides that; *“The Internal Audit department of a Procuring and Disposing Entity shall audit the method used for a procurement and the payment made to establish whether the supplies, works or services are properly ordered, received, verified and paid for in accordance with the Public Finance Management Act, 2015 and the other applicable laws.”*

Implications

- This implies weak internal controls which may lead to poor performance in the procurement function.
- This may result into fraud going unnoticed at the earliest opportunity and the Entity is denied a chance to identify in time areas for improvement.

Management response

The Internal Audit Department audited procurements of the committed funds only and indicated in the audit report, which is available for verification.

Authority’s Response

There was no evidence provided to confirm the review of the procurement and disposal procedures of the Entity for the period under review by the Internal Auditor; therefore, the query remains unresolved.

Recommendation

The Accounting Officer should ensure that the Internal Auditor reviews the procurement and disposal procedures on a quarterly basis and documents the findings in the internal audit report, in compliance with Regulation 27 of the PPDA (Procuring and Disposal Entities) Regulations, 2023.

2.1.4 Procurement Plan Implementation

The Authority assessed the Entity’s procurement plan for the FY 2023-24. Table 4 below details information about the plan and utilization of funds. The procurement plan absorption rate was 48% with a variance of UGX 2,297,105,085, representing 52% of the procurement plan not implemented, as shown in Table 2 below.

Table 2: Procurement plan implementation

| Analysis of procurement spend | |
|--|---------------|
| Total procurement plan value inclusive of VAT (UGX) | 4,377,175,585 |
| Total procurement spend value inclusive of VAT (UGX) | 2,080,070,500 |
| Procurement plan implementation rate (%) | 48% |
| Implementation variance (UGX) | 2,297,105,085 |
| Non implementation rate (%) | 52% |

Implication

This deprived service delivery to the intended beneficiaries worth UGX 2,297,105,085.

Management Response

Management has taken note of the above; however, some of the contracts that were advertised by the ministry, like seed schools and health units, were implemented late, which affected the performance of the local government.

Recommendation

The Accounting Officer should ensure that the Entity's procurement plan is reviewed and updated whenever the Entity experiences changes that affect the User Department work plans in accordance with Section 60 (7) of the PPDA Act, Cap. 205.

2.1.5 Conducting a procurement outside the plan

The inspection revealed that two procurements worth UGX 34,713,900 were conducted outside the approved procurement plan submitted to the Authority, thereby contravening Section 60 (10) of the PPDA Act, Cap. 205 which stipulates that "a procurement shall not be carried out outside the procurement plan except in cases of emergency situations." Details of the procurements are outlined in Table 3 below:

Table 3: Procurements conducted outside the plan

| No. | Subject of procurement | Contract value (UGX) |
|-----|---|----------------------|
| 1. | Subject: Supply, delivery, installation, commissioning and training of assorted furniture for Kamor HC III Procurement method: Selective Bidding Contractor: Emperor's Hill Life Investments Ltd | 13,192,400 |
| 2. | Subject: Renovation of a Health Department Block Phase II at the District H/Q Procurement method: Selective Bidding Contractor: Tatao Agencies and Constructors | 21,521,500 |
| | TOTAL | 34,713,900 |

Implication

Conducting unplanned procurement transactions may affect other planned activities or requirements by taking up resources that would have otherwise been used for the planned activities. This unplanned spending may also lead to domestic arrears due to cost overruns.

Management response

Management has taken note of the above; however, the Renovation of a Health Department Block Phase II at the District Headquarters. The entity has been reviewing and updating the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205. The adjusted procurement work plans are available for verification.

Authority's Response

There was no evidence provided by the Entity to confirm the review and update of the procurement plan for the period under review; therefore, the query remains unresolved.

Recommendation

The Accounting Officer should ensure that the Entity, on a quarterly basis and in any other case, wherever necessary, reviews and updates its procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205.

2.1.6 Irregularities during initiation

The Authority noted the following irregularities during the initiation of seven procurements worth UGX 966,557,760 as indicated in Table 4 below:

Table 4: Procurements with irregularities during initiation

| No | Procurement | Contract Value (UGX) | Irregularities |
|-----------|---|-----------------------------|---|
| 1. | Subject: Construction of a Teachers' staff house at Lookorok Primary School Procurement method: Open Bidding Contractor: Symphony Investment Group Ltd | 186,876,000 | The User Department did not propose Bills of quantities (BoQs) at initiation. |
| 2. | Subject: Facility upgrade of Kamor H/C II staff house under UgIFT Procurement method: Open Bidding Contractor: Great Deeds supply and construction company Ltd | 275,500,000 | The User Department did not propose Bills of quantities at initiation. |
| 3. | Subject: Renovation of staff house at Lokiding Health Centre II Procurement method: Open Bidding Contractor: Aplite Investments Ltd | 48,333,000 | The User Department did not propose Bills of quantities at initiation. |

| No | Procurement | Contract Value (UGX) | Irregularities |
|----|---|----------------------|---|
| 4. | Subject: Supply, delivery, installation, commissioning and training of assorted medical equipment for Kamor HC II Procurement method: Selective Bidding Contractor: N2M Company Ltd | 63,998,000 | There was no price list of supplies and specifications attached to the contract showing what medical equipment was to be supplied |
| 5. | Subject: Sitting and Drilling of three (3) Dip production boreholes filled with hand pump and cattle troughs. Procurement method: Open Domestic Bidding Contractor: KLR Uganda Limited | 134,166,000 | There was a 131-calendar days delay between the requisition initiation by the District Water Officer on 2 nd August 2023 and the confirmation of funds by the Chief Administrative Officer on 10 th December 2023. |
| 6. | Subject: Construction of Nayan Water Supply Scheme Phase II Procurement method: Open Domestic Bidding Contractor: Real Irrigation Engineering Company Limited | 236,163,260 | There was a 131- calendar days delay between the requisition initiation by the District Water Officer on 2 nd August 2023 and the confirmation of funds by the Chief Administrative Officer on 12 th December 2023. |
| 7. | Subject: Renovation of a Health Department Block Phase II at the District H/Q Procurement method: Selective Bidding Contractor: Tatao Agencies and Constructors | 21,521,500 | <ul style="list-style-type: none"> • The originating Officer space was left blank • The User Department did not propose Bills of quantities at initiation. |
| | TOTAL | 966,557,760 | |

Implications

- Failure to initiate procurement transactions with clear statement of requirements may result into receipt of nonresponsive bids that do not meet the end users' requirements.
- Delays at initiation extend the overall project timeline, thus affecting the subsequent stages and deliverables.

Management Response

Management takes note of the above issues identified during the audit exercise.

Recommendations

1. User Departments should always attach a statement of requirements (specifications, bills of quantity, and terms of reference) at the initiation of their procurements in accordance with Section 61 of the PPDA Act, Cap. 205.
2. Both User Departments and the Accounting Officer should ensure that initiation of procurements and confirmation of funding is done in accordance with the sequence prescribed in Regulations 3 and 4 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
3. The Accounting Officer should ensure that procurements are undertaken in a manner that enhances efficiency as required by Section 51 of the PPDA Act, Cap. 205.

2.1.7 Low bidder participation

The inspection revealed that, in the procurement for the siting and drilling of three (3) deep production boreholes worth UGX 134,166,000, the Entity received only two bids despite using the open bidding method.

Implication

This encumbers competition, thus failure to achieve value for money.

Management Response

Management takes note of the above, and corrective measures are now in place.

Recommendation

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

2.1.8 Irregularities at evaluation of bids

The Authority noted irregularities in the evaluation of five procurements worth UGX 666,396,500 in Table six below which were contrary to Regulation 73 (1) (2) and (3) of the Local Governments (PPDA) Regulations, 2006 which provides that detailed evaluation shall be conducted to compare the details of the received bids with the terms, conditions and criteria stated in the bidding documents and that the detailed evaluation shall not be based on any terms, conditions or criteria that was not included in the bidding documents as indicated in table 5 below:

Table 5: Procurements with irregularities during evaluation

| No | Subject of the procurement | Contracts Value (UGX) | Observations |
|----|---|-----------------------|--|
| 1. | Subject: Construction of a Teachers' staff house at Lookorok Primary School Procurement method: Open Bidding | 186,876,000 | <ul style="list-style-type: none">• Whereas the bid security required was UGX 1,900,000, the BEB provided only UGX 1,500,000 but was considered compliant• Varying prices in the BEB's bid; The price in the bid submission sheet for |

| No | Subject of the procurement | Contracts Value (UGX) | Observations |
|----|---|-----------------------|--|
| | Contractor: Symphony Investment Group Ltd | | Symphony Investment Group Ltd was UGX 184,876,000 whereas the price in the BoQs was UGX 186,876,000. the Evaluation committee considered UGX 186,876,000 |
| 2. | Subject: Facility upgrade of Kamor H/C II staff house under UgIFT Procurement method: Open Bidding Contractor: Great Deeds supply and construction company Ltd | 275,500,000 | <ul style="list-style-type: none"> • The bid security required was UGX 1,900,000. The BEB provided only UGX 1,500,000 but was considered compliant • Inconsistencies between the bid prices stated in the bid submission sheets and those in the Bills of Quantities (BoQs), which were later adopted by the Evaluation Committee without proper clarification: <ul style="list-style-type: none"> i For Great Deeds Supply and Construction Company Ltd, the bid price in the submission sheet was UGX 266,500,000, while the BoQs indicated UGX 283,500,000. The Evaluation Committee considered the higher amount of UGX 283,500,000. ii For Richan Uganda Ltd (3rd Best Evaluated Bidder), the bid price in the submission sheet was UGX 265,037,839, whereas the BoQs showed UGX 273,698,833. The Evaluation Committee used UGX 273,698,833, and later made arithmetic corrections amounting to UGX 14,903,253.5, further increasing the bid price to UGX 288,602,086.5. |
| 3. | Subject: Renovation of staff house at Lokiding Health Centre II Procurement method: Open Bidding Contractor: Aplite Investments Ltd | 48,333,000 | The Best Evaluated Bidder (BEB) submitted books of accounts audited by Mike Associates, an auditor not registered with the Institute of Certified Public Accountants of Uganda (ICPAU). |
| 4. | Subject: Sitting and Drilling of three (3) Dip production | 134,166,000 | There was no evidence that an evaluation was conducted |

| No | Subject of the procurement | Contracts Value (UGX) | Observations |
|----|--|-----------------------|---|
| | boreholes filled with hand pump and cattle troughs. Procurement method: Open Domestic Bidding Contractor: KLR Uganda Limited | | |
| 5. | Subject: Renovation of a Health Department Block Phase II at the District H/Q Procurement method: Selective Bidding Contractor: Tatao Agencies and Constructors Ltd | 21,521,500 | <ul style="list-style-type: none"> • There was no evidence on file to show ownership, rental, lease, or hire of a Dump Truck (2–5 TON Capacity) by Tatao Agencies and Constructors Ltd, yet the bidder was marked compliant. • Tatao Agencies and Constructors Ltd's bid did not reveal the required capacity to understand Environmental and Social impacts, including relevant policies, laws, regulations, and guidelines applicable before and after project execution. |
| | TOTAL | 666,396,500 | |

Implication

Unfair evaluation of bids can result in biased selection, potentially causing bidder dissatisfaction, and diminished trust in the procurement systems of the Entity, consequently leading to legal disputes and lower bidder participation.

Management Response

Management takes note of the above.

Recommendations

1. The Head Procurement and Disposal Unit should ensure that the Evaluation Committee members strictly adhere to the evaluation criteria in the bidding document in accordance with Section 76 (3) of the PPDA Act, Cap. 205.
2. The Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 48 of the PPDA Act, Cap. 205, before approving the evaluation reports.
3. The Accounting Officer should task Evaluation Committee members to show cause as to why disciplinary action should not be taken against them for failing to adhere to the evaluation criteria and procedures during evaluation contrary to Regulation 5 of the PPDA (Evaluation) Regulations, 2023.

2.1.9 Lack of independence in the performance of functions

The Authority observed a lack of independence during the procurement process for the facility upgrade of Kamor H/C II staff house by Great Deeds Supply and Construction Company Ltd, valued at UGX 275,500,000. The Evaluation Committee recommended awarding the contract at UGX 283,500,000, but the Contracts Committee altered this decision and awarded the contract at UGX 287,024,472 with no justification, thereby increasing the award price by UGX 3,524,472, which was a financial loss to the entity.

Section 40 of the PPDA Act, Cap. 205, requires that the Accounting Officer, Contracts Committee, Procurement and Disposal Unit, User Department, and Evaluation Committee act independently in carrying out their respective functions and powers.

Implication

This amounts to usurping of powers of the PDU and could be a sign of conflict of interest and unethical tendencies within the entity that may compromise the integrity of the procurement process.

Management Response

Management takes note of the above issues raised.

Recommendations

1. The Accounting Officer, the Contracts Committee, the Procurement and Disposal Unit, the User Department and the Evaluation Committee shall act independently in relation to their respective functions and powers as outlined in Section 40 of the PPDA Act, Cap. 205.
2. The Accounting Officer should require the Contracts Committee to show cause why disciplinary action should not be taken against them for causing a financial loss of UGX 3,524,472 to the Entity by awarding a contract at a price higher than both the best evaluated bid price and the Evaluation Committee's recommendation. Additionally, this amount should be recovered from the responsible members.

2.1.10 Failure to conduct evaluation

The Authority observed that in the procurement for sitting and drilling of three (3) dip production boreholes by KLR Uganda Limited worth UGX 134,166,000, no evaluation was conducted however, on 10th October 2023, the Contracts Committee awarded the contract to KLR Uganda Ltd, who submitted a higher bid of UGX 134,166,000, compared to East Africa Boreholes' bid of UGX 127,139,100. There was no justification for awarding the contract to the higher bidder.

Implications

1. This implies a lack of transparency, fairness, and competition in the procurement process, which could damage the credibility of the procurement system of the Entity.
2. This led to a financial loss of UGX 7,026,900.

Management response

Evaluation is always done for procurements, management has taken note of the above finding and will investigate the matter.

Recommendations

1. The Accounting Officer should ensure that all procurements are conducted in a fair, transparent and competitive manner in accordance with Sections 48 and 49 of the PPDA Act, Cap. 205.
2. The Accounting Officer should ensure that the financial loss of UGX. 7,026,900 is recovered from the Contracts Committee members who awarded this contract.

2.1.11 Failure to obtain Attorney General's clearance for contract above UGX 200 million

The Authority noted that the Accounting Officer did not obtain the Attorney General's clearance for the contract relating to the facility upgrade of Kamor H/C II staff house, valued at UGX 275,500,000 contrary to Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023.

Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023, requires that a procuring and disposing entity shall not issue a contract, purchase order, or any communication conveying acceptance of a bid that binds the entity to a contract without obtaining all necessary approvals, including, where applicable, clearance from the Attorney General.

Implications

- The Entity committed the government to contractual obligations without obtaining the required legal consent.
- There is a risk of entering into contracts with unfavorable terms, potentially leading to financial loss or legal disputes.

Authority's response

There was no response provided by the Entity; therefore, the query was upheld.

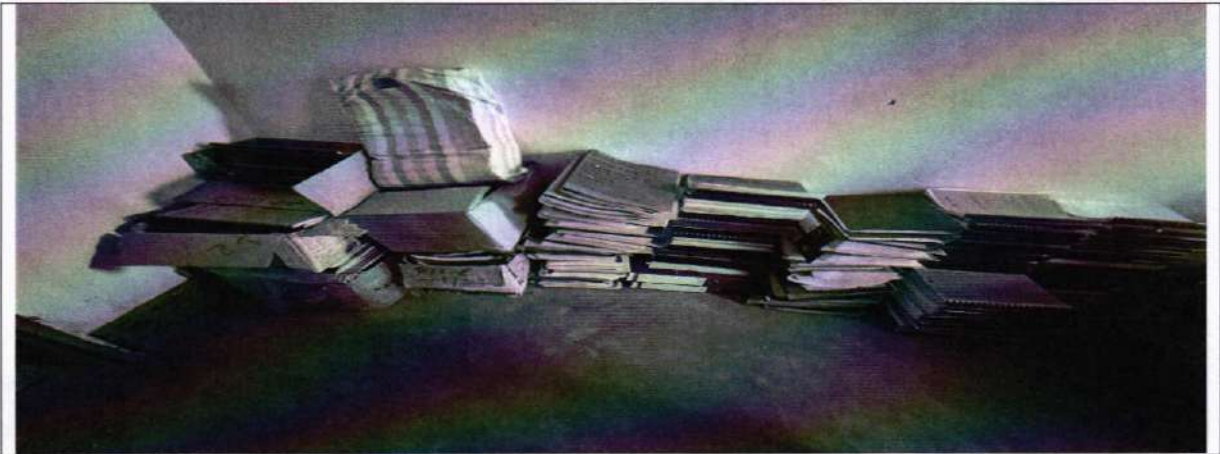
Recommendation

The Accounting Officer should ensure strict compliance with Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023, and Statutory Instrument No. 97 of 2014 by obtaining clearance from the Attorney General for all contracts exceeding UGX 200,000,000 prior to signing.

2.1.12 Poor storage of procurement records

The inspection revealed that the Procurement Disposal Unit lacked a proper storage room for the bids received and the procurement action files. The bids were on the floor in the Procurement and Disposal Unit as illustrated in the Table 6 below:

Table 6: Evidence of poor storage of procurement records at the Procurement and Disposal Unit



Implication

Poor storage of documents leads to damage of documents and unauthorized personnel accessing confidential information which is against the principle of confidentiality.

Management response

Management takes note of the above poor storage issues in PDU; however, the entity is constructing more offices that will absorb all the technical officers which including the Procurement and Disposal Unit, in the next financial year.

Recommendation

The Accounting Officer should equip the Procurement and Disposal Unit with cabinets and storage space 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.

1.1 Compliance of the Entity’s disposal process with the provisions of the PPDA Act, Cap. 205, and PPDA Regulations, 2023

2.2.1 Disposal of Assets

The Authority noted that although Kotido District Local Government (DLG) did not conduct any asset disposal during the Financial Year 2023/2024, its disposal plan for the FY 2024/2025 submitted to the Authority on 16th July 2024 listed several items for disposal. Commendably, the Entity proceeded to implement the plan effectively in the subsequent period (FY 2024/2025) as explained below;

On 22nd January 2025, Kotido DLG entered into an agreement with Intrepid Recovery Associates Ltd to dispose of the obsolete assets through public auction, at a contract price of 10% of the total sales value plus UGX 660,000 for advertising costs.

The auction, held on 12th February 2025, involved the sale of 51 items, including used vehicles, computer equipment, and other obsolete materials. All the 51 items were disposed and removed from the asset register.

The auction realized total proceeds of UGX 20,616,000.

From the proceeds:

- 10% (UGX 2,061,600) was paid as the auctioneer’s commission,
- UGX 660,000 covered the advertising costs,
- Total payment to the auctioneer amounted to UGX 2,721,600.
- The net amount remitted to the Entity was UGX 17,894,400.

Commendation

The Authority commends Kotido DLG for undertaking the disposal process in line with the PPDA (Disposal of Public Assets) Regulations, 2023 regulatory requirements and for successfully generating revenues worth UGX 17,894,400 from obsolete assets through transparent auctioning.

1.3 Efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process.

2.3.1 Irregularities during contracting and contract execution

The Authority observed irregularities during contracting and contract management in eight procurements worth UGX 979,750,160 as indicated in Table 7 below;

Table 7: Transactions with irregularities at contracting and contract management

| No | Subject of Procurement | Contract value (UGX) | Observations |
|----|--|----------------------|--|
| 1. | <p>Subject: Construction of a Teachers’ staff house at Lookorok Primary School</p> <p>Procurement method: Open Bidding</p> <p>Contractor: Symphony Investment Group Ltd</p> | 186,876,000 | <ul style="list-style-type: none"> • Signing a contract by a person without Powers of Attorney; Mr. Augustine Loduk had the notarized Powers however, the contract was signed by Lorenzo Nabuya. • The Special Conditions of Contract (SCC) contained varying completion dates. GCC 17.1 specified that; the intended completion period was 90 days from the start date, yet also listed May 2024 as the completion date. With the start date being 14th November 2024, the 90-day period would expire in 14th February 2025, thus raising the risk of confusion about the actual completion timeline. • Delayed appointment of the contract manager. The contract was signed on 14th November 2023 with site possession on the same date, however Mr Benson Boing |

| No | Subject of Procurement | Contract value (UGX) | Observations |
|----|--|----------------------|---|
| | | | <p>Katyango was appointed as the contract manager on 27th April 2024 just one month before the contract expiry.</p> <ul style="list-style-type: none"> • GCC 27.1 and GCC 27.3 of the Special Conditions of the Contract required the contractor to submit a program of works within 7 days of contract signing and to provide program updates every 14 days thereafter. The contract further stipulated that UGX 100,000 would be withheld for each late submission of an updated program. However, there is no evidence that these programs or updates were submitted, nor that the stipulated amounts were withheld for failure to comply with these requirements. • The payment schedule was not stated in the Special Conditions of the Contract. • Slow Progress of Works: The contract was signed and site possession granted on 14th November 2023, with a contract duration of three months ending on 14th February 2024. However, progress reports dated 11th June 2024 and 13th September 2024 indicated that the works were still ongoing, resulting in a delay of over seven months beyond the original completion date. • Incomplete payment: evidence of payment for works worth UGX 53,097,463 was not provided. |
| 2. | <p>Subject: Facility upgrade of Kamor H/C II staff house under UgIFT</p> <p>Procurement method: Open Bidding</p> <p>Contractor: Great Deeds supply and construction company Ltd</p> | 275,500,000 | <ul style="list-style-type: none"> • There was no evidence that the contractor submitted an advance payment guarantee as required under the contract terms. • Non-Submission of Program of Works and Updates: Under GCC 27.1 and GCC 27.3 of the Special Conditions of the Contract, the contractor was required to submit a program of works within 7 days of contract signing and to provide program updates every 14 days thereafter. The contract also stipulated |

| No | Subject of Procurement | Contract value (UGX) | Observations |
|----|--|----------------------|---|
| | | | <p>that a penalty of UGX 100,000 would be withheld for each late submission. However, there is no evidence that the contractor submitted the required program or updates, nor that the penalties for late submission were enforced.</p> <ul style="list-style-type: none"> • Missing Payment Schedule: The Special Conditions of the Contract did not specify a payment schedule. • Slow progress of work; as per the contract management report dated 13th September 2024, works were still in progress yet the contract had expired on 3rd September 2024 |
| 3. | <p>Subject: Renovation of staff house at Lokiding Health Centre II Procurement method: Open Bidding Contractor: Aplite Investments Ltd</p> | 48,333,000 | <ul style="list-style-type: none"> • Contract Management Reports were not provided. • A Performance Security was not submitted. • The Payment Records were unavailable. • The Payment Schedule was omitted from the Special Conditions of the Contract (SCC). |
| 4. | <p>Subject: Supply, delivery, installation, commissioning and training of assorted medical equipment for Kamor HC II Procurement method: Selective Bidding Contractor: N2M Company Ltd</p> | 63,998,000 | <ul style="list-style-type: none"> • There was no evidence of delivery, installation, commissioning, or training done. • A contract management plan was not developed and no reports were submitted regarding contract management activities. • A contract manager was not appointed for overseeing the project. • There is no evidence to confirm that payment was made. |
| 5. | <p>Subject: Supply, delivery, installation, commissioning and training of assorted furniture for Kamor HC III Procurement method: Selective Bidding Contractor: Emperor's Hill Life Investments Ltd</p> | 13,192,400 | <ul style="list-style-type: none"> • There was no list of supplies or equipment specifications attached to the contract, detailing the medical equipment to be supplied. • No evidence of delivery, installation, commissioning, or training was provided. • No contract manager was appointed to oversee the project and as a result, a contract management plan was not in place and no reports were submitted regarding contract management activities. |

| No | Subject of Procurement | Contract value (UGX) | Observations |
|----|--|----------------------|---|
| | | | <ul style="list-style-type: none"> There is no evidence of payment made. |
| 6. | <p>Subject: Sitting and Drilling of three (3) Dip production boreholes filled with hand pump and cattle troughs.</p> <p>Procurement method: Open Domestic Bidding</p> <p>Contractor: KLR Uganda Limited</p> | 134,166,000 | <ul style="list-style-type: none"> GCC 27.1 of the contract required the Contractor to submit a program of works within 2 days of delivery of the Letter of Acceptance however, the program was not submitted. No evidence of contract manager appointed No payment records |
| 7. | <p>Subject: Construction of Nayan Water Supply Scheme Phase II</p> <p>Procurement method: Open Domestic Bidding</p> <p>Contractor: Real Irrigation Engineering Company Limited</p> | 236,163,260 | <ul style="list-style-type: none"> The Best Evaluated Bidder (BEB), Real Irrigation Engineering Company Ltd, did not provide a proposed work method and schedules. A program of works was not submitted within 2 days of the Letter of Acceptance, in violation of GCC 27.1 of the contract. GCC 52.1 of the contract required a performance security of at least 10% of the contract sum to be provided before signing the contract. No evidence of this was found on file. There was no evidence that a contract manager was appointed. |
| 8. | <p>Subject: Renovation of a Health Department Block Phase II at the District H/Q</p> <p>Procurement method: Selective Bidding</p> <p>Contractor: Tatao Agencies and Constructors</p> | 21,521,500 | <ul style="list-style-type: none"> The Contract had no Special Conditions of a Contract attached. Missing records like: contract management plans, reports, or evidence of payment or completion on file |
| | Total | 979,750,160 | |

Implications

- Failure to appoint contract supervisors exposes the Entity to the risk of poor contract management which results into failure to implement contracts in accordance with the agreed terms and conditions of the contract.
- Without contract management records, auditors could not verify whether the works, items, or services delivered met the specified requirements.

Management Response

Management has taken note of the above.

Recommendations

1. Heads of User Departments should;
 - i Nominate Contract Managers for appointment by the Accounting Officer for all contracts in accordance with Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023.
 - ii Task contract supervisors to prepare monthly reports on the progress of a contract, and a copy submitted to the Accounting Officer and the Procurement and Disposal Unit for record keeping as required under Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.
2. The Accounting Officer should task the contract managers to show cause why appropriate disciplinary action should not be taken against them for failure to execute their roles and responsibilities in line with Regulation 52 (1) & (2) of the PPDA (Contracts) Regulations 2023 as highlighted in Table 13 above.

2.3.2 Physical verification

On 13th March 2025, the Authority conducted physical verification of five projects worth UGX 500,145,095 and noted issues in two projects worth UGX. 208,397,500 for management's attention as per Table 8 below:

Table 8: Issues noted during physical verification

| NO | ISSUES NOTED |
|-----------|---|
| 1. | <p>Subject: Construction of a Teachers' staff house at Lookorok Primary School Reference number: KOTI871/WRKS/23-24/00002 Procurement method: Open Bidding Contractor: Symphony Investment Group Ltd Contract value: UGX 186,876,000 Contract date: 14th November 2023 Site possession date: 1^{4th} November 2023 Completion date: (6 months) May 2024 Contract manager: Engineering Officer (Mr. Benson Boing Katyango), appointed on 27th April 2024</p> <p>Progress; Physical: 90% Time: 167% Financial: 72%</p> <p>Incomplete and Defective Works:</p> <ul style="list-style-type: none">• Internal doors had been installed but were not lockable.• No earthing was done on the electrical installation.• Hairline cracks were observed on the interior walls.• There were no trees planted as per the ESHS requirements.• Ramps to ease accessibility to the staff house were not installed contrary to the BOQs. |

Abandonment of Site:

- The contractor had abandoned the site and had been last seen on 22nd October 2024.
- Despite being instructed by the Contract Manager to return and rectify the defects, the contractor had not returned.



Front view of staff house without a ramp to ease access.



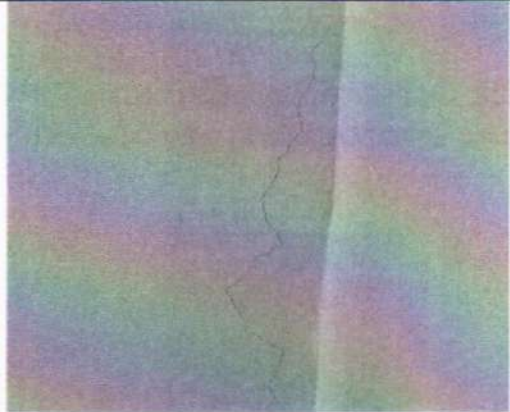

Back view of staff house showing the lightning arrester without earthing



Front view of the kitchen, showing the compound without any trees planted.



Unlockable and defective door lock in the interior of one of the houses.

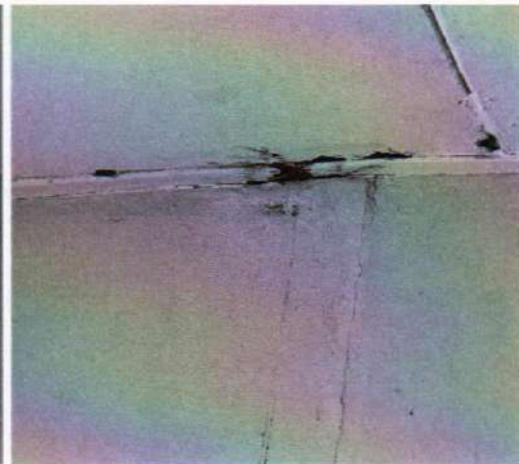
| | | |
|----|---|--|
| |  |  |
| 2. | <p>Subject: Renovation of a Health Department Block Phase II at the District H/Q Reference number: KOTI 528/Supls/22-23/00009 Procurement method: Selective Bidding Contractor: Tatao Agencies and Constructors Contract value: UGX 21,521,500 Contract date: 19th April 2024 Contract Manager: Dr Achar Cerino the District Health Officer</p> <p>Progress; Physical: 60% Time: Contract duration was not stated in contract Financial: No payment records provided</p> <p>Scope of works:</p> <ul style="list-style-type: none"> • Fixing doors and windows • painting, and • replacing ceiling boards <p>Incomplete and Defective Works:</p> <ul style="list-style-type: none"> • Failure to replace old boards; some exterior walls and ceiling boards were painted yet they had wear cracks, mold and leakages • Wooden ceiling corridor had a central water stain or damp patch visible on one of the ceiling panels, indicating a possible roof leak or water infiltration above • Some sections of an interior wall and ceiling corner had water leakage and mold growth clearly visible. | |



Front view of Health Department Block showing the project site for the renovation works



Wooden ceiling corridor with a central water stain or damp patch visible on one of the ceiling panels, indicating a possible roof leakage or water infiltration.



Sections of an interior wall and ceiling corner where water leakage and mold growth are clearly visible.

Implication

Incomplete or poorly managed projects impact the safety, compliance, and overall success of the projects.

Management Response

Management acknowledges the above and will instruct the District Environmental Officer and the District Community Development Officers to ensure full compliance and submit regular updates on progress.

Recommendations

1. Contract Managers for the above projects should show cause as to why appropriate disciplinary action should not be taken against them for failure to execute their roles and responsibilities in

line with Regulation 52 (1) & (2) of the PPDA (Contracts) Regulations 2023, as highlighted in table 9 above.

2. The Accounting Officer should task the District Engineer to develop a snag list to guide the Contractor in rectifying all anomalies identified in the table above within one month of receiving this letter. A report on the completed rectifications should be submitted to the Authority by August 2025.
3. For environmental and safety issues, the Accounting Officer should task the Environmental and District Community Development Officers with ensuring compliance and reporting regularly on progress.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section presents graphically the compliance inspection scores.

3.1. Overall Compliance Inspection Conclusion

The performance of Kotido District Local Government for the Financial Year 2023/24 was **unsatisfactory**, with an overall weighted average risk rating of **73.5%**.

3.2. Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as detailed in Table 9 below:

Table 9: Risk Score

| Risk Rating | No. | %No | Value (UGX) | %Value | Weights | Total Weighted Score | |
|--------------|-----------|------------|----------------------|------------|----------|----------------------|-------------|
| | | | | | | By No. | By Value |
| High | 7 | 64 | 987,268,490 | 59 | 0.6 | 38.4 | 35.4 |
| Medium | 3 | 27 | 348,494,260 | 21 | 0.3 | 8.1 | 6.3 |
| Low | 0 | 0 | 0 | 0 | 0.1 | 0 | 0 |
| Satisfactory | 1 | 9 | 330,000,000 | 20 | 0 | 0 | 0 |
| Total | 11 | 100 | 1,665,762,750 | 100 | 1 | 46.5 | 41.7 |

$$\text{Performance by Number} = \frac{46.5 \times 100}{60} = 77.5\%$$

$$\text{Performance by Value} = \frac{41.7 \times 100}{60} = 69.5\%$$

$$\text{The average weighted risk rating} = \frac{77.5 + 69.5}{2} = 73.5\%$$

Since 73.5% falls within the 71% - 100% risk range, the performance of the Entity is rated **unsatisfactory** as detailed in Table 10 below.

Table 10: Risk Rating

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

Figure 1: Risk Rating by Number

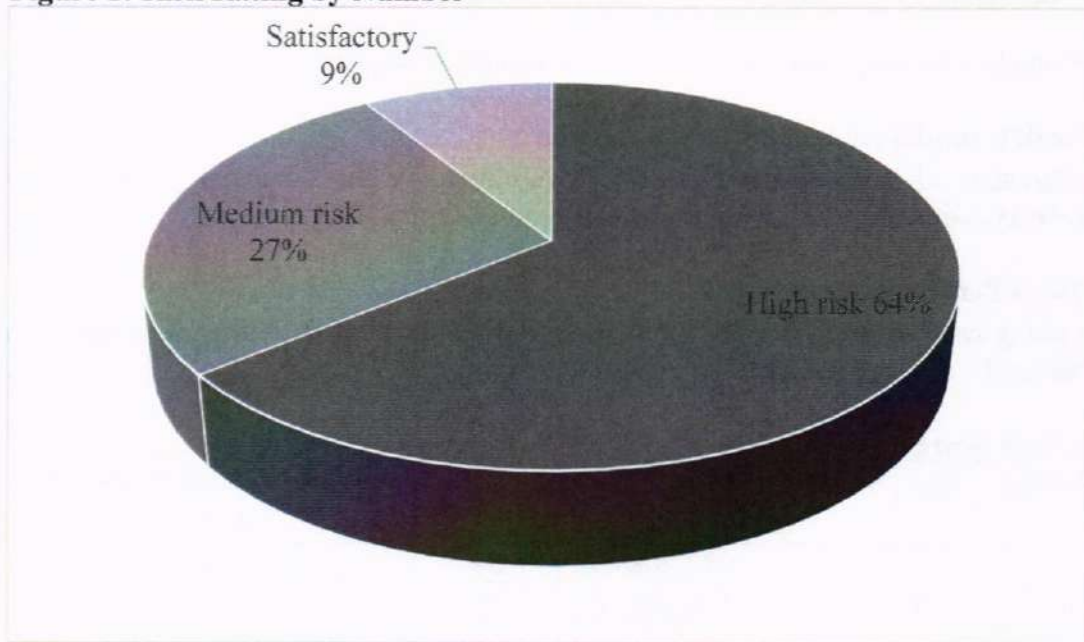
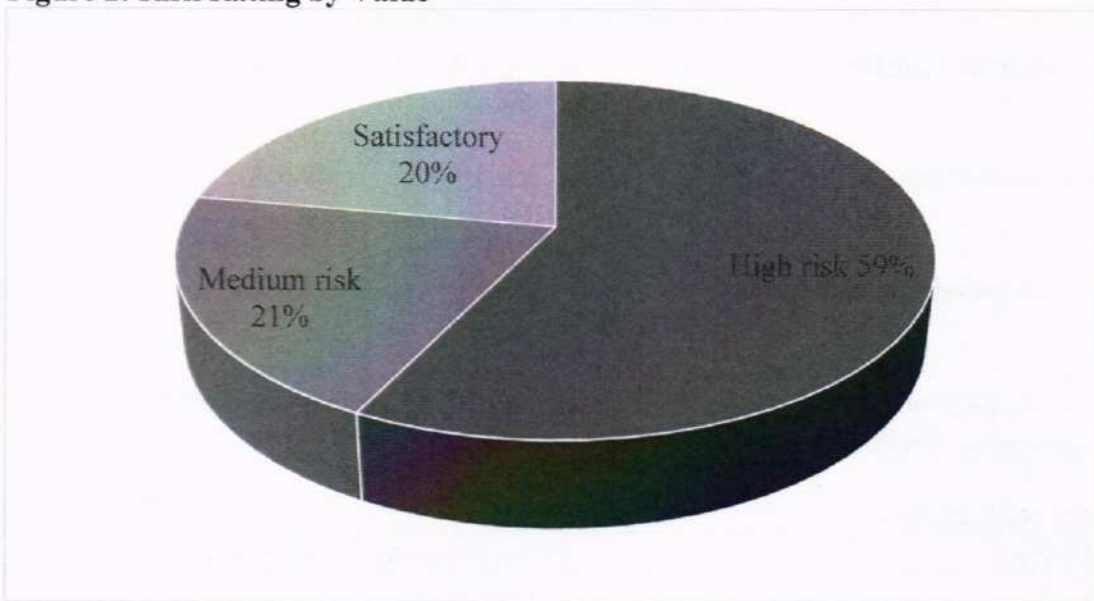


Figure 2: Risk Rating by Value



3.3. Recommended Action Plan

Kotido District Local Government should implement the following recommendations detailed in Table 11 within the time frame given in order to improve its performance in Procurement and Disposal.

Table 11: Recommended Action Plan

| No. | Recommended Action | Target Date |
|-----|---|-------------|
| 1. | <p>The Accounting Officer should:</p> <ul style="list-style-type: none"> i. Task the Internal Audit Section to monitor the status of implementation of the PPDA audit recommendations so as to improve the Entity's performance in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205; ii. Ensure that the Internal Audit department reviews the procurement and disposal procedures on a quarterly basis and documents the findings in the internal audit report, in compliance with Regulation 27 of the PPDA (Procuring and Disposal Entities) Regulations, 2023; iii. Staff the Procurement and Disposal Unit to an appropriate level in accordance with Section 28 (1) (c) of the PPDA Act, Cap. 205; iv. Ensure that the Entity's procurement plan is reviewed and updated whenever the Entity experiences changes that affect the User Department work plans in accordance with Section 60 (7) of the PPDA Act, Cap. 205; and v. Equip the Procurement and Disposal Unit with cabinets and storage space 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. vi. Implement targeted measures to increase bidder participation, including conducting market surveys, engaging supplier associations, and organizing bidder sensitization sessions. These efforts promote competition and ensure value for money in line with Sections 49 of the PPDA Act, Cap 205 | August 2025 |
| 2. | The Head Procurement and Disposal Unit should ensure that the Evaluation Committee members strictly adhere to the evaluation criteria in the bidding document in accordance with Section 76 (3) of the PPDA Act, Cap. 205. | August 2025 |
| 3. | User Departments should always recommend a statement of requirements (specifications, bills of quantity, and terms of reference) at the initiation of their procurements in accordance with Section 60 of the PPDA Act, Cap. 205. | August 2025 |
| 4. | The Contract Managers for the above projects should show cause as to why appropriate disciplinary action should not be taken against them for failure to execute their roles and responsibilities in line with Regulation 52 (1) & (2) of the PPDA (Contracts) Regulations, 2023. | August 2025 |

ANNEXES

Annex A: Case by Case Risk analysis

| NO | HIGH RISK CONTRACTS | REASONS FOR HIGH RISK |
|----|---|--|
| 1. | <p>Subject: Construction of a Teachers' staff house at Lookorok Primary School</p> <p>Reference number: KOTI871/WRKS/23-24/00002</p> <p>Procurement method: Open Bidding</p> <p>Contractor: Symphony Investment Group Ltd</p> <p>Contract value: UGX 186,876,000</p> | <ul style="list-style-type: none"> • Funds Availability: The funds availability section was left blank at initiation. • Non-compliant Bid Security: The Best Evaluated Bidder (BEB) submitted UGX 1,500,000 instead of the required UGX 1,900,000 but was still considered compliant. • Bid Price Discrepancy: A mismatch was noted between the bid submission sheet and the BoQs for Symphony Investment Group Ltd, but the higher figure was used in evaluation. • Contract Signing Irregularities: The contract was signed by a person without Powers of Attorney (Lorenzo Nabuya), while the notarized authority was held by Augustine Loduk. • Conflicting Contract Dates: The Special Conditions of Contract (SCC) listed conflicting project completion dates, creating confusion about the actual timeline. • Delayed Contract Manager Appointment: The Contract Manager was appointed 1 month before expiry of contract. • Slow Progress of Works: Works remained incomplete over seven months past the original contract end date. • Incomplete payment: UGX 53,097,463 remains outstanding. |
| 2. | <p>Subject: Facility upgrade of Kamor H/C II staff house under UgIFT</p> <p>Reference number: KOTI871/WRKS/23-24/00008</p> <p>Procurement method: ODB</p> <p>Contractor: Great Deeds supply and construction company Ltd</p> <p>Contract value: UGX 275,500,000</p> | <ul style="list-style-type: none"> • The BEB provided UGX 1,500,000 bid security instead of the required UGX 1,900,000 but was still deemed compliant. • Inconsistent Bid Prices: <ul style="list-style-type: none"> - Great Deeds: UGX 266.5M (submission) vs UGX 283.5M (BoQs); UGX 283.5M considered. - Mangron Investments: UGX 285.58M; corrected to UGX 286.37M. - Richan Uganda Ltd: UGX 265.04M (submission) vs UGX 273.7M (BoQs); corrected to UGX 288.6M. • Contracts Committee altered the award price from UGX 283.5M to UGX 287.02M without justification. • Slow progress of works; project still ongoing as of 13th September 2024 despite contract expiry on 3rd September 2024. |

| NO | HIGH RISK CONTRACTS | REASONS FOR HIGH RISK |
|----|--|--|
| | | <ul style="list-style-type: none"> • No evidence of Attorney General's clearance for the UGX 275.5M contract. • No evidence of submission of an advance payment guarantee. |
| 3. | <p>Subject: Supply, delivery, installation, commissioning and training of assorted furniture for Kamor HC III</p> <p>Reference number: MoH/UgIFT/SUPLS/2023-24/00001- Lot 5</p> <p>Procurement method: Selective Bidding</p> <p>Contractor: Emperor's Hill Life Investments Ltd</p> <p>Contract value: UGX 13,192,400</p> | <ul style="list-style-type: none"> • Procurement was not on plan • Equipment warranty requirement was not specified in the contract. • No evidence of delivery, installation, commissioning, or training was provided. • No contract manager was appointed to oversee the project and as a result, a contract management plan was not in place and no reports were submitted regarding contract management activities. • There is no evidence of payment made. • A completion certificate has not been issued. |
| 4. | <p>Subject: Sitting and Drilling of three (3) Dip production boreholes filled with hand pump and cattle troughs.</p> <p>Reference number: KOTI870/WRKS/23-24/00004</p> <p>Procurement method: Open Domestic Bidding</p> <p>Contractor: KLR Uganda Limited</p> <p>Contract value: UGX 134,166,000</p> | <ul style="list-style-type: none"> • The contract was awarded to KLR Uganda Ltd (UGX 134,166,000) on 10th October 2023, before the CAO confirmed funds on 10th December 2023. • The contract was awarded to KLR Uganda Ltd, despite their higher bid (UGX 134,166,000) compared to East Africa Boreholes (UGX 127,139,100). • There is no evidence of a contract manager being appointed. • No payment records were available. |
| 5. | <p>Subject: Renovation of a Health Department Block Phase II at the District H/Q</p> <p>Reference number: KOTI 528/Supls/22-23/00009</p> <p>Procurement method: Selective Bidding</p> <p>Contractor: Tatao Agencies and Constructors</p> <p>Contract value: UGX 21,521,500</p> | <ul style="list-style-type: none"> • The Procurement was not included in the procurement plan. • No Contracts Committee approval of Evaluation Committee members was found. • Tatao was marked compliant despite lacking proof of access to a Dump Truck and failing to demonstrate understanding of Environmental and Social safeguards. • The contract lacked Special Conditions of Contract. • No contract management plans, progress reports, payment records, or completion certificate were on file. |
| 6. | <p>Force account: Routine mechanized maintenance of Rengen-Lopuyo-Lokiding</p> | <p>Missing accountabilities for fuel as these were not provided to the Authority during the inspection.</p> |

| NO | HIGH RISK CONTRACTS | REASONS FOR HIGH RISK |
|----|--------------------------------------|-----------------------|
| | Road (21.98kms) worth UGX 50,000,000 | |

Medium risk contracts

| No. | MEDIUM RISK CONTRACTS | REASONS FOR MEDIUM RISK |
|-----|--|--|
| 1. | Subject: Renovation of staff house at Lokiding Health Centre II Reference number: KOTI871/WRKS/23-24/00003 Procurement method: ODB Contractor: Aplite Investments Ltd Contract value: UGX 48,333,000 | <ul style="list-style-type: none"> • BOQs not attached at initiation • Contract Management Reports were not provided. • A Performance Security was not submitted. • The Payment Schedule was omitted from the Special Conditions of the Contract (SCC). |
| 2. | Subject: Supply, delivery, installation, commissioning and training of assorted medical equipment for Kamor HC II Reference number: MoH/UgIFT/SUPLS/2023-24/00001- Lot 4 Procurement method: Selective Contractor: N2M Company Ltd Contract value: UGX 63,998,000 | <ul style="list-style-type: none"> • There was no price list of supplies and specifications attached to the contract showing what medical equipment was to be supplied • Poor record keeping • No contract management plan • No evidence that a contract manager was appointed |
| 3. | Subject: Construction of Nayan Water Supply Scheme Phase II Reference number: KOTI 871/WRKS/23-24/00005 Procurement method: Open Domestic Bidding Contractor: Real Irrigation Engineering Company Limited Contract value: UGX 236,163,260 | <ul style="list-style-type: none"> • The Best Evaluated Bidder (BEB), Real Irrigation Engineering Company Ltd, did not provide a proposed work method and schedules. • No program of works was submitted within 2 days of the Letter of Acceptance, in violation of GCC 27.1. • GCC 52.1 requires a performance security of at least 10% of the contract sum to be provided before signing the contract. No evidence of this was found on file. |

Satisfactory procurements

| No. | Procurement |
|-----|--|
| 1. | Subject: Construction of Council Hall Chambers (Phase IV) at Kotido District Headquarters Method: Open bidding Contractor: Wide Builders and Constructors Ltd Contract value: UGX 330,000,000 |

Annex B: Risk Rating Criteria

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

| RISK | DESCRIPTION | AREA | IMPLICATION |
|---|--|--|--|
| MEDIUM | Procurements that were considered to have weaknesses, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands-on management control and oversight" at an appropriate level of seniority. | 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 bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms, and splitting procurement requirements. | This implies a lack of efficiency, standardization, and avoiding competition. |
| | | Procurement Structures: Lack of procurement structures | This implies a 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 compliance inspection 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 amendments 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 | | | |

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

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

| No. | Reference number | Subject of procurement | Procurement method | Provider | Contract value (UGX) | Risk Rating |
|-----|-------------------------------------|--|-----------------------|---|----------------------|-------------|
| 1. | KOTI871/WRKS/23-24/00002 | Construction of a Teachers' staff house at Lookorok Primary School | Open Domestic Bidding | Symphony Investment Group Ltd | 186,876,000 | High |
| 2. | KOTI871/WRKS/23-24/00008 | Facility upgrade of Kamor H/C II staff house under UgIFT | Open Domestic Bidding | Great Deeds supply and construction company Ltd | 275,500,000 | High |
| 3. | KOTI871/WRKS/23-24/00003 | Renovation of staff house at Lokiding Health Centre II | Open Domestic Bidding | Aplite Investments Ltd | 48,333,000 | Medium |
| 4. | MoH/UgIFT/SUPLS/2023-24/00001-Lot 4 | Supply, delivery, installation, commissioning and training of assorted medical equipment for Kamor HC II | Selective Bidding | N2M Company Ltd | 63,998,000 | Medium |
| 5. | MoH/UgIFT/SUPLS/2023-24/00001-Lot 5 | Supply, delivery, and installation of assorted furniture for Kamor HC III | Selective Bidding | Emperor's Hill Life Investments Ltd | 13,192,400 | High |
| 6. | | Force account: Routine mechanized maintenance of Rengen-Lopuyo-Lokiding Road (21.98kms) worth UGX | Force Account | District Engineer | 50,000,000 | High |
| 7. | KOTI870/WRKS/23-24/00004 | Sitting and Drilling of three (3) Dip production boreholes filled with hand pump and cattle troughs. | Open Domestic Bidding | KLR Uganda Limited | 134,166,000 | High |
| 8. | KOTI 871/WRKS/23-24/00005 | Construction of Nayan Water Supply Scheme Phase II | Open Domestic Bidding | Real Irrigation Engineering Company Limited | 236,163,260 | Medium |

| No. | Reference number | Subject of procurement | Procurement method | Provider | Contract value (UGX) | Risk Rating |
|-----|-------------------------------------|---|-----------------------|------------------------------------|----------------------|--------------|
| 9. | KOTI 528/Supls/22-23/00009 | Renovation of a Health Department Block Phase II at the District H/Q | Selective Bidding | Tatao Agencies and Constructors | 21,521,500 | High |
| 10. | KOTI871/WRKS/23-24/00001 | Construction of Council Hall Chambers (Phase IV) at Kotido District Head Quarters | Open Bidding | Wide Builders and Constructors Ltd | 330,000,000 | Satisfactory |
| 11. | KOTI871/WRKS/23-24 (Contract audit) | Construction of Rengen Seed Secondary School | Open Domestic Bidding | Mangron Investment Ltd | 306,012,590 | High |
| | | | | TOTAL | 1,665,762,750 | |

Annex D: Contracts Committee members

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

| List of the Contracts Committee members | | | | | |
|--|-----------------------------|-----------------|------------------------------|---------------------------------|---------------|
| No | Name | Position | Date of Appointment | Title | Tenure |
| 1. | Mr. Owen Bernard Obin Eriya | Chairperson | 16 th March 2022 | District Agricultural Officer | Second term |
| 2. | Mrs. Rebecca Lokol | Member | 13 th June 2022 | Senior Administrative Secretary | |
| 3. | Mrs. Deborah Achaia | Member | 13 th June 2022 | Ass. District Health Officer | |
| 4. | Ms. Christine Lokiru | Secretary | 18 th June 2023 | Officer | First term |
| 5. | Mr. Benson Katyanlobing | Member | 25 th August 2023 | Officer | |