



**PUBLIC PROCUREMENT AND DISPOSAL  
OF PUBLIC ASSETS AUTHORITY**  
*"Procurement That Delivers"*

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

**MUBENDE REGIONAL REFERRAL HOSPITAL**

**MAY 2025**

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## LIST OF ACRONYMS

BEB	Best Evaluated Bidder
BoS	Board of Survey
BoQs	Bills of Quantities
BPLM	Bachelors in Procurement and Logistic Management
CC	Contracts Committee
CV	Curriculum Vitae
Dr	Doctor
ESHS	Environmental, Social, Health and Safety
FY	Financial Year
GCC	General Condition of Contract
IFMS	Integrated Financial Management System
ITB	Instruction to the Bidder
LTD	Limited
LPO	Local Purchase Order
ODB	Open Domestic Bidding
PDU	Procurement and Disposal Unit
PGD	Post Graduate Diploma
PPDA	Public Procurement and Disposal of Public Assets Authority
PSST	Permanent Secretary- Secretary to the Treasury
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
UGX	Uganda Shillings
URA	Uganda Revenue Authority
VAT	Value Added Tax

## EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection of the Procurement and Disposal Activities of Mubende Regional Referral Hospital that covered a sample of 18 procurement transactions under Financial Year 2023/2024.

The overall objective of the compliance inspection was to assess and establish the degree of compliance of Mubende Regional Referral Hospital procurement system and processes with the provisions of the PPDA Act, Cap 205 and PPDA Regulations, 2023 and assess the level of procurement performance over the period.

From the findings of the compliance inspection exercise, the performance of Mubende Regional Referral Hospital for the Financial Year 2023/2024 was **moderately satisfactory performance** with an overall weighted average risk rating of **56.9%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of this compliance report.

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

1. Failure to implement 25% of the previous audit recommendations contrary to Section 10(1) (a) of the PPDA Act Cap 205 which denied the Entity an opportunity of continuous improvement of the procurement and disposal function;
2. Failure to implement 23% (UGX 146,430,328) of the procurement plan budget of UGX 644,042,998, which hindered service delivery to the intended beneficiaries;
3. Failure by the Entity to submit the annual procurement plan for financial year 2023/2024 to the Authority contrary to Section 60 (1) of the PPDA Act, Cap 2023 which affected the monitoring of the Entity's procurement and disposal activities;
4. The Entity conducted two procurements worth UGX 153,432,790 outside the procurement plan contrary to Section 60 (10) of the PPDA Act, Cap. 205 which exposed the Entity to the risk of re-allocation of funds and accumulation of domestic arrears;
5. Failure by the Entity to adhere to the reporting timelines and submission of monthly reports to the Authority contrary to Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 which limited transparency and accountability for procurements undertaken in the financial year;
6. In three procurements worth UGX 149,900,000, the Entity shortlisted and invited an average of three firms contrary to Regulation 53 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 which limited competition hence hindering achievement of value for money;
7. In 16 procurements worth UGX 338,838,642, the Entity issued inadequate bidding documents with unclear bidding periods, no place of delivery, no specifications and requirement for previous experience contrary to Regulations 42-45 of the PPDA (Rules and Methods of Procurement for Supplies, Works and Non-consultancy services) Regulations, 2023;
8. Irregularities at the evaluation stage in 15 procurements worth UGX 278,311,342 including passing of non-compliant bidders and change of evaluation criteria contrary to Regulations 5 (1) of the Public Procurement and Disposal Assets (Evaluation) Regulations, 2023 which exposed the Entity to the risk of awarding contracts to non-compliant bidders;
9. For three procurements worth 149,000,000, the Entity displayed the notice of the best evaluated bidder for six days contravening the required 10 days in accordance with Regulation

- 3 (1) of the PPDA (Contracts) Regulations, 2023 which hindered transparency and accountability in the procurement process;
10. Failure by the Entity to appoint Contract Managers in all the sampled procurements worth UGX 450,209,902 contrary to Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023 affecting contract management;
  11. Irregular payment of UGX 115,225,000 to Nakawala General Enterprises for provision of cleaning services without a contract contravening Section 49 of the PPDA Act Cap 205 which inhibited the principle of competition affecting achievement of value for money in the procurement process; and
  12. Failure by the Entity to maintain procurement records on procurement action files including contract management records of form 5 requisition, bidding documents, evaluation committee minutes, contract management reports among others in five procurements worth 348,657,790 contrary to Section 33 (o) of the PPDA Act, Cap 205.

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

1. The Permanent Secretary Ministry of Health should task the Accounting Officer to show cause why disciplinary action should not be taken him for flouting the procurement processes that led to the payment of UGX 115,225,000 (11 months payments) to Nakawala General Enterprises Ltd for provision of cleaning services without following competitive procurement process and without a contract contravening Section 49 of the PPDA Act, Cap 205.
2. The Accounting Officer should:
  - a) Put in place a strong internal mechanism and a dedicated team of staff that will always ensure full implementation of the Authority's previous audit recommendations in accordance with Section 10 (1) (a) of the PPDA Act Cap 205 to ensure improved performance;
  - b) Ensure that the procurement plan is reviewed and updated on a quarterly basis to reflect any changes that may arise as required in accordance with Section 60 (7) of the PPDA Act, Cap 205;
  - c) Ensure that the Entity's procurement and disposal plan is submitted to the Authority in accordance with Section 60 (1) of the PPDA Act, Cap 205;
  - d) Ensure that the procurement plan is reviewed and updated on a quarterly basis to reflect any changes that may arise as required in accordance with Section 60 (7) of the PPDA Act, Cap 205;
  - e) Ensure that reports on the procurement activities undertaken by the Entity in the month are reported using the format of Form 2 of the Schedule by the 15<sup>th</sup> day of the following month and should include information on the providers who undertook the procurement in accordance to Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023; and
  - f) Always appoint a person from the User Departments to be a Contract Manager for every procurement in accordance with Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023.
3. The Contracts Committee should in accordance with Section 30 (d) of the PPDA Act Cap 205 desist from approving procurements outside the procurement plan.

4. The Head Procurement and Disposal Unit should:
  - a) Ensure that the procurement plan states the supplies, works, consultancy and non-consultancy services to be procured in accordance to Regulation 6 (a) of the PPDA (Procurement Planning) Regulations, 2023;
  - b) Ensure that at least six bidders are shortlisted when using Request for Quotation and Proposals in accordance with Regulation 53 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023;
  - c) Ensure that Evaluation Committee members understand and sign Code of Ethics and evaluation minutes in accordance with Section 39 (6) of the PPDA Act, Cap 205 and Regulation 4 (11) of the PPDA (Evaluation) Regulations, 2023 respectively;
  - d) Ensure that the notice of best evaluated bidder is displayed for a period of 10 working days in accordance with Regulation 3 (1) of the PPDA (Contracts) Regulations, 2023;
  - e) Desist from generating and issuing Integrated Financial Management System LPO for procurements that did not follow the procurement process; and
  - f) Archive all documents pertaining to a particular procurement on their respective files in accordance with Section 33 (o) of the PPDA Act, Cap 205.
5. The Evaluation Committee members should ensure that they strictly adhere to the set evaluation criteria specified in the bidding document as provided under Regulations 5 (1) of the Public Procurement and Disposal Assets (Evaluation) Regulations, 2023.
6. The User Department should ensure that all procurements are initiated using part 1 of Form 5 in the Schedules in accordance with Regulation 3 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

Mubende Regional Referral Hospital should implement the recommended action plan on pages **20-21** of this report.

## CHAPTER ONE: 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 Mubende Regional Referral Hospital that covered a sample of 18 procurement transactions under Financial Year 2023/2024. The compliance inspection involved a review of procurement structures, asset procurement and disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act, Cap 205 and the attendant PPDA Regulations.

### 1.2. Main Audit Objectives

The overall objective of the compliance inspection was to assess and establish the degree of compliance of Mubende Regional Referral Hospital's 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 audit period.

#### The Specific Objectives were to:

- i. Establish the level of compliance by the Entity with the general provisions of the PPDA Act, Cap 205 and the attendant PPDA Regulations with regard to the performance of the procurement structure and conduct of procurement process;
- ii. Assess the degree of compliance of the Entity's Disposal process with the provisions of the PPDA Act, Cap 205 and the PPDA Regulations, 2023; and
- iii. Assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process.

### 1.3. Scope of the Compliance Audit

The Compliance inspection involved a review of the procurement process, disposal process, general compliance issues and contract implementation on sample basis. The exercise covered a sample of 18 procurement transactions worth UGX 520,515,438 conducted during the FY 2023/2024, review of procurement structures and review of the procurement plan performance. The list of sampled transactions is contained in **Annex B**.

### 1.4. Methodology

The auditors 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 and Disposal Planning, Initiation, Bidding, Evaluation, Contract Placement and processes. At the end of the document review, a physical verification was undertaken to ascertain the level of contractual delivery and fit for purpose. During the compliance inspection, the auditors held interviews with the staff from the Procurement and Disposal Unit (PDU) and User Departments that were necessary in obtaining crucial qualitative information about the internal control systems and processes in place.

Two Senior Officers conducted the exercise under the supervision of the Regional Manager and Director Performance Monitoring – Regional Offices. During the exercise, the team examined records and documents for each of the 18 sampled procurement transactions. The team reviewed the procurement plan for the Financial Year 2023/2024.

A debrief meeting to discuss preliminary findings was held with the Entity management and staff on 15<sup>th</sup> December 2024 before the procurement and disposal compliance inspection team could

embark on preparation of the Management Letter. The Management Letter was sent to the Entity on 11<sup>th</sup> February 2025 with a request to submit a Management Responses by 21<sup>st</sup> February 2025, which was submitted to the Authority on 22<sup>nd</sup> April 2025.

### 1.5. Procurement Structure of the Entity

The key players in the procurement structure at the Entity are the Hospital Director as the Accounting Officer, the Contracts Committee (CC), the Procurement and Disposal Unit (PDU), ad-hoc Evaluation Committees and User Departments.

#### i. Accounting Officer

Section 28 of the PPDA Act, Cap 205 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. During the Financial Year 2023/2024, the Accounting Officer was Dr. Emmanuel Batubwe and was designated as the Accounting Officer of the Entity.

#### ii. The Contracts Committee

The Permanent Secretary/Secretary to the Treasury of Ministry of Finance, Planning & Economic Development approved five members of the Contracts Committee who also acted during the period under review as indicated in Table 1 below:

**Table 1: Contracts Committee Members**

S/N	Name	Job Title	Position on Committee	Date of Appointment
1.	Mr. Ivan Mwiiwa Leacky	Principal Psychiatric Clinical Officer	Chairperson	26 <sup>th</sup> April 2022
2.	Mr. Fredrick Ndikwaye	Senior Psychiatric Clinical Officer	Member	26 <sup>th</sup> April 2022
3.	Sr. Stella Kobusinge	Senior Nursing Officer	Member	23 <sup>rd</sup> May 2022
4.	Sir. Halima Admams	Nursing Officer	Secretary	26 <sup>th</sup> April 2022
5.	Mr. Patrick Oidi	Senior Orthopedic Technician	Member	26 <sup>th</sup> April 2022

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

The Procurement and Disposal Unit was manned by Mr. Emmanuel Ebesu, Procurement Officer with qualifications of CIPS Level 6, Bachelor of Business Administration and Management

## CHAPTER TWO: FINDINGS AND RECOMMENDATIONS

### 2.1. COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP 205 AND REGULATIONS, 2023 WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURE AND CONDUCT OF PROCUREMENT PROCESS.

#### 2.1.1 Failure to implement 25% of the previous audit recommendations

Mubende Regional Referral Hospital was issued with previous audit report for the Financial Year 2019-2020 on 9<sup>th</sup> August 2021. Out of eight recommendations made, three (38%) recommendations were fully implemented, three (38%) recommendations were partially implemented and two (25%) recommendations were not implemented as detailed in Table 2 below:

**Table 2: Implementation of Previous Audit Recommendations**

No.	Recommended Action	Status	Comment
1.	The Head Procurement and Disposal Unit should always display and issue complete notices of best evaluated bidders for a period of ten working days. The Entity should not take any action on the contract award until the lapse of the ten working days in accordance with Regulations 5 (1) of the PPDA (Contracts) Regulations 2014	Not implemented	Reoccurring
2.	User department should ensure that they nominate Contract Managers for appointment by the Accounting Officer for all procurements in accordance with Regulations 52 (1) of the PPDA (Contracts) Regulations 2014.	Not implemented	Reoccurring

#### Implication

Failure to implement previous audit recommendations denies the Entity an opportunity to continuously improve in their procurement processes.

#### Management Response

Management acknowledged the anomaly and pledged to improve.

#### Recommendation

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

#### 2.1.2 Irregularities noted in procurement planning stage

##### i. Failure to implement 23% of the procurement plan

Section 60 (7) of the PPDA Act, Cap 205 states 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 Authority noted that the Entity's total procurement budget for the Financial Year 2023/2024 was UGX 644,042,998 as noted from the Entity's consolidated procurement plan. The monthly reports indicated a total procurement spend of UGX 369,612,670. A review of the monthly reports

and the IFMS purchase activity register noted that the Entity procured items totaling to UGX 497,612,670. Thus, the Entity did not implement procurements worth UGX 146,430,328. As indicated in Table 3 below:

**Table 3: Procurement plan implementation rate**

Total procurement plan value (UGX)	644,042,998
Actual procurement spend reported to the Authority (UGX) including Purchase activity register amount	497,612,670
Variance (UGX)	146,430,328
Percentage implementation rate (%)	77%
Variance (%)	23%

**Source:** Procurement plan, purchase activity register and quarterly/monthly reports submitted to the Authority.

**Implication**

Failure to fully implement the procurement plan hindered service delivery as the intended services are not provided.

**Management Response**

The Authority’s observation is noted and the Accounting Officer shall review and update the procurement plan on a quarterly basis going forward.

**Recommendation**

The Accounting Officer should ensure that the procurement plan is reviewed and updated on a quarterly basis to reflect any changes that may arise as required under Section 60 (7) of the PPDA Act, Cap 205.

**ii. Failure to submit the annual procurement plan for financial year 2023/2024**

Section 60 (1) of the PPDA Act, Cap 205 states that in accordance with the budget preparation procedures issued by the Minister, a Procuring and Disposing Entity shall in each financial year, by a date determined by the Secretary to the Treasury, prepare and submit to the Secretary to the Treasury and to the Authority, its annual procurement plan for the following financial year.

The Entity did not submit the consolidated procurement plan to the Authority contrary to Section 60 (1) of the PPDA Act, Cap 205.

**Implication**

Failure to submit the procurement plan affected the monitoring of the Entity’s procurement and disposal activities.

**Management Response**

Management explained that there was an oversight in submission, however the procurement plan for 2023/2024 was prepared.

**Recommendation**

The Authority takes note of the management response however; the Accounting Officer should ensure that the Entity’s procurement and Disposal Plan is submitted to the Authority in accordance with Section 60 (1) of the PPDA Act, Cap 205.

### iii. Conducting procurements outside the procurement plan

Section 60 (10) of the PPDA Act, Cap. 205 requires that a procurement shall not be carried outside the procurement plan except in emergency situations.

The Authority noted that two procurements worth UGX 153,432,790 were procured outside the procurement plan as indicated in Table 4 below:

**Table 4: Procurements outside the procurement plan**

SN	Subject of procurement	Provider	Amount (UGX)
1.	Construction of audiometric and research room	Kyaju Construction Ug Ltd	83,532,790
2.	Supply and installation of security cameras	Kibs System Ltd	69,900,000
	<b>Total</b>		<b>153,432,790</b>

**Source:** Procurement plan for FY 2023-24, purchase activity register and monthly reports submitted to the Authority.

### Implication

Un planned procurements exposed the Entity to the risk of re-allocation of funds and accumulation of domestic arrears.

### Management Response

Management explained that the procurement in query were project procurements which had not been anticipated and planned for.

**Authority's comment;** the Authority noted the management response however all procurements include donor funded should be included in the procurement plan.

### Recommendations

1. The Accounting Officer should:
  - i. Ensure that the procurement plan is reviewed and updated on a quarterly basis to reflect any changes that may arise as required under Section 60 (7) of the PPDA Act, Cap 205.
  - ii. Desist from approving procurements outside the procurement plan.
2. The Contracts Committee should in accordance with Section 30 (d) of the PPDA Act, Cap 205 desist from approving and awarding contracts for procurements outside the plan.
3. The Head Procurement and Disposal Unit should ensure that the procurement plan states the supplies, works, consultancy and non-consultancy services to be procured in accordance to Regulation 6 (a) of the PPDA (Procurement Planning) Regulations, 2023.

#### 2.1.3 Failure to submit monthly reports to the Authority and adhere to the reporting timelines

Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 provides that a Procuring and Disposing Entity shall for each month, using the format of Form 2 of the Schedule, submit to the Authority, by the fifteenth day of the following month, a report on the procurement activities undertaken by the Procuring and Disposing Entity in the month which shall include information on the providers who undertook the procurement

A review of the monthly reports noted delays in submission of monthly reports and failure to submit reports on procurements conducted by the Entity as detailed in Table 5 below;

**Table 5: Details of submission of monthly reports**

No.	Month	Required date of submission	Date received by the Authority	No. of days delayed
1.	July 2023	15 <sup>th</sup> August 2023	Not submitted	
2.	August 2023	15 <sup>th</sup> September 2023	Not submitted	
3.	September 2023	15 <sup>th</sup> October 2023	Not submitted	
4.	October 2023	15 <sup>th</sup> November 2023	Not submitted	
5.	November 2023	15 <sup>th</sup> December 2023	Not submitted	
6.	December 2023	15 <sup>th</sup> January 2024	9 <sup>th</sup> August 2024	143 working days
7.	January 2024	15 <sup>th</sup> February 2024	9 <sup>th</sup> August 2024	120 working days
8.	February 2024	15 <sup>th</sup> March 2024	Not submitted	
9.	March 2024	15 <sup>th</sup> April 2024	Not submitted	
10.	April 2024	15 <sup>th</sup> May 2024	Not submitted	
11.	May 2024	15 <sup>th</sup> June 2024	Not submitted	
12.	June 2024	15 <sup>th</sup> July 2024	Not submitted	

Source: Monthly reports submitted to the Authority.

### **Implication**

This limited transparency and accountability for procurements undertaken in the financial year.

### **Management Response**

Management asserted that soft copies of the monthly reports were submitted to the Authority.

**Authority's comment;** the Authority noted the response; however, no reports were received by the Authority and documentary evidence was provided for verification.

### **Recommendation**

The Accounting Officer should ensure that reports on the procurement activities undertaken by the Entity in the month are reported using the format of Form 2 of the Schedule by the 15<sup>th</sup> day of the following month and should include information on the providers who undertook the procurement in accordance to Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

#### **2.1.4 Failure by the Contracts Committee to approve the required minimum Evaluation Committee members**

Section 39 (3) of the PPDA Act Cap 205 provided that the number of the members of the Evaluation Committee shall depend on the value and complexity of the procurement requirement, but shall in all cases be a minimum of three members.

In two procurements worth UGX 109,900,000 the Authority noted that the decision of Contracts Committee Form 5 Part II approved two names although three members signed the evaluation report as indicated in Table 6 below:

**Table 6: Procurements with low bidder participation**

SN	Subject of Procurement	Amount	Approved by the CC	Evaluation report signed by
1.	Supply and installation of security cameras	69,900,000	<ul style="list-style-type: none"> <li>Emmanuel Ebesu</li> <li>Paul Lemi</li> </ul>	<ul style="list-style-type: none"> <li>Richard Opio</li> <li>Emmanuel Ebesu</li> <li>Paul Lemi</li> </ul>
2.	Supply of assorted furniture	40,000,000	<ul style="list-style-type: none"> <li>Emmanuel Ebesu</li> <li>Paul Lemi</li> </ul>	<ul style="list-style-type: none"> <li>Richard Opio</li> <li>Emmanuel Ebesu</li> <li>Paul Lemi</li> </ul>
	<b>Total</b>	<b>109,900,000</b>		

**Implication**

Participating in evaluation without approval by the Contracts Committee amounted to usurping powers of the Contracts Committee

**Management Response**

Management acknowledged the audit finding and pledged that the Entity will ensure that going forward the required number of the Evaluation Committees are approved by the Contracts Committee.

**Recommendations**

The Contracts Committee should:

- i. Ensure that the minimum number of Evaluation Committee members are approved in accordance with Section 39 (3) of the PPDA Act, Cap. 205; and
- ii. Desist from approving evaluation reports where individuals not approved as members of the Evaluation Committee participated in.

**2.1.5 Inadequate bidding documents**

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

In 16 procurements worth UGX 338,838,642 the Head Procurement and Disposal Unit issued inadequate solicitation documents with unclear bidding periods, lack of adequate evaluation criteria, failure to request for previous experience, no specifications as indicated in Table 7 below:

**Table 7: Inadequate bidding documents**

S/N	Subject of Procurement and Value (UGX)	PPDA Findings	Management Response
1.	Supply and installation of security cameras Amount: 69,900,000	<ul style="list-style-type: none"> <li>Failure to request for previous experience in similar field and technical personnel</li> <li>Place of delivery not indicated in the SCC of the bidding document</li> </ul>	These have been noted and action will be taken accordingly going forward
2.	Supply of assorted furniture Amount: 40,000,000	Failure to prepare specification for the furniture to be supplied. These were simply stated as curtains, rod	

S/ N	Subject of Procurement and Value (UGX)	PPDA Findings	Management Response
		for fabric curtains, water dispenser, TV set 55inch, reception/counter table & counter chairs.	
3.	Supply of firewood & charcoal under framework contract Amount: 6,485,000	<ul style="list-style-type: none"> <li>• Bidding document did not specify the validity requirements of Tax Clearance Certificate and Trading License</li> <li>• No clear specifications on the amount of a trip or sack to be delivered</li> </ul>	
4.	Provision of fumigation services under framework contract Amount: 2,660,000	<ul style="list-style-type: none"> <li>• Bidding document did not specify the validity requirements of Tax Clearance Certificate and Trading License</li> <li>• No clear deliverables of the desired outcome and how measure performance</li> </ul>	
5.	Provision of motor vehicle repair & maintenance under framework contract Amount: 11,926,900	<ul style="list-style-type: none"> <li>• Bidding document did not specify the validity requirements of Tax Clearance Certificate and Trading License</li> <li>• Inconsistencies on the bid closing dates for the provision of motor vehicle maintenance and report ITB 24.1 indicated 15<sup>th</sup> October 2023 while ITB 27.1 stated 9<sup>th</sup> November 2023</li> </ul>	
6.	Provision of computer repair and maintenance under framework contract Amount: 44,407,162	<ul style="list-style-type: none"> <li>• Bidding document did not specify the validity requirements of Tax Clearance Certificate and Trading License</li> <li>• The models/types for the printers, UPS's, computers to be repaired where not indicated making it hard for bidders to determine which type of rollers/pulleys to be quoted for.</li> </ul>	
7.	Supply of assorted medical equipment spare parts electrical materials and accessories under framework contract Amount: 35,152,768	<ul style="list-style-type: none"> <li>• Bidding document did not specify the validity requirements of Tax Clearance Certificate and Trading License</li> <li>• Experience requested for is in supply of assorted electrical spare parts and accessories instead of medical related supplies</li> </ul>	

S/ N	Subject of Procurement and Value (UGX)	PPDA Findings	Management Response
8.	Supply of plumbing materials under framework contract	<ul style="list-style-type: none"> <li>Bidding document did not specify the validity requirements of Tax Clearance Certificate and Trading License</li> <li>Experience requested for is in supply of food staffs instead of plumbing materials</li> </ul>	
9.	Provision outside catering services under framework contract Amount: 10,299,000	<ul style="list-style-type: none"> <li>Bidding document did not specify the validity requirements of Tax Clearance Certificate and Trading License</li> </ul>	
10.	Provision of motor vehicle repair & maintenance under framework contract Amount: 11,926,900		
11.	Provision of emptying pit latrines and septic tanks under framework contract		
12.	Supply of food stuffs under framework contract Amount: 27,688,850		
13.	Provision of generator services under framework contract Amount: 4,664,900		
14.	Provision of hotel and conference facilities Amount: 10,299,000		
15.	Supply of assorted office stationery and computer consumables under framework contract Amount: 44,407,162		
16.	Provision of photocopying, printing, binding and secretariat services under framework contract Amount: 320,000		
	<b>Total: 338,838,642</b>		

### Implication

Issuing of inadequate bidding documents hindered competition and affected the integrity of the procurement process which exposed the Entity to the risk of awarding contracts to non-compliant bidders.

### Recommendation

The Head of Procurement and Disposal Unit should prepare comprehensive bidding documents capturing all required components in line with Regulations 42-45 of the PPDA (Rules and Methods of Procurement for Supplies, Works and Non-consultancy services) Regulations, 2023.

### 2.1.6 Irregularities at the Evaluation Stage

Regulations 5 (1) of the Public Procurement and Disposal Assets (Evaluation) Regulations, 2023 provides that the evaluation of bids shall be conducted in accordance with the evaluation criteria specified in the bidding documents.

- i. The Authority noted that in all the sampled procurements the Evaluation Committee members did not sign the Ethical Code of Conduct contrary to Section 39 (6) of the PPDA Act Cap 205.
- ii. In 15 procurements worth UGX 278,311,342 the Authority noted irregularities in the bid evaluation such as passing non-compliant bidders as indicated in Table 8 below:

**Table 8: Irregularities at the evaluation stage**

No	Subject of Procurement	Contract value (UGX)	PPDA Findings	Management Response
1.	Supply of assorted furniture	40,000,000	Footsteps Furniture irregularly Quoted for 150running meters for the curtains instead of the required 170 meters	This has been noted, going forward we pledge to improve
2.	Supply of assorted medical equipment	40,000,000	<ul style="list-style-type: none"> <li>• Passing of a non-compliant bidder:               <ol style="list-style-type: none"> <li>i. The person who signed the bid document for Surgimed U Ltd (Shailender Singh Saharan) had no Powers of Attorney,</li> <li>ii. The bidding document required bidders to have fulfilled the obligations of paying taxes and Social Security Contribution however Shushi Trust Co Ltd never submitted a valid tax clearance and NSSF certificate</li> </ol> </li> </ul>	This has been noted, going forward the due process will be followed
3.	Supply of firewood & charcoal under framework contract	6,485,000	Failure to rank bids using the total evaluated price and determine the best evaluated bid at the financial comparison stage of the evaluation exercise; the evaluation report had no price comparisons	This has been noted, going forward price comparison will be conducted
4.	Provision of fumigation services under framework contract	2,660,000		
5.	Provision outside catering services under framework contract	10,299,000		

No	Subject of Procurement	Contract value (UGX)	PPDA Findings	Management Response
6.	Provision of motor vehicle repair & maintenance under framework contract	11,926,900		
7.	Provision of computer repair and maintenance under framework contract	44,407,162		
8.	Provision of photocopying, printing, binding and secretariat services under framework contract	320,600		
9.	Supply of plumbing materials			
10.	Provision of emptying pit latrines and septic tanks under framework contract			
11.	Supply of assorted office stationery and computer consumables under framework contract	44,407,162		
12.	Supply of assorted medical equipment spare parts electrical materials and accessories under framework contract	35,152,768		
13.	Provision of hotel and conference facilities under framework contract	10,299,000		
14.	Provision of generator services under framework contract	4,664,900		
15.	Supply of food stuffs under framework contract	27,688,850		
	<b>Total</b>	<b>278,311,342</b>		

### Implication

Irregularities at the evaluation stage exposed the Entity to the risks of awarding contracts to bidders

### Management Response

The framework contracts were based on prices quoted by the service providers and we could not rank them.

**Authority's comment;** The Authority noted the response and advises that during financial comparison of bids to determine the best evaluated bid, the Evaluation Committee should rank the bids using the total evaluated price in accordance with Regulation 21 (2) (g) of the PPDA (Evaluations) Regulations 2023.

### Recommendations

- The Evaluation Committee Members should ensure that they strictly adhere to the set evaluation criteria in accordance with the evaluation criteria specified in the bidding document as provided under Regulations 5 (1) of the Public Procurement and Disposal Assets (Evaluation) Regulations, 2023.
- Head Procurement and Disposal Unit should ensure that Evaluation Committee members understand and sign Code of Ethics and evaluation minutes in accordance with Section 39 (6) of the PPDA Act, Cap 205 and Regulation 4 (11) of the PPDA (Evaluation) Regulations, 2023 respectively.

#### 2.1.7 Inadequate display period for the Notice of the Best Evaluated bidders

Regulation 3 (1) of the PPDA (Contracts) Regulations, 2023 provides that a Procuring and Disposing Entity shall, within five working days after the award decision of the Contracts Committee, display a notice of Best Evaluated Bidder on the notice board of the Procuring and Disposing Entity for ten working days.

For three-procurement worth UGX 149,900,00, the Entity displayed the notice of the best evaluated bidder for six days contrary to the required 10 days as indicated in Table 9 below:

**Table 9: Procurements with shorter notice of Best Evaluated Bidder display period**

S/N	Subject of Procurement	Contract value (UGX)	PPDA Findings
1.	Supply and installation of security cameras	69,900,000	Date of display is 11 <sup>th</sup> April 2024 and removal was 18 <sup>th</sup> April 2024
2.	Supply of assorted furniture	40,000,000	
3.	Supply of assorted medical equipment	40,000,000	
	<b>TOTAL</b>	<b>149,900,000</b>	

### Implication

A shorter display period affected transparency and undermined accountability in the procurement process.

### Management Response

Management acknowledged the anomaly and promised to implement the recommendations in future procurements.

### **Recommendation**

The Accounting Officer should ensure that the notice of best evaluated bidder is displayed for a period of 10 working days in accordance with Regulation 3 (1) of the PPDA (Contracts) Regulations, 2023

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

### **2.1.1 Failure to Dispose of Obsolete Items.**

Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023 provides that for the purposes of disposal planning, an Accounting Officer shall, in each financial year, cause the public assets of a procuring and disposing Entity to be reviewed, to identify the public assets to be disposed of in the following financial year.

The Authority reviewed the Entity's Board of Survey Report dated 31<sup>st</sup> August 2023 for financial year 2022/2023 and noted that assets that had been earmarked for disposal had not been disposed of in the financial year under review. The list of items recommended for disposal in the Board of Survey report are indicated in Table 10 below:

**Table 10: Assets recommended for disposal in the Board of Survey Report**

S/N	Items of disposal Reference No/Engravement
1.	Printer
2.	Cupboard MBN-SUR-CR-0001, MBN-SUR-CB-0002, 2 pieces

**Source:** Entity's Board of Survey Report for financial year 2022/2023

### **Implications**

Obsolete assets occupy space that could have been utilized for other purposes and pose a health and safety hazards.

### **Management Response**

Management noted the audit finding and explained that the Entity did not dispose of the assets of because the limited numbers and pledged to consolidate all the items and dispose them of after the next board of Survey report is issued.

### **Recommendation**

The Accounting officer should ensure that the User Departments that are responsible for the management of public assets, initiate the process of disposal of the public assets by making a request for disposal to the Accounting Officer in accordance with Regulation 3 of the PPDA (Disposal of Public Assets) Regulations, 2023.

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

### **2.3.1 Irregularities at contract signing stage**

In 14 procurements worth UGX 268,211,342 the Authority noted inconsistencies of changed contract terms failure to indicate unit prices in the contract agreements for the procurements under framework as indicated in Table 11 below:

**Table 11: Procurements with issues at contract signing stage**

SN	Subject of Procurement	Amount UGX	Authority's findings	Management Response
1.	Supply and installation of security cameras	69,900,000	Change of contract terms; comparison of the bidding document special conditions of contract terms and the Special Conditions of contract terms of the signed contract revealed a change of the delivery period from two months to four months.	Advice taken going forward
2.	Supply of firewood & charcoal under framework contract	6,485,000	The Authority noted that the Entity did not indicate the unit prices in the contract agreements for all the 13 procurements under framework contract contrary to the principle of transparency and accountability.	The framework contracts were signed basing on unit prices quoted in the bidding documents.  Authority's comment; contract unit prices should always be included in the contract agreements
3.	Provision of fumigation services under framework contract	2,660,000		
4.	Provision outside catering services under framework contract	10,299,000		
5.	Provision of motor vehicle repair & maintenance under framework contract	11,926,900		
6.	Provision of computer repair and maintenance under framework contract	44,407,162		
7.	Provision of photocopying, printing, binding and secretariat services under framework contract	320,600		
8.	Supply of plumbing materials			
9.	Provision of emptying pit latrines and septic tanks under framework contract			
10.	Supply of assorted office stationery and computer consumables under framework contract	44,407,162		
11.	Supply of assorted medical equipment spare parts electrical materials and accessories under framework contract	35,152,768		

SN	Subject of Procurement	Amount UGX	Authority's findings	Management Response
12.	Provision of hotel and conference facilities under framework contract	10,299,000		
13.	Provision of generator services under framework contract	4,664,900		
14.	Supply of food stuffs under framework contract	27,688,850		
	<b>Total</b>	<b>268,211,342</b>		

#### Implications

- This exposed the Entity to delayed services delivery to the intended beneficiaries.
- Failure to provide unit prices affected transparency and the trucking of call off orders rates used.

#### Recommendation

The Accounting Officer should ensure that the contract agreements correlate all payments by a procuring and Disposing Entity with the corresponding inputs and the obligations or deliverables by a provider, in a specific identifiable and measurable manner Regulation 9 (1) (b) of the PPDA (Contracts) Regulations, 2023.

#### 2.3.2 Failure to appoint Contract Managers.

Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023, provided that the Accounting Officer shall appoint a person from the user department to be the contract manager.

In all the sampled Procurements worth UGX 520,515,438, the Accounting Officer did not appoint Contract Managers contrary to Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023, provided that the Accounting Officer shall appoint a person from the user department to be the contract manager.

#### Implications

- Failure to appoint Contract Managers hinders the Procuring and Disposing Entity's ability to fully achieve the intended service delivery.
- It also exposed the Entity to the risk of poor quality and delays in the project implementation.

#### Management Response

Management acknowledged the audit finding and pledged ensure that contract managers are appointed for all the framework contracts going forward.

#### Recommendation

Accounting Officer should always appoint a person from the User Departments to be a contract manager for every procurement in accordance with Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023.

### 2.3.3 Irregular payment of UGX 115,225,000 to Nakawala General Enterprises for provision of cleaning services without a contract.

Section 49 of the PPDA Act Cap 205 requires that, all procurements and disposal shall be conducted in a manner to maximize competition and achieve value for money.

The Authority noted that Nakawala General Enterprises Ltd was paid a monthly amount of UGX 10,4750,000 totaling to UGX 115,225,000 for provision of cleaning services for 11 months from July 2023 to May 2024 in the Financial Year 2023/24 without following a competitive procurement process, and with no contract agreement, no procurement records and without approval by Contracts Committee. Only a bid document from Nakawala General Enterprises Ltd dated 25<sup>th</sup> June 2019 was presented to the audit team contravening to Section 46 (c) of the PPDA Act, Cap 205.

#### Implication

This inhibits competition affecting achievement of value for money in the procurement process and leading to financial loss.

#### Management Response

No response was provided by management

#### Recommendations

- i. The Permanent Secretary Ministry of Health should take the Accounting Officer to show cause why disciplinary action should not be taken him for flouting the procurement processes that led to the payment of UGX 115,225,000 (11 months payment) to Nakawala General Enterprises Ltd for provision of cleaning services without following competitive procurement process contravening Section 49 of the PPDA Act, Cap 205.
- ii. The User Department should ensure that all procurements are initiate using part 1 of Form 5 in the Schedules in accordance with Regulation 3 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
- iii. The Head Procurement and Disposal Unit should desist from generating and issuing IFMS LPO for procurements that did not follow the procurement process.

### 2.3.4 Failure to maintain procurement records

Regulation 52 (3) (vii) of the PPDA (Contracts) Regulations, 2023 requires that all contract management records are kept and archived as required.

For five procurements worth UGX 348,657,790 the Procurement and Disposal Unit did not maintain contract management reports and records thus rendering procurement action files incomplete as detailed in Table 12 below:

**Table 12: Procurements with irregularities during contract management.**

S/ N	Subject of procurement	Contract Value (UGX)	Missing records	Management response
1.	Supply and installation of security cameras	69,900,000	Contract managers' report	Document are now available for verification
2.	Supply of assorted medical equipment	40,000,000		
3.	Supply of assorted furniture	40,000,000	• Evaluation committee minutes	Document are now

S/ N	Subject procurement	of	Contract Value (UGX)	Missing records	Managem nt response
				<ul style="list-style-type: none"> <li>Contract managers' report</li> </ul>	available for verification
4.	Construction audiometric research room	of and	83,532,790	<ul style="list-style-type: none"> <li>Form 5 requisition form</li> <li>Bidding document</li> <li>Bid documents</li> <li>Implementation plan</li> </ul>	Document are now available for verification
5.	Provision of cleaning services		115,225,000	<ul style="list-style-type: none"> <li>Form 5 requisition</li> <li>Bidding document</li> <li>Evaluation report</li> <li>Contract agreement</li> <li>Contract managers' report</li> </ul>	Document are now available for verification
	<b>Total</b>		<b>348,657,790</b>		

#### **Implication**

Poor record keeping of contract management records hinders transparency and accountability in the contract management process.

#### **Management Response**

Management noted the audit finding and explained that the documents in query were archived and are available for verification.

#### **Recommendation**

The Authority takes note of the response however no documentary evidence was provided for verification. The Authority recommends that:

The Head of the Procurement and Disposal Unit should archive all documents pertaining to a particular procurement on their respective files in accordance with Section 33 (o) of the PPDA Act, Cap 205.

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

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

#### 3.1. Overall Audit Conclusion

The performance of Mubende Regional Referral Hospital for the Financial Year 2023/2024 was **Moderately Satisfactory** with overall weighted average risk rating of **56.9%**.

The risk rating is as follows:

**Table 13: Risk Rating Table**

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

#### Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 15 below:

**Table 14: Weighted Score of Mubende Regional Referral Hospital**

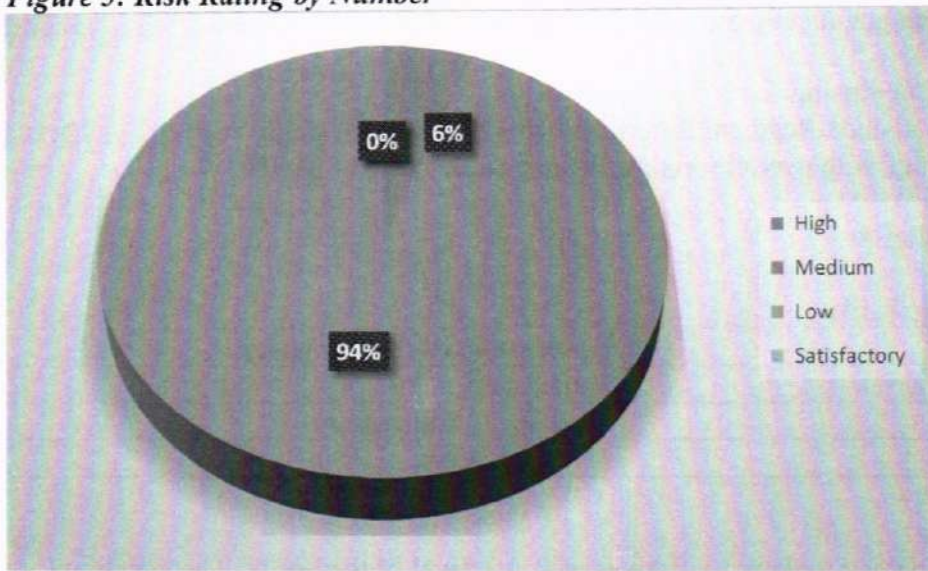
Risk Category	No.	No.%	Value (UGX)	Value. %	Weights	Total Weighted Average	
						By No.	By Value
High	1	5.6	115,225,000	22.1	0.6	3.3	13.3
Medium	17	94.4	405,290,438	77.9	0.3	28.3	23.4
Low					0.1		
Satisfactory					0		
<b>Total</b>	<b>18</b>	<b>100</b>	<b>520,515,438</b>	<b>100</b>	<b>1</b>	<b>31.7</b>	<b>36.6</b>

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{31.7}{60} \times 100 = 52.8\%$$

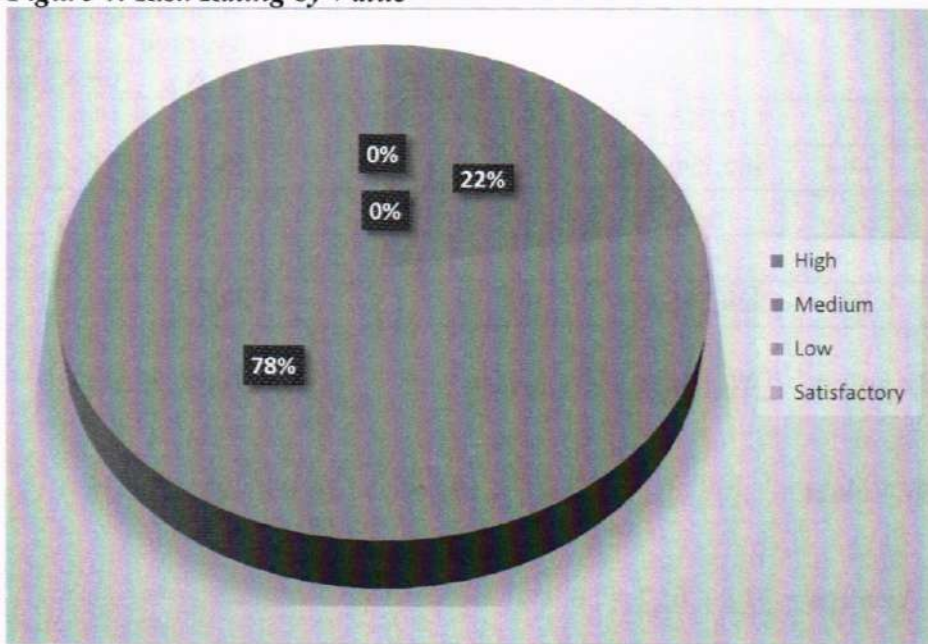
$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{36.6}{60} \times 100 = 61.1\%$$

$$\text{Combined Weighted Average} = \frac{52.8 + 61.1}{2} = 56.9\%$$

**Figure 3: Risk Rating by Number**



**Figure 4: Risk Rating by Value**



### 3.2. Recommended Action Plan

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

**Table 15: Action Plan**

Origin	Recommended Action	Target Date
The Permanent Secretary of Health Ministry	Should take the Accounting Officer to show cause why disciplinary action should not be taken him for flouting the procurement processes that led to the payment of UGX 115,225,000 (11 months payments) to Nakawala General Enterprises Ltd for provision of cleaning services without following competitive procurement process and without a contract contravening Section 49 of the PPDA Act, Cap 205.	October 2025
Accounting Officer	<ul style="list-style-type: none"> <li>i. Put in place a strong internal mechanism and a dedicated team of staff that will always ensure full implementation of the Authority's previous audit recommendations in accordance with Section 10 (1) (a) of the PPDA Act Cap 205 to ensure improved performance;</li> <li>ii. Ensure that the procurement plan is reviewed and updated on a quarterly basis to reflect any changes that may arise as required in accordance with Section 60 (7) of the PPDA Act, Cap 205;</li> <li>iii. Ensure that the Entity's procurement and Disposal Plan is submitted to the Authority in accordance with Section 60 (1) of the PPDA Act, Cap 205;</li> <li>iv. Ensure that the procurement plan is reviewed and updated on a quarterly basis to reflect any changes that may arise as required in accordance with Section 60 (7) of the PPDA Act, Cap 205;</li> <li>v. Ensure that reports on the procurement activities undertaken by the Entity in the month are reported using the format of Form 2 of the Schedule by the 15<sup>th</sup> day of the following month and should include information on the providers who undertook the procurement in accordance to Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023; and</li> <li>vi. Always appoint a person from the User Departments to be a Contract Manager for every procurement in accordance with Regulation 50 (1) of the PPDA (Contracts) Regulations, 2023.</li> </ul>	October 2025
The Contracts Committee	Should in accordance with Section 30 (d) of the PPDA Act Cap 205 desist from approving procurements outside the procurement plan.	

Origin	Recommended Action	Target Date
Procurement and Disposal Unit	<ul style="list-style-type: none"> <li>i. Ensure that the procurement plan states the supplies, works, consultancy and non-consultancy services to be procured in accordance to Regulation 6 (a) of the PPDA (Procurement Planning) Regulations, 2023;</li> <li>ii. Ensure that at least six bidders are shortlisted when using Request for Quotation and Proposals in accordance with Regulation 53 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023;</li> <li>iii. Ensure that Evaluation Committee members understand and sign Code of Ethics and evaluation minutes in accordance with Section 39 (6) of the PPDA Act, Cap 205 and Regulation 4 (11) of the PPDA (Evaluation) Regulations, 2023 respectively;</li> <li>iv. Ensure that the notice of best evaluated bidder is displayed for a period of 10 working days in accordance with Regulation 3 (1) of the PPDA (Contracts) Regulations, 2023; and</li> <li>v. Archive all documents pertaining to a particular procurement on their respective files in accordance with Section 33 (o) of the PPDA Act, Cap 205.</li> </ul>	October 2025
The Evaluation Committee Members	Should ensure that they strictly adhere to the set evaluation criteria specified in the bidding document as provided under Regulations 5 (1) of the Public Procurement and Disposal Assets (Evaluation) Regulations, 2023.	October 2025
User Departments	Should ensure that all procurements are initiate using part 1 of Form 5 in the Schedules in accordance with Regulation 3 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.	October 2025

**Annex A: Summary Case by Case**

<b>NO</b>	<b>HIGH RISK CONTRACTS</b>	<b>REASONS FOR HIGH RISK</b>
1.	MBDRH/SRVCS/23-24/00004 Provision of cleaning services ODB Provider: Nakawala General Enterprises Contract value (UGX): 115,225,000	<ul style="list-style-type: none"> <li>• Failure to appoint Contract manager</li> <li>• Irregular payment of UGX 115,225,000 to Nakawala General Enterprises for provision of cleaning services without a contract agreement</li> </ul>

<b>NO</b>	<b>MEDIUM RISK CONTRACTS</b>	<b>REASONS FOR MEDIUM RISK</b>
1.	MBRRH/SPLS/23-24/00013 Supply and installation of security cameras Procurement method: RFQ Provider: Kibs System Limited Contract value (UGX): 69,900,000	<ul style="list-style-type: none"> <li>• Procurements outside the procurement plan</li> <li>• Failure by the Contracts Committee to approve the required minimum Evaluation Committee members</li> <li>• Inadequate display period for the Notice of the Best Evaluated Bidders</li> <li>• Change of contract terms</li> <li>• Failure to appoint Contract manager</li> <li>• Contract managers' report missing</li> </ul>
2.	MBDRH/WRKS/23-24/0005 Construction of audiometric and research room Procurement method: RFQ Provider: Kyaju Construction Ug Ltd Contract value (UGX): 83,532,790	<ul style="list-style-type: none"> <li>• Procurements outside the procurement plan</li> <li>• Failure to rank bids using the total evaluated price and determine the best evaluated bid at the financial comparison stage of the evaluation exercise</li> <li>• Failure to appoint Contract managers</li> <li>• Missing records of Requisition form 5, bidding document, bid document and Implementation plan missing</li> </ul>
3.	MBRRH/SUPLS/23-24/0000003 Supply of assorted medical equipment lot 1 Procurement method: RFQ Provider: Shushi Trust Co Ltd Contract value (UGX): 14,400,000	<ul style="list-style-type: none"> <li>• Irregularities at the Evaluation Stage</li> <li>• Inadequate display period for the Notice of the Best Evaluated Bidders</li> <li>• Failure to appoint Contract managers</li> <li>• Contract managers' report missing</li> </ul>
4.	MBRRH/SUPLS/23-24/0000003 Supply of assorted medical equipment lot 2 Procurement method: RFQ Provider: Surgimed Ug Ltd Contract value (UGX): 15,550,000	<ul style="list-style-type: none"> <li>• Inadequate bidding documents</li> <li>• Irregularities at the Evaluation Stage</li> <li>• Inadequate display period for the Notice of the Best Evaluated Bidders</li> <li>• Failure to appoint Contract managers</li> <li>• Contract managers' report missing</li> </ul>
5.	MBDRH/SUP/2023-24/0007 Supply of firewood & charcoal under framework contract	<ul style="list-style-type: none"> <li>• Inadequate bidding documents</li> <li>• Failure to rank bids using the total evaluated price and determine the best</li> </ul>

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	Procurement method: ODB Providers: Pishon River Frontiers Ltd, Wazon Ventrures Ltd Contract value (UGX): 6,485,000	evaluated bid at the financial comparison stage of the evaluation exercise <ul style="list-style-type: none"> <li>• The Entity did not indicate the unit prices in the contract agreements</li> <li>• Failure to appoint Contract managers</li> </ul>
6.	MBDRH/SVCS/2023-24/00013 Provision of fumigation services under framework contract Procurement method: ODB Providers: Hygiene Consultants Ltd and etal Contract value (UGX): 2,660,000	<ul style="list-style-type: none"> <li>• Inadequate bidding documents</li> <li>• Failure to rank bids using the total evaluated price and determine the best evaluated bid at the financial comparison stage of the evaluation exercise</li> <li>• The Entity did not indicate the unit prices in the contract agreements</li> <li>• Failure to appoint Contract manager</li> </ul>
7.	MBDRH/SVCS/2023-24/0003 Provision outside catering services under framework contract Procurement method: ODB Provider: P. Panorama Suites Contract value (UGX): 10,299,000	<ul style="list-style-type: none"> <li>• Inadequate bidding documents</li> <li>• Failure to rank bids using the total evaluated price and determine the best evaluated bid at the financial comparison stage of the evaluation exercise</li> <li>• The Entity did not indicate the unit prices in the contract agreements</li> <li>• Failure to appoint Contract managers</li> </ul>
8.	MBDRH/SVCS/2023-24/00011 Provision of motor vehicle repair & maintenance under framework contract Procurement method: ODB Providers: Rubis Energies Ltd, Nakivubo Central Auto Spares Ltd & Arrow Centre Uganda Ltd Contract value (UGX): 11,926,900	<ul style="list-style-type: none"> <li>• Inadequate bidding documents</li> <li>• Failure to rank bids using the total evaluated price and determine the best evaluated bid at the financial comparison stage of the evaluation exercise</li> <li>• The Entity did not indicate the unit prices in the contract agreements</li> <li>• Failure to appoint Contract managers</li> </ul>
9.	MBDRH/SVCS/2023-24/0005 Provision of computer repair and maintenance under framework contract Procurement method: ODB Providers: Computers and Beyond Africa Ltd Contract value (UGX): 44,407,162	<ul style="list-style-type: none"> <li>• Inadequate bidding documents</li> <li>• Failure to rank bids using the total evaluated price and determine the best evaluated bid at the financial comparison stage of the evaluation exercise</li> <li>• The Entity did not indicate the unit prices in the contract agreements</li> <li>• Failure to appoint Contract managers</li> </ul>
10.	MBDRH/SVCS/2023-24/00012 Provision of photocopying, printing, binding and secretariat services under framework contract	<ul style="list-style-type: none"> <li>• Inadequate bidding documents</li> <li>• Failure to rank bids using the total evaluated price and determine the best evaluated bid at the financial</li> </ul>

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	Procurement method: ODB Provider: Nilecom International Ltd Contract value (UGX): 320,600	comparison stage of the evaluation exercise • Failure to appoint Contract managers
11.	MBDRH/SUP/2023-24/00020 Supply of plumbing materials Procurement method: ODB Provider: Chetritz Business SMC Ltd	• Inadequate bidding documents • Failure to rank bids using the total evaluated price and determine the best evaluated bid at the financial comparison stage of the evaluation exercise • The Entity did not indicate the unit prices in the contract agreements • Failure to appoint Contract managers
12.	MBDRH/SVCS/2023-24/00014 Provision of emptying pit latrines and septic tanks under framework contract Procurement method: ODB Providers: Hygiene Consultants Ltd, Nabaligi Investments	• Inadequate bidding documents • Failure to rank bids using the total evaluated price and determine the best evaluated bid at the financial comparison stage of the evaluation exercise • The Entity did not indicate the unit prices in the contract agreements • Failure to appoint Contract managers
13.	MBDRH/SUP/2023-24/00015 Supply of assorted office stationery and computer consumables under framework contract Procurement method: ODB Providers: Alpha Office Solutions Enterprises Ltd, Kyopa General Merchandise Ltd Contract value (UGX): 44,407,162	• Inadequate bidding documents • Failure to rank bids using the total evaluated price and determine the best evaluated bid at the financial comparison stage of the evaluation exercise • The Entity did not indicate the unit prices in the contract agreements • Failure to appoint Contract managers
14.	MBDRH/SUP/2023-24/0004 Supply of assorted medical equipment spare parts electrical materials and accessories under framework contract Procurement method: ODB Providers: Blessed Robert Viktor Electricals & Solar Co Ltd, Eurasia Business Systems U Ltd Contract value (UGX): 35,152,768	• Inadequate bidding documents • Failure to rank bids using the total evaluated price and determine the best evaluated bid at the financial comparison stage of the evaluation exercise • The Entity did not indicate the unit prices in the contract agreements • Failure to appoint Contract managers
15.	MBDRH/SVCS/2023-24/0009 Provision of generator services under framework contract Procurement method: ODB Provider: Car and Car General Ug Ltd Contract value (UGX): 4,664,900	• Inadequate bidding documents • Failure to rank bids using the total evaluated price and determine the best evaluated bid at the financial comparison stage of the evaluation exercise • The Entity did not indicate the unit

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
		prices in the contract agreements <ul style="list-style-type: none"> <li>• Failure to appoint Contract managers</li> </ul>
16.	MBDRH/SUP/2023-24/0006 Supply of food stuffs under framework contract Procurement method: ODB Provider: Joy Heritage Ltd, Bakmark Co Ltd Contract value (UGX): 27,688,850	<ul style="list-style-type: none"> <li>• Inadequate bidding documents</li> <li>• Failure to rank bids using the total evaluated price and determine the best evaluated bid at the financial comparison stage of the evaluation exercise</li> <li>• The Entity did not indicate the unit prices in the contract agreements</li> <li>• Failure to appoint Contract managers</li> </ul>
17.	MBRRH/SUPLS/23-24/00003 Supply of assorted furniture Procurement method: RFQ Provider: Footstep's furniture Ltd Contract value (UGX): 40,000,000	<ul style="list-style-type: none"> <li>• Failure by the Contracts Committee to approve the required minimum Evaluation Committee members</li> <li>• Failure to invite at least six required number of bidders</li> <li>• Irregularities at the Evaluation Stage</li> <li>• Inadequate display period for the Notice of the Best Evaluated Bidders</li> <li>• Failure to appoint Contract managers</li> <li>• Contract management plan missing</li> </ul>

NO	SATISFACTORY CONTRACTS	
1.	NIL	•

**Annex B: Sample List for Mubende Regional Referral Hospital for Financial Year 2023/2024**

No.	Reference number	Subject of procurement	Procurement method	Provider	Contract value (UGX)
1.	MBRRH/SUPLS/23-24/00003	Supply of assorted furniture	RFQ	Footstep's furniture Ltd	40,000,000
2.	MBRRH/SPLS/23-24/00013	Supply and installation of security cameras	RFQ	Kibs System Limited	69,900,000
3.	MBRRH/SUPLS/23-24/0000003	Supply of assorted medical equipment lot 1	RFQ	Shushi Trust Co Ltd	14,400,000
4.	MBRRH/SUPLS/23-24/0000003	Supply of assorted medical equipment lot 2	RFQ	Surgimed Ug Ltd	15,550,000
5.	MBDRH/WRKS/23-24/0005	Construction of audiometric and research room	RFQ	Kyaju Construction Ug Ltd	83,532,790
6.	MBDRH/SRVCS/23-24/00004	Provision of cleaning services	ODB	Nakawala General Enterprises	115,225,000
7.	MBDRH/SUP/2023-24/0007	Supply of firewood & charcoal under framework contract	ODB	Pishon River Frontiers Ltd, Wazon Ventures Ltd	6,485,000
8.	MBDRH/SVCS/2023-24/00013	Provision of fumigation services under framework contract	ODB	Hygiene Consultants Ltd and etal	2,660,000
9.	MBDRH/SVCS/2023-24/00011	Provision of motor vehicle repair & maintenance under framework contract	ODB	Rubis Energies Ltd, Nakivubo Central Auto Spares Ltd & Arrow Centre Uganda Ltd	11,926,900
10.	MBDRH/SVCS/2023-24/0005	Provision of computer repair and maintenance under framework contract	ODB	Computers and Beyond Africa Ltd	3,149,700
11.	MBDRH/SVCS/2023-24/00012	Provision of photocopying, printing, binding and secretariat services under framework contract	ODB	Nilecom International Ltd	320,600
12.	MBDRH/SUP/2023-24/00020	Supply of plumbing materials	ODB	Chetriz Business SMC Ltd	
13.	MBDRH/SVCS/2023-24/00014	Provision of emptying pit latrines and septic tanks under framework contract	ODB	Hygiene Consultants Ltd, Nabaligi Investments	

<b>No.</b>	<b>Reference number</b>	<b>Subject of procurement</b>	<b>Procurement method</b>	<b>Provider</b>	<b>Contract value (UGX)</b>
14.	MBDRH/SUP/2023-24/00015	Supply of assorted office stationery and computer consumables under framework contract	ODB	Alpha Office Solutions Enterprises Ltd, Kyopa General Merchandise Ltd	44,407,162
15.	MBDRH/SUP/2023-24/0004	Supply of assorted medical equipment spare parts electrical materials and accessories under framework contract	ODB	Blessed Robert Viktor Electricals, Solar Co Ltd, & Eurasia Business Systems U Ltd	35,152,768
16.	MBDRH/SVCS/2023-24/0008	Provision of hotel and conference facilities under framework contract	ODB	P.Panama Suites, Primerose Hotel Mubende Ltd	10,299,000
17.	MBDRH/SVCS/2023-24/0009	Provision of generator services under framework contract	ODB	Car and Car General Ug Ltd	4,664,900
18.	MBDRH/SUP/2023-24/0006	Supply of food stuffs under framework contract	ODB	Joy Heritage Ltd, Bakmark Co Ltd	27,688,850
		<b>TOTAL</b>			<b>520,515,438</b>

**Annex C: Risk Rating Criteria**

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

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	
		<b>Procurement Structures:</b> Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		<b>Record Keeping:</b> Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		<b>Contract and Contract Management:</b> Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety.  Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
<b>LOW</b>	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best	<b>Planning:</b> Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		<b>Bidding Process:</b> Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

RISK	DESCRIPTION	AREA	IMPLICATION
	<p>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.</p>		

**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.