



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

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

NAMAYINGO DISTRICT LOCAL GOVERNMENT

JULY 2025

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Acronyms

AO	Accounting Officer
CC	Contracts Committee
EC	Evaluation Committee
FY	Financial Year
HPDU	Head, Procurement and Disposal Unit
LPO	Local Purchase Order
NOBEB	Notice of Best Evaluated Bidder
ODB	Open Domestic Bidding
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SBD	Standard Bidding Document
SDB	Selective Domestic Bidding
DLG	District Local Government

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out a Compliance Inspection of Namayingo District Local Government that covered a representative sample of ten procurement transactions for the Financial Year 2023/2024.

The overall objective of the inspection was to assess and establish the degree of compliance of Namayingo District Local Government's procurement system, process and disposal process with the provisions of the PPDA Act, Cap 205 and the PPDA Regulations, 2023, and assess the level of procurement performance over the audit period.

From the findings of the compliance inspection exercise, the performance of Namayingo District Local Government in the Financial Year 2023/2024 was **moderately satisfactory** with an overall weighted average risk rating of **55.97%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the audit report.

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

1. The Entity failed to implement 62.5% of the previous audit recommendations for the Financial Year 2021-2022. Out of eight recommendations made, only three (37.5%) were fully implemented, three (37.5%) were partially implemented, and two (25%) were not implemented which affects performance of the procurement function and is an indicator of a weak implementation mechanism by the Entity. This was contrary to Section 10 of the PPDA Act, Cap 205;
2. Failure by the Accounting Officer to implement 12% of planned procurements worth UGX 280,900,009 which deprived intended beneficiaries of essential services. Additionally, the procurement for roofing Banda Subcounty headquarters' administrative offices, valued at UGX 54,182,060, was conducted outside the approved plan. Furthermore, the Entity failed to update its procurement plan, contrary to Section 60(7) of the PPDA Act, Cap 205. Such actions risk diverting resources from planned activities, potentially leading to delays and accumulation of domestic arrears;
3. In seven procurements worth UGX 750,382,671, individual officers handled multiple roles across the procurement cycle such as; initiating procurement requisitions, authorizing procurement requisitions, and confirming funding thereby undermining the required independence of roles. This contravened Section 40 of the PPDA Act, Cap 205, and increased the risk of undetected fraud, compromised accountability, and weakened internal controls;
4. The Procurement and Disposal Unit (PDU) issued inadequate bidding documents in six procurements worth UGX 391,892,660, in violation of Regulation 42(a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. This compromised bidders' ability to submit clear and responsive bids, risking the quality of goods, works, or services procured. Additionally, the Contracts Committee's inadequate review of these documents weakened oversight and increased the risk of procurement disputes and poor contract performance;
5. In seven procurements worth UGX. 820,977,651, the Entity received an average of only two bids in response to invitations under both the Request for Quotation and open bidding

- methods, an indicator of lack of confidence by bidders in the Entity's procurement processes leading to low bidder participation contrary to Section 49 of the PPDA Act, Cap 205;
6. The Authority noted an average delay of 3.5 months at various stages of the procurement process for six contracts totaling UGX 696,200,611. These delays occurred during funding confirmation, Contracts Committee approvals, bid advertisement, and bid evaluation for one consultancy. This contravenes Sections 129(1)(f) and 51 of the PPDA Act, Cap 205, undermining procurement efficiency and timely service delivery;
 7. The Authority found irregularities in the evaluation of five procurements worth UGX 379,808,695, where criteria outside the bidding documents were used, contrary to Regulation 5 of the PPDA (Evaluation) Regulations, 2023. This compromised fairness, and risked biased awards;
 8. Despite the Entity having a board of survey report listing assets for disposal, the Accounting Officer failed to ensure the annual review and disposal of all obsolete items as mandated by Regulation 2 of the PPDA (Disposal) Regulations, 2023. As a result, these assets continued to deteriorate, leading to potential loss of value and reduced recovery from their sale; and
 9. Laxity in contract management was noted in nine contracts totaling UGX 893,267,651 and three out of the six projects inspected by the Authority in November 2024. Key issues included failure to appoint contract managers, absence of contract management plans, lack of progress documentation, abandoned sites, and incomplete works. These breaches violate Regulation 52 of the PPDA (Contracts) Regulations, 2023, undermining contract compliance, safety, service delivery, and value for money.

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

1. The Accounting Officer should:
 - i. Ensure that a strong mechanism is put in place to implement recommendations made by the Authority so as to improve the Entity's performance in accordance with Section 10 of the PPDA Act, Cap 205. This could include appointing a task force that will be responsible for ensuring full implementation of the Authority's recommendations;
 - ii. Regularly conduct or designate persons to conduct a review of the procurement plan to harmonize it with the existing circumstances at the Entity in accordance with Section 60 (7) of the PPDA Act, Cap 205;
 - iii. Enforce separation of duties by assigning different officers to each stage of the procurement process and ensuring independence in the performance of functions as required by Section 40 of the PPDA Act, Cap 205. This will enhance transparency, accountability, and reduce the risk of fraud;
 - iv. Implement targeted measures to increase bidder participation, including conducting market surveys, widely publishing bid opportunities, engaging supplier associations, and organizing bidder sensitization sessions. These efforts will enhance transparency, promote competition, and ensure value for money in line with Sections 48 and 49 of the PPDA Act, Cap 205;
 - v. Task the following to show cause why appropriate disciplinary action should not be taken against them for having occasioned unnecessary and unjustified delays in the procurement process and should ensure in future procurement, processes are conducted more efficiently in line with Section 51 of the PPDA Act, Cap 205;

- The Procurement and Disposal Unit which took two months to make submissions to the Contracts Committee and three months to publish bid adverts after Contracts Committee approval of the procurements.
 - The Evaluation Committee for the procurement of Consultancy services for a feasibility study and design of a mini solar powered water supply system for Lolwe Sub County that delayed to conclude evaluation in time by seven days and there was no approval of the same by the Accounting Officer;
- vi. Task the Evaluation Committee members responsible for the five procurements to show cause why disciplinary action should not be taken against them for failing to adhere to the bid evaluation criteria set out in the bidding documents, contrary to Regulation 5 of the PPDA (Evaluation) Regulations, 2023; including recommending Jopal Investments Ltd without a required work schedule; declaring Hoyo Twins Ltd compliant without proof of equipment ownership and academic qualifications; considering Rivaflo Investment Ltd responsive despite missing an ESMP and key personnel list while another bidder was disqualified for the same; recommending Rivaflo Ltd without the required bid security; and evaluating Yoki General Enterprises as compliant despite submitting unauthenticated audit reports and lacking evidence of bid security.
 - vii. Follow up with the Chief Mechanical Engineer (Ministry of Works and Transport) and the Government Valuer (Ministry of Lands, Housing, and Urban Development) to expedite the clearance and valuation process for assets identified for disposal. Where delays persist, the matter should be escalated to the respective Permanent Secretaries;
 - viii. Ensure that all obsolete items in the Entity are reviewed and disposed of in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023;
 - ix. Institute disciplinary action against contract managers who failed to develop and maintain contract management plans, document progress or completion of contracts, and ensure timely reporting and compliance with contract timelines, as required under Regulation 52 (1) & (2) of the PPDA (Contracts) Regulations, 2023;
 - x. Enforce the timely appointment of contract managers for all awarded procurements and ensure that contract files are maintained and accessible for audit and monitoring purposes;
 - xi. Ensure that all outstanding works, including landscaping, tree and grass planting, and installation of lightning arrestors, are completed and verified before final payments are made. A report on the rectifications should be shared with the Authority by July 2025; and
 - xii. For environmental and safety issues, task the Environmental and District Community Development Officers with ensuring compliance and reporting regularly on progress.
2. The Contracts Committee should;
 - i. Critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies that could lead to misunderstandings between the Entity and the bidders; and
 - ii. 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 Head of the Procurement and Disposal Unit should;
 - i. Update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap 205;

- ii. Ensure that the statement of requirements in the bidding documents is clearly and precisely defined, leaving no room for doubt or assumptions by bidders, in accordance with Regulation 42(a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. Where clarifications or corrections are necessary, the Procurement and Disposal Unit should issue formal addenda in line with Regulation 59(4) of the same Regulations; and
- iii. 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.

4. Heads of User Departments must ensure that:

- i. Contract supervisors prepare and submit contract implementation plans before contract execution begins;
- ii. Monthly progress reports are compiled and submitted to both the Accounting Officer and the Procurement and Disposal Unit, in accordance with Regulation 52 (3)(g) of the PPDA (Contracts) Regulations, 2023; and
- iii. Ensure that the Contract Managers for the projects below 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, specifically for;
 - Failing to prevent the contractor from abandoning the Dohwe Health Centre II site before completing landscaping, tree planting, and lightning arrestor installation, and for not obtaining documented proof of completed works.
 - Failing to verify and provide evidence of lightning arrestor installation and tree planting at Nasinu Primary School, and for inadequate supervision to ensure full compliance with contract specifications.

Namayingo District Local Government should implement the recommended action plan on **pages 27 to 29.**

CHAPTER 1: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection exercise of Namayingo District Local Government that covered a representative sample of 10 procurement transactions under the Financial Year 2023/24. The inspection involved a review of the procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act Cap 205 and the attendant PPDA Regulations.

1.2 Overall Objective

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

The specific objectives were to:

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

1.3 Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation on sample basis. The audit covered a representative sample of 10 procurement transactions under the Financial Year 2023/24. The list of sampled transactions is contained in **Annex 2**. Table 1 below details the distribution of the transaction population and sample.

Table 1: Distribution of the Transaction Population and Sample

Procurement method	Popn Value (UGX)	Sample Value (UGX)	% Value	Popn no	Sample no	% no
Request for Quotations	1,370,355,792	1,232,796,996	90	11	5	45.4
Selective bidding	303,086,993	103,450,000	34.1	7	1	14.2
Open national bidding	380,521,055	380,521,055	100	4	4	100
Total	2,053,963,840	1,611,812,051	84	22	10	46

1.4 Methodology

The Authority examined records and documents for each sampled procurement transaction and/or disposal and obtained the relevant evidence to derive audit conclusions. This involved a

review of the Entity's procurement and disposal planning, initiation, bidding, evaluation, contract placement and processes. At the end of the document review, a physical verification was undertaken to ascertain the level of contractual delivery and fit for purpose.

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

A debrief meeting to clear all pending issues that arose during the audit was held with the Entity management and staff on **15th November 2024** before the auditors could embark on preparation of the management letter. The Authority prepared the management letter, which was sent to the Entity on **13th February 2025** with a request to submit a management response by **21st February 2025** which was submitted on **20th March 2025**.

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

CHAPTER 2: AUDIT FINDINGS

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

2.1.1 Procurement structures

The key players in the procurement structure at Namayingo District Local Government include the Chief Administrative Officer as Accounting Officer, the Contracts Committee, the Procurement and Disposal Unit and the User Departments.

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

i. Accounting Officer

Section 28 (1) of the PPDA Act, Cap. 205 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. The Chief Administrative Officer; Mr. Friday Kyomya was designated as the Accounting Officer of the Entity during the Financial Year 2023-2024.

ii. Staffing of the Procurement and Disposal Unit

During the year under audit, the Entity's procurement and disposal unit was fully staffed with two members of staff in the Unit at the level of Senior Procurement Officer and Procurement Officer. The details of the Procurement and Disposal Unit staff are shown in Table 2 below:

Table 2: Staff in the Procurement and Disposal Unit

S/no	Name	Job Title	Academic Qualification	Date of Appointment
1.	Ms. Harriet Kakai	Senior Procurement Officer	Bachelors' Degree in Procurement and Logistics Management Post Graduate Diploma in procurement and supply chain management (MCIPS)	8 th June 2015
2.	Mr. Foustine Ojiambo	Procurement Officer	Bachelors' Degree in Procurement and Logistics Management Post Graduate Diploma in procurement and supply chain management (CIPS Level 5)	8 th June 2020

iii. **Composition and tenure of the Contracts Committee**

During the year under review, the Entity's Contracts Committee was fully constituted. The Contracts Committee membership for the Financial Year under review is detailed in Table 3 below:

Table 3: List of Contracts Committee Members

No	Name	Position	Date of Appointment	Title	Tenure
1.	Mr Umar Wasswa Kyebagulo	Chairperson	2 nd August 2023	Principal Human Resource Officer	First term in office
2.	Ms. Brenda Auma	Secretary	1 st February 2023	Physical planner	
3.	Mr Daniel Dembe	Member	1 st February 2023	Senior Agricultural Engineer	
4.	Ms. Constance Mukyala	Member	1 st February 2023	Senior assistant CAO	
5.	Mr. Geoffrey Wandera	Member	1 st February 2023	Senior Community Development Officer	

2.1.2 Failure to implement 62.5% of previous audit recommendations

The Authority noted that the Entity had been issued its previous audit report for the Financial Year 2021/2022 in August 2023. Out of eight recommendations made, three recommendations representing 37.5% were fully implemented, three recommendations representing 37.5% were partially implemented and two representing 25% were not implemented as detailed in Table 3 below:

Table 3: Status of implementation of previous audit recommendations

No.	Recommendation	Status
1.	The Accounting Officer should put in place a strong internal mechanism and a dedicated team of staff that will ensure implementation of previous audit recommendations issued to the Entity by the Authority in order to improve its performance.	Not implemented
2.	The Accounting Officer should ensure that all procurements are conducted in a fair, transparent and competitive manner in accordance with Section 45 and 46 of the PPDA Act, 2003 and anomalies at solicitation document preparation such as inadequate specifications and also unfair evaluation should be addressed in order to rebuild the confidence that may have been lost by the bidders.	Partially implemented
3.	The Accounting Officer should endeavor to eliminate any delays in the Entity's procurement and disposal process in order to ensure improved efficiency in the procurement and disposal process and timely service delivery in accordance	Partially implemented

No.	Recommendation	Status
	with Section 48 of the PPDA Act 2003.	
4.	The Head. Procurement and Disposal Unit should guide the Evaluation Committee members to strictly adhere to the criteria set out in the solicitation document as provided under Regulation 72 and 74 of the Local Governments (PPDA) Regulations, 2006.	Not implemented
5.	User departments should ensure effective contract management in accordance with Regulation 119 of the Local Governments (PPDA) Regulations, 2006.	Partially implemented

Implication

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

Management response

Management takes note of the finding by the Authority. The Entity pledges to always ensure that all the audit recommendations are implemented

Recommendation

The Accounting Officer should ensure that a strong mechanism is put in place to implement recommendations made by the Authority in accordance with Section 10 of the PPDA Act, Cap 205 so as to improve the Entity's performance. This could include appointing a task force that will be responsible for ensuring full implementation of the Authority's recommendations.

2.1.3 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 88% with a variance of UGX 280,900,009 representing 12% of the procurement plan not implemented as shown in Table 4 below.

Table 4: Procurement plan implementation

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	2,334,863,849
Total procurement spend value inclusive of VAT (UGX)	2,053,963,840
Procurement plan implementation rate (%)	88%
Implementation variance (UGX)	280,900,009
Non implementation rate (%)	12%

Implication

Procurements worth UGX 280,900,009 were not implemented which deprived service delivery to the intended beneficiaries.

Management Response

Management takes note of the finding. However, the above variance came up as a result of abandoned works for the construction of a mini piped water system at Bumalenge where a contractor failed to execute the contract to completion and was paid up to 15% and failure by the farmers to make 2nd co-funding for the procurement of micro-scale irrigation systems

Recommendation

The Accounting Officer should regularly conduct or designate persons to conduct a review of the procurement plan to harmonize it with the existing circumstances at the Entity in accordance with Section 60 (7) of the PPDA Act, Cap 205.

2.1.4 Conducting a procurement outside the plan

The Authority found that the procurement for the roofing of Banda Subcounty headquarters' administrative offices, valued at UGX 54,182,060, was conducted outside the approved plan. Furthermore, the Entity failed to update its procurement plan to include this procurement, which is contrary to Section 60 (7) of the PPDA Act, Cap 205.

Implication

Conducting unplanned procurement transactions may affect other planned activities or requirements by taking up resources which would have otherwise been used for the planned activities such as time and human resources and may result in to domestic arrears

Management response

Management takes note of the Authority's finding, the Entity will always ensure the procurement plan is updated

Recommendation

The Head, Procurement and Disposal Unit should update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap 205.

2.1.5 Lack of separation of duties

The Authority observed that in seven procurements worth UGX 750,382,671, officers performed multiple roles/functions in the procurement process, including originating the requisition, authorizing the procurement, and confirming funding as the Accounting Officer, which compromised the necessary separation of duties. As indicated in Table 5 below.

Table 5: Lack of separation of duties

S/no	Subject of Procurement	Contract value UGX	PPDA Findings
1.	Subject: Roofing of Banda subcounty headquarter admin offices Procurement method: Request for Quotation Contractor: Hoyo Twins Ltd	54,182,060	Mr. Onyango Sam the Senior Assistant CAO was the originator of the requisition, the authorizing officer, as well as the one who confirmed funding as the Accounting Officer

S/no	Subject of Procurement	Contract value UGX	PPDA Findings
2.	Subject: Supply of assorted borehole spare parts Procurement method: Open National Bidding Contractor: Jopal Investments Ltd	54,295,000	Mr. Wabusa Joshua was the originator of the requisition as well as the authorizing officer
3.	Subject: Construction of 2 5 stance VIP Latrine blocks Lot 1 Procurement method: Open Bidding Contractor: Rivaflo Investment Ltd	63,944,200	
4. Q	Subject: Drilling, platform casting and installation of six boreholes in the selected sub counties of Namayingo district Procurement method: Open national Bidding Contractor: East Africa Boreholes Ltd	147,181,400	
5.	Subject: Construction of a mini solar powered water supply system at Bumalenge in Sigulu sub county Procurement method: Open Bidding Contractor: Abayaku General services Ltd	293,987,556	
6.	Subject: Construction of a 2-classroom block at Nasinu primary school Procurement method: Open national bidding Contractor: Yoki general enterprises	91,952,455	
7.	Subject: Consultancy services for a feasibility study and design of a mini solar powered water supply system for Lolwe sub county Procurement method: ODB Contractor: Psem Africa Ltd	44,840,000	
	TOTAL	750,382,671	

Implication

This may lead to increased opportunity for fraud or error, as a single officer handling multiple roles in procurement makes it easier for fraudulent activities to go unnoticed and compromises the principle of independence in the performance of duties

Management Response

Management acknowledges the issue and will enforce the Authority's guidance in future procurements.

Recommendation

The Accounting Officer should enforce separation of duties by assigning different officers to each stage of the procurement process and ensuring independence in the performance of functions as required by Section 40 of the PPDA Act, Cap 205. This will enhance transparency, accountability, and reduce the risk of fraud.

2.1.6 Issuance of inadequate bidding documents

In six procurements worth UGX 391,892,660, the Procurement and Disposal Unit issued bidding documents with inconsistencies to the prospective bidders as detailed in the Table 6 below

Table 6: Procurements with inadequate bidding documents

No	Subject of Procurement	Contract value (UGX)	Observations
1.	Subject: Supply of assorted borehole spare parts Procurement method: Open National Bidding Contractor: Jopal Investments Ltd	54,295,000	The bidding document lacked, <ul style="list-style-type: none">• Requirement for a manufacturer's authorization for the equipment.• The delivery period.
2.	Subject: Roofing of Banda subcounty headquarter admin offices Procurement method: Request for Quotation Contractor: Hoyo Twins Ltd	54,182,060	<ul style="list-style-type: none">• Part 1: Quotation Procedures stated that: The quotation validity required was 90 days. Whereas the administrative compliance criteria stated a bid validity period of up to 17th June 2024.• The administrative compliance criteria stated an acceptable completion schedule of 3 months maximum while GCC 17.1 in the SCC of the solicitation document stated an intended completion period of up to 20th June 2024.
3.	Subject: Supply and installation of irrigation equipment to set up a demonstration site at	27,450,000	Part 1: Selective Bidding Procedures stated that the bid validity required was 60 days from the closing date of bid submission, while under Documents Evidencing Eligibility, it

No	Subject of Procurement	Contract value (UGX)	Observations
	Bumoli B, supply of agriculture supplies for operationalizing the demonstration site and supply of field equipment and protective gear for farm. Procurement method: RFQ Contractor: Benalfa Engineering Services Ltd		mentioned the bid validity up to 30 th January 2025.
4.	Subject: Consultancy services for a feasibility study and design of a mini solar powered water supply system for Lolwe sub county Procurement method: ODB Contractor: Psem Africa Ltd	44,840,000	<ul style="list-style-type: none"> • ITB 20.1: The bid validity period is stated as 120 working days whereas under the Qualification and Evaluation Criteria: The bid validity is listed as up to June 28th, 2024. • Inconsistencies in Payment Terms: The Proposal document's Remuneration and Payment clause (6.1) states that consultancy fees will be paid as a lump sum, but the payment mode section outlines installment payments (30% after Inception Report, 40% after Draft Design Study Report, and 30% after submission of the Final Detailed Design Report and other required documents). • Missing Financial Evaluation Criteria: The proposal document lacked clear financial evaluation criteria, with no specific requirements for audited financial statements to assess the financial position of consultancy firms.
	TOTAL	391,892,660	

Implications

- Poor quality solicitation documents make it difficult for bidders to prepare and submit responsive bids and may compromise the quality of service or product obtained by the Entity.
- Inconsistencies in the bidding document may lead to disagreements and administrative reviews which create unnecessary delays in the procurement process.

Management Response

Management takes note of the Authority's finding, however the inconsistencies in the bidding documents are addressed during the pre-bid meeting and all procurements had Planned Procurement Schedules

Recommendations

The Authority notes the Entity's response and recommends that;

- Where clarifications or corrections are necessary, the Procurement and Disposal Unit should issue an addenda in accordance with Regulation 59(4) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
- The Procurement and Disposal Unit should ensure that the statement of requirements in the prepared bidding document defines the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
- The Contracts Committee should critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies that could lead to misunderstandings between the Entity and the bidders.

2.1.7 Low bidder participation

The audit revealed that in seven procurements worth UGX 820,977,651, the Entity received less than three bids in response to invitations to bid. This low bidder turnout suggests a lack of confidence in the Entity's procurement processes. Details of these procurements are provided in Table 7 below;

Table 7: Procurements with low response from bidders

No	Procurement	Contract value (UGX)	Number Invited	Bids received
1.	Subject: Supply of assorted borehole spare parts Procurement method: Open National Bidding Contractor: Jopal Investments Ltd	54,295,000	Open Bidding	2
2.	Subject: Roofing of Banda subcounty headquarter admin offices Procurement method: Request for Quotation Contractor: Hoyo Twins Ltd	54,182,060	5	2
3.	Subject: Construction of 2 5 stance VIP Latrine blocks Lot 1 Procurement method: Open Bidding Contractor: Rivaflo Investment Ltd	63,944,200	Open Bidding	2
4.	Subject: Drilling, platform casting and installation of six boreholes in the selected sub counties of Namayingo district Procurement method: Open national	147,181,400	Open Bidding	1

No	Procurement	Contract value (UGX)	Number Invited	Bids received
	Bidding Contractor: East Africa Boreholes Ltd			
5.	Subject: Remodelling of OPD at Dohwe Health Center II Procurement method: Request for Quotation Contractor: Rivaflo Investment Limited	115,434,980	3	2
6.	Subject: Construction of a mini solar powered water supply system at Bumalenge in Sigulu sub county Procurement method: Open Bidding Contractor: Abayaku General services Ltd	293,987,556	Open Bidding	2
7.	Subject: Construction of a 2-classroom block at Nasinu primary school Procurement method: Open national bidding Contractor: Yoki general enterprises	91,952,455	Open Bidding	2
Total		820,977,651		

Implication

This encumbers competition thus failure to achieve value for money.

Management Response

Management takes note of the Authority's finding; however, the Entity has made significant attempts to attract a big number of bidders and this has been achieved on high value procurements, procurements have been conducted very fairly and it's so promising that in the long run there will be a very significant achievement

Recommendation

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

2.1.8 Delays in the procurement process

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

The Authority noted delays across the different stages of the procurement process of the transactions as shown in Table 8 below:

Table 8: Delays in the procurement process

No	Subject of Procurement	Contract Amount (UGX)	Observations
1.	Subject: Supply of assorted borehole spare parts Procurement method: Open National Bidding Contractor: Jopal Investments Ltd	54,295,000	There was a 3-month delay in publishing the advert in a national newspaper, despite the Contracts Committee's approval on 20 th October 2023. The advert was published on 22 nd January 2024.
2.	Subject: Construction of 2 5 stance VIP Latrine blocks Lot 1 Procurement method: Open Bidding Contractor: Rivaflo Investment Ltd	63,944,200	There was a delay of 2 months between the date of confirmation of funding by the Accounting Officer on 18 th August 2023 and the date of Contracts Committee approval of the method, bidding document and the Evaluation Committee members on 20 th October 2023 and there was no evidence of PDU submission of the same to the Contracts Committee
3.	Subject: Drilling, platform casting and installation of six boreholes in the selected sub counties of Namayingo district Procurement method: Open national Bidding Contractor: East Africa Boreholes Ltd	147,181,400	There was a delay of 2 months between the date of confirmation of funding by the Accounting Officer on 18 th August 2023 and the date of Contracts Committee approval of the method, and bidding document and the Evaluation Committee members on 20 th October 2023. However, the submission by the PDU to the Contracts Committee was not documented.
4.	Subject: Construction of a mini solar powered water supply system at Bumalenge in Sigulu sub county Procurement method: Open Bidding Contractor: Abayaku General services Ltd	293,987,556	<ul style="list-style-type: none"> • There was a delay of 2 months between the date of confirmation of funding by the Accounting Officer on 18th August 2023 and the date of Contracts Committee approval of the method, and bidding document and the Evaluation Committee members on 20th October 2023 • Delay to publish advert; the Contracts Committee approved the method, bidding document and members of the Evaluation Committee on 20th October 2023 while advert was published on 22nd January 2024 implying a delay of 3 months
5.	Subject: Construction of a 2-classroom block at Nasinu primary	91,952,455	<ul style="list-style-type: none"> • There was a delay of 2 months between the date of confirmation of funding by the Accounting Officer on 18th August 2023

No	Subject of Procurement	Contract Amount (UGX)	Observations
	school Procurement method: Open national bidding Contractor: Yoki general enterprises		and the date of Contracts Committee approval of the method, and bidding document and the Evaluation Committee members on 20 th October 2023 <ul style="list-style-type: none"> • Delay to publish advert; the Contracts Committee approved the method, bidding document and members of the Evaluation Committee on 20th October 2023 while advert was published on 22nd January 2024 implying a delay of 3 months
6.	Subject: Consultancy services for a feasibility study and design of a mini solar powered water supply system for Lolwe sub county Procurement method: ODB Contractor: Psem Africa Ltd	44,840,000	<ul style="list-style-type: none"> • Delay to publish advert; the Contracts Committee approved the method, bidding document and members of the Evaluation Committee on 20th October 2023 while advert was published on 22nd January 2024 implying a delay of 3 months • Delay to evaluate financial bids, technical evaluation was concluded on 23rd February 2024 however, financial bids were opened on 14th March 2024 and financial evaluation conducted on 21st March 2024 which led to a delay of 20 days and 7 days respectively
	TOTAL	696,200,611	

Implication

Delays in the procurement process create lengthy lead times which consequently impede timely service delivery.

Management response

Management takes note of the finding, however the procurements were approved by Contracts Committee and awaited for funds in the respective quarters before advertisement could be conducted.

Authority's comment

While management attributes the delays to awaiting funds in respective quarters, this explanation does not fully account for the specific procedural lapses identified, such as the two-month delay by the PDU in submitting documents to the Contracts Committee and the three-month delay in publishing bid adverts after approval had already been granted. Additionally, delays in evaluation by the Evaluation Committee were not related to funding but rather internal inefficiencies, as there was no approval by the Accounting Officer for the delay. Therefore, the management response is noted but does not adequately justify the delays, which reflect weak

procurement planning and poor internal coordination, contrary to the principles of economy and efficiency under Section 51 of the PPDA Act.

Recommendation

The Accounting Officer should task the following to show cause why appropriate disciplinary action should not be taken against them for having occasioned unnecessary and unjustified delays in the procurement process and should ensure in future procurement, processes are conducted more efficiently in line with Section 51 of the PPDA Act, Cap 205;

- The Procurement and Disposal Unit which took two months to make submissions to the Contracts Committee and three months to publish bid adverts after Contracts Committee approval of the procurements.
- The Evaluation Committee for the procurement of Consultancy services for a feasibility study and design of a mini solar powered water supply system for Lolwe Sub County that delayed to conclude evaluation in time by seven days and there was no approval of the same by the Accounting Officer.

2.1.9 Irregularities at evaluation of bids

The Authority noted irregularities in the evaluation of five procurements worth UGX 379,808,695 which was contrary to Regulation 73 (1) (2) and (3) of the Local Governments (PPDA) Regulations, 2006 that 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. The details of the affected procurements are summarized in Table 9 below:

Table 9: Procurements with irregularities during evaluation

No	Subject of the procurement	Contracts Value (UGX)	Observations
1.	Subject: Supply of assorted borehole spare parts Procurement method: Request for Quotation Contractor: Jopal Investments Ltd	54,295,000	Jopal Investments Ltd, the Best Evaluated Bidder (BEB), was marked as compliant despite failing to provide an acceptable work schedule or programme with specified completion dates, as required in the bidding document.
2.	Subject: Roofing of Banda subcounty headquarter admin offices Procurement method: Request for Quotation Contractor: Hoyo Twins Ltd	54,182,060	<ul style="list-style-type: none"> • Hoyo Twins Ltd was marked as compliant despite presenting possession of equipment without any proof of ownership, lease, or hire, contrary to the bidding document requirement to provide such evidence. • The bidding document required bidders to submit CVs for key personnel along with academic documents. Hoyo Ltd submitted

No	Subject of the procurement	Contracts Value (UGX)	Observations
			Mr. Amale James's CV for the Site Engineer position but failed to provide the required academic documents to verify his qualifications, yet the bidder was still considered compliant.
3.	Subject: Construction of 2 5 stance VIP Latrine blocks Lot 1 Procurement method: Open Bidding Contractor: Rivaflo Investment Ltd	63,944,200	<ul style="list-style-type: none"> • Kikem Ltd was failed for non-submission of an ESMP (Environmental and Social Management Plan) however, Rivaflo Investment Ltd did not submit the same but was considered compliant. • Rivaflo did not submit the list of key personnel as required in the bidding document but was considered responsive.
4.	Subject: Remodeling of OPD at Dohwe Health Center II Procurement method: Request for Quotation Contractor: Rivaflo Investment Limited	115,434,980	The bidding document required bidders to submit a bid security of UGX 1 million; however, Rivaflo Investment Limited did provided no bid security but was still considered compliant.
5.	Subject: Construction of a 2-classroom block at Nasinu primary school Procurement method: Open national bidding Contractor: Yoki general enterprises	91,952,455	<ul style="list-style-type: none"> • The bidding document required bidders to submit audited books of account; however, Yoki General Enterprises submitted financial statements audited by ABC-Z Co, a firm not certified by ICPAU, thereby failing to meet the stated requirement. • The bidding document required bidders to submit a bid security of UGX 500,000; however, Yoki general enterprises did not provide any evidence of submitting the required bid security but was still considered compliant.
	TOTAL	379,808,695	

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 audit finding, however the Entity requested for bid securing declarations and not bid securities

Authority’s comment

Management’s response is noted; however, no evidence was provided to support the claim that bid securing declarations were requested instead of bid securities. This contradicts the bidding documents, which clearly required bid securities, not bid securing declarations.

Recommendations

- 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.
- 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.
- The Accounting Officer should task the Evaluation Committee members responsible for the five procurements to show cause why disciplinary action should not be taken against them for failing to adhere to the bid evaluation criteria set out in the bidding documents, contrary to Regulation 5 of the PPDA (Evaluation) Regulations, 2023.

2.2 Compliance of the Entity’s Disposal process with the provisions of the PPDA Act, Cap 205 and PPDA Regulations, 2023

2.2.1 Failure to appoint a board of survey

Regulation 2 of the PPDA (Disposal) Regulations, 2023 provides that; an Accounting Officer, in each financial year, must review the public assets of a Procuring and Disposing Entity to identify assets to be disposed of in the following year.

Whereas the Entity had a board of survey report listing several items for disposal, during physical verification in November 2024, the following assets shown in Table 10 below were found grounded yet should have been disposed of.

Table 10: Items due for disposal





Implication

The assets are deteriorating further and the Entity may not obtain value from their sale.

Management response

Management appreciates the audit finding however the Entity wrote to the Chief Mechanical Engineer of Ministry of Works and to the Government Valuer of Ministry of Lands, Housing & Urban Development requesting for clearance and valuation of public assets but no response has been received by the District as yet.

Recommendations

The Accounting Officer should

- Follow up with the Chief Mechanical Engineer (Ministry of Works and Transport) and the Government Valuer (Ministry of Lands, Housing, and Urban Development) to expedite the clearance and valuation process for assets identified for disposal. Where delays persist, the matter should be escalated to the respective Permanent Secretaries.

- Ensure that all obsolete items in the Entity are reviewed and disposed of in accordance with 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 during contracting and contract execution

The Authority conducted a review of contracting and contract management processes and identified irregularities in nine procurements totaling UGX 893,267,651. These issues relate to shortcomings in contract administration and execution. Details of the affected procurements are presented in Table 11 below:

Table 11: Transactions with irregularities at contracting and contract management

No	Subject of Procurement	Contract value (UGX)	Contract Manager	Observations
1.	Subject: Supply of assorted borehole spare parts Procurement method: Open National Bidding Contractor: Jopal Investments Ltd	54,295,000	Not appointed	Contract completion was scheduled for 1 month from 7 th June to 8 th July 2024, however, no records of progress were availed
2.	Subject: Roofing of Banda subcounty headquarter administration offices Procurement method: Request for Quotation Contractor: Hoyo Twins Ltd	54,182,060	Not appointed	<ul style="list-style-type: none"> • No contract management plan • Intended Completion was 28th June 2024, however, no records to show the progress, completion
3.	Subject: Construction of 2 5 stance VIP Latrine blocks Lot 1 Procurement method: Open Bidding Contractor: Rivaflo Investment Ltd	63,944,200	District Water Officer	<ul style="list-style-type: none"> • Intended Completion was 29th March 2024, however, no records to show the progress, completion • No contract management plan
4.	Subject: Drilling, platform casting and installation of six boreholes in the selected sub counties of Namayingo district Procurement method: Open national Bidding	147,181,400	District Water Officer	No contract management plan

No	Subject of Procurement	Contract value (UGX)	Contract Manager	Observations
	Contractor: East Africa Boreholes Ltd			
5.	Subject: Remodelling of OPD at Dohwe Health Center II Procurement method: Request for Quotation Contractor: Rivaflo Investment Limited	115,434,980	District Health Officer	
6.	Subject: Construction of a mini solar powered water supply system at Bumalenge in Sigulu sub county Procurement method: Open Bidding Contractor: Abayaku General services Ltd	293,987,556	District Water Officer	
7.	Subject: Supply and installation of irrigation equipment to set up a demonstration site at Bumoli B, supply of agriculture supplies for operationalizing the demonstration site and supply of field equipment and protective gear for farm. Procurement method: RFQ Contractor: Benalfa Engineering Services Ltd	27,450,000	District Education Officer	
8.	Subject: Consultancy services for a feasibility study and design of a mini solar powered water supply system for Lolwe sub county Procurement method: ODB Contractor: Psem Africa	44,840,000	Not appointed	<ul style="list-style-type: none"> • Clause 3.1.4 in the contract states that the date of practical completion shall be within 2 months after contract signing however, the ToRs in the Contract set an activity work schedule of 11 weeks

No	Subject of Procurement	Contract value (UGX)	Contract Manager	Observations
	Ltd			<ul style="list-style-type: none"> No contract management plan.
9.	Subject: Construction of a 2-classroom block at Nasinu primary school Procurement method: Open national bidding Contractor: Yoki general enterprises	91,952,455	District Education Officer	<ul style="list-style-type: none"> Intended Completion was 29th March 2024, however, no records to show the progress, completion, or payment. No contract management plan
	Total	893,267,651		

Implications

- Without contract management records, the auditors could not ascertain whether the items or services delivered matched the required statement of requirements.
- Failure to appoint contract managers exposes the Entity to poor contract management which results into failure to implement contracts in accordance with the agreed terms and conditions of the contract.

Management response

Management takes note of the audit finding; however, the contract management and payment files were still in Jinja at Auditor General's office, the files were collected and they are here for review.

Recommendations


The Authority acknowledges the Entity's response but notes that no evidence was provided as mentioned. To address the observed irregularities in contracting and contract execution, the following actions are recommended:

- The Accounting Officer should
 - Institute disciplinary action against contract managers who failed to develop and maintain contract management plans, document progress or completion of contracts, and ensure timely reporting and compliance with contract timelines, as required under Regulation 52 (1) & (2) of the PPDA (Contracts) Regulations, 2023.
 - Enforce the timely appointment of contract managers for all awarded procurements and ensure that contract files are maintained and accessible for audit and monitoring purposes.
- Heads of User Departments must ensure that:
 - Contract supervisors prepare and submit contract implementation plans before contract execution begins.
 - Monthly progress reports are compiled and submitted to both the Accounting Officer and the Procurement and Disposal Unit, in accordance with Regulation 52 (3)(g) of the PPDA (Contracts) Regulations, 2023.

2.3.2 Physical verification

On 13th November 2024, the Authority conducted physical verification of six projects worth UGX 500,145,095 and noted issues in three projects worth UGX. 261,569,495 for management’s attention as per Table 12 below:

Table 12: Issues noted during physical verification

NO	ISSUES NOTED
1.	<p>Subject: Remodelling of OPD at Dohwe Health Centre II Procurement method: Request for Quotation Contractor: Rivaflo Investment Limited Contract value: UGX 115,434,980 Contract date: 15th April 2024 Completion date: 28th June 2024 Defects Liability Period: 180 days Progress; Physical: 95% Time: 100%</p> <div data-bbox="306 824 1449 1236" style="display: flex; justify-content: space-around;">  </div> <p>The site was found abandoned with no contractor present. Additionally, landscaping, tree and grass planting, and the installation of lightning arrestors had not been completed. There was also no project signpost in place.</p> <p><u>Management response</u> <i>Management takes note of the audit finding; however, the contractor was instructed to execute the unfinished works, he installed the lightning arrestor, the money for unfinished work has also not been paid by the entity</i></p> <p>Authority’s comment; The above evidence of installation of the lightening arrestor was not submitted by the Entity.</p>
2.	<p>Subject: Construction of a 2-classroom block at Nasinu primary school Procurement method: Open national bidding Contractor: Yoki general enterprises Contract value: UGX 91,952,455 Contract date: 27th December 2023 Completion date: 29th March 2024</p>

Defects Liability Period: 180 days

Progress;

Physical: 99%

Time: 100%



The project was considered complete, but tree and grass planting had not been carried out, and lightning arrestors had not been installed.

Management response

Management takes note of the audit finding; however, the contractor installed the lightning arrestor and is waiting for rain to plant the trees

Authority's comment;

The above evidence of installation of the lightning arrestor was not submitted by the Entity.

Implication

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

Recommendations

- 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 specifically for;
 - i. Failing to ensure the contractor doesn't abandon the Dohwe Health Centre II site before completing landscaping, tree planting, and lightning arrestor installation, and for not obtaining documented proof of completed works.

- ii. Failing to verify and provide evidence of lightning arrestor installation and tree planting at Nasinu Primary School, and for inadequate supervision to ensure full project compliance with contract specifications.
- The Accounting Officer should ensure that all anomalies identified in the Table 13, per project, are rectified by the Contractors. A report on the rectifications should be shared with the Authority by July 2025.
- 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 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This Section presents the scores per area assessed under different audit risk computation

3.1 Overall Performance Audit Conclusion

The performance of Namayingo District Local Government for the compliance inspection of FY 2023/2024 was **moderately satisfactory** with an overall weighted average risk rating of **55.97%**. The risk rating is as follows:

Table 13: Risk Rating

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

3.2 Entity's Performance

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

Table 14: Risk Computation

Risk category	No.	No. %	Value (UGX)	Value %	Weights	Total weighted Average	
						By No.	By Value
High	6	60	424,648,695	26.3	0.6	36	15.78
Medium	2	20	441,168,956	27.4	0.3	6	8.22
Low	1	10	27,450,000	1.7	0.1	1	0.17
Satisfactory	1	10	718,544,400	44.6	0	0	0
Total	10	100	1,611,812,051	100	1	43	24.17

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{43}{60} \times 100 = 71.66\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{24.17}{60} \times 100 = 40.28\%$$

$$\text{The average weighted risk rating} = \frac{71.66+40.28}{2} = 55.97\%$$

3.3 Chart Representation of Risk Rating

Figure 1: Chart Representation of Risk Rating by Number

GRAPHICAL PRESENTATION BY NUMBER

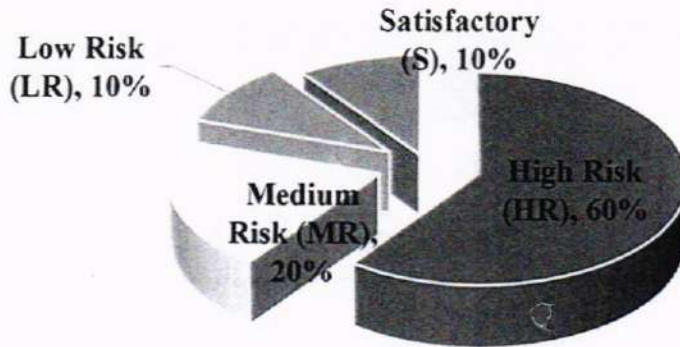
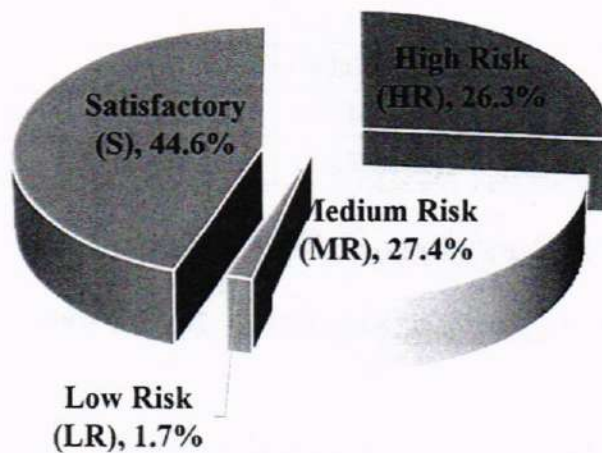


Figure 2: Chart Representation of Risk Rating by Value

GRAPHICAL PRESENTATION BY VALUE



3.4 Recommended Action Plan

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

Table 15: Action plan

No.	Recommendation	Target Date
1.	<p>The Accounting Officer should;</p> <p>i. Ensure that a strong mechanism is put in place to implement recommendations made by the Authority so as to improve the Entity's performance in accordance with Section 10 of the PPDA Act, Cap 205. This could include appointing a task force that will be responsible for ensuring full implementation of the Authority's recommendations.</p> <p>ii. Regularly conduct or designate persons to conduct a review of the procurement plan to harmonize it with the existing circumstances at the Entity in accordance with Section 60 (7) of the PPDA Act, Cap 205.</p> <p>iii. Enforce separation of duties by assigning different officers to each stage of the procurement process and ensuring independence in the performance of functions as required by Section 40 of the PPDA Act, Cap 205. This will enhance transparency, accountability, and reduce the risk of fraud.</p> <p>iv. Implement targeted measures to increase bidder participation, including conducting market surveys, widely publishing bid opportunities, engaging supplier associations, and organizing bidder sensitization sessions. These efforts will enhance transparency, promote competition, and ensure value for money in line with Sections 48 and 49 of the PPDA Act, Cap 205.</p> <p>v. Task the following to show cause why appropriate disciplinary action should not be taken against them for having occasioned unnecessary and unjustified delays in the procurement process and should ensure in future procurement, processes are conducted more efficiently in line with Section 51 of the PPDA Act, Cap 205;</p> <ul style="list-style-type: none"> • The Procurement and Disposal Unit which took two months to make submissions to the Contracts Committee and three months to publish bid adverts after Contracts Committee approval of the procurements. • The Evaluation Committee for the procurement of Consultancy services for a feasibility study and design of a mini solar powered water supply system for Lolwe Sub County that delayed to conclude evaluation in time by seven days and there was no approval of the same by the Accounting Officer. 	<p>Continuous</p> <p>Continuous</p> <p>July 2025</p> <p>July 2025</p> <p>July 2025</p>

No.	Recommendation	Target Date
	<p>vi. Task the Evaluation Committee members responsible for the five procurements to show cause why disciplinary action should not be taken against them for failing to adhere to the bid evaluation criteria set out in the bidding documents, contrary to Regulation 5 of the PPDA (Evaluation) Regulations, 2023.</p> <p>vii. Follow up with the Chief Mechanical Engineer (Ministry of Works and Transport) and the Government Valuer (Ministry of Lands, Housing, and Urban Development) to expedite the clearance and valuation process for assets identified for disposal. Where delays persist, the matter should be escalated to the respective Permanent Secretaries.</p> <p>viii. Ensure that all obsolete items in the Entity are reviewed and disposed of in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023.</p> <p>ix. Institute disciplinary action against contract managers who failed to develop and maintain contract management plans, document progress or completion of contracts, and ensure timely reporting and compliance with contract timelines, as required under Regulation 52 (1) & (2) of the PPDA (Contracts) Regulations, 2023.</p> <p>x. Enforce the timely appointment of contract managers for all awarded procurements and ensure that contract files are maintained and accessible for audit and monitoring purposes.</p> <p>xi. Ensure that all outstanding works, including landscaping, tree and grass planting, and installation of lightning arrestors, are completed and verified before final payments are made. A report on the rectifications should be shared with the Authority by July 2025.</p> <p>xii. 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.</p>	<p>July 2025</p> <p>Immediate</p> <p>Immediate</p> <p>Immediate</p> <p>Continuous</p> <p>Immediate</p> <p>Immediate</p>
2.	<p>The Contracts Committee should;</p> <p>i. Critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies that could lead to misunderstandings between the Entity and the bidders.</p> <p>iii. Ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 48 of the</p>	<p>Continuous</p> <p>Continuous</p>

No.	Recommendation	Target Date
	PPDA Act, Cap 205 before approving the evaluation reports.	
3.	The Head of the Procurement and Disposal Unit should; i. Update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap 205. ii. Ensure that the statement of requirements in the bidding documents is clearly and precisely defined, leaving no room for doubt or assumptions by bidders, in accordance with Regulation 42(a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. Where clarifications or corrections are necessary, the Procurement and Disposal Unit should issue formal addenda in line with Regulation 59(4) of the same Regulations. iii. 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.	Continuous Continuous Continuous
4.	Heads of User Departments must ensure that: i. Contract supervisors prepare and submit contract implementation plans before contract execution begins. ii. Monthly progress reports are compiled and submitted to both the Accounting Officer and the Procurement and Disposal Unit, in accordance with Regulation 52 (3)(g) of the PPDA (Contracts) Regulations, 2023.	Continuous Continuous

ANNEX A: CASE BY CASE ANALYSIS

HIGH-RISK PROCUREMENTS

NO	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	Subject: Roofing of Banda subcounty headquarter administration offices Method: Request for Quotation Provider: Hoyo Twins Ltd Contract value: UGX 54,182,060	<ul style="list-style-type: none"> • Conducting a procurement outside the plan • Lack of separation of duties: Mr. Onyango Sam, the Senior Assistant CAO, initiated the requisition, authorized it, and confirmed funding, performing multiple roles in the process. • Inconsistencies in the bidding document; <ul style="list-style-type: none"> i. Quotation Procedures required a 90-day bid validity, but administrative compliance criteria set validity until 17th June 2024. ii. Administrative compliance allowed a maximum 3-month completion schedule, while the GCC 17.1 in the SCC stated completion by 20th June 2024. • Low bidder response; invited 5 received only 2 bids

NO	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
		<ul style="list-style-type: none"> • Unfair evaluation; Hoyo Twins Ltd was unfairly evaluated for presenting equipment without proof of ownership, lease, or hire. They also submitted Mr. Amale James's CV for the Site Engineer position but did not provide academic documents to verify his qualifications. • No records to show progress and no contract management plan
2.	<p>Subject: Remodelling of OPD at Dohwe Health Centre II</p> <p>Procurement method: Request for Quotation</p> <p>Contractor: Rivaflo Investment Limited</p> <p>Contract value: UGX 115,434,980</p>	<ul style="list-style-type: none"> • Low bidder response; invited 3 but received only 2 bids. • The BEB did not provide a bid security of 1 million but was considered compliant. • No contract management plan • During physical verification; there was no project sign post, trees and grass not planted, no lightening arrester and the site was abandoned.
3.	<p>Subject: Construction of a 2-classroom block at Nasinu primary school</p> <p>Procurement method: Open national bidding</p> <p>Contractor: Yoki general enterprises</p> <p>Contract value: UGX 91,952,455</p>	<ul style="list-style-type: none"> • Lack of separation of duties; Mr. Wabusa Joshua was the originator of the requisition as well as the authorizing officer • Low bidder response; open bidding but received only 2 bids. • 2-month delay between funding confirmation and Contracts Committee approval and 3-month delay in publishing advert after approval • Unfair evaluation; Yoki General Enterprises presented audited books of accounts audited by ABC- Z Co that was not certified by ICPAU and there was no evidence to show submission of bid security worth UGX 500,000 by Yoki Enterprises Ltd • No records to show the progress, completion, or payment and no contract management plan • During physical verification; it was noted that trees and grass were not planted, and no lightening arrester
4.	<p>Subject: Consultancy services for a feasibility study and design of a mini solar powered water supply system for Lolwe sub county</p> <p>Procurement method: ODB</p> <p>Contractor: Psem Africa Ltd</p> <p>Contract value: UGX 44,840,000</p>	<ul style="list-style-type: none"> • Lack of separation of duties; Mr. Wabusa Joshua was the originator of the requisition as well as the authorizing officer • Inconsistencies in the bidding document; <ul style="list-style-type: none"> i. ITB 20.1: Bid validity is 120 working days, but Qualification and Evaluation Criteria lists it as up to June 28th, 2024. ii. Inconsistent payment terms: Consultancy fees listed as lump sum, but payment mode specifies installment

NO	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
		<p>payments (30%, 40%, 30%).</p> <p>iii. Missing financial evaluation criteria: No requirements for audited financial statements to assess the financial position of firms.</p> <ul style="list-style-type: none"> • Delays noted; 3-month delay in publishing advert, 20-day delay in opening financial bids and 7-day delay in financial evaluation. • Irregularities at contracting and contract management; <ul style="list-style-type: none"> i. In the contract, clause 3.1.4: Practical completion set for 2 months, but the ToRs schedule 11 weeks. • No contract management plan.
5.	<p>Subject: Construction of 2 5 stance VIP Latrine blocks Lot 1</p> <p>Procurement method: Open Bidding</p> <p>Contractor: Rivaflo Investment Ltd</p> <p>Contract value: UGX 63,944,200</p>	<ul style="list-style-type: none"> • Lack of separation of duties; Mr. Wabusa Joshua was the originator of the requisition as well as the authorizing officer • Low bidder response; open bidding but received only 2 bids. • 2 months delay by the Contracts Committee to approve the method, bidding document and the Evaluation Committee members and there was no evidence of PDU submission of the same to the Contracts Committee • Unfair evaluation; <ul style="list-style-type: none"> i. Kikem Ltd was disqualified for not submitting an ESMP, but the BEB (Rivaflo Investment Ltd) also failed to submit it, but was deemed compliant. ii. Rivaflo Ltd did not provide a list of key personnel but was still considered responsive. • No records to show progress, completion and no contract management plan
6.	<p>Subject: Supply of assorted borehole spare parts</p> <p>Procurement method: Open National Bidding</p> <p>Contractor: Jopal Investments Ltd</p> <p>Contract value: UGX 54,295,000</p>	<ul style="list-style-type: none"> • Lack of separation of duties; Mr. Wabusa Joshua was the originator of the requisition as well as the authorizing officer • Inadequate bidding document; no requirement for a manufacturer's authorization for the equipment, and the delivery period was not stated. • Low bidder response; open bidding but received only 2 bids. • There was a 3-month delay in publishing the advert in a national newspaper. • Jopal Investments Ltd (the BEB) did not state an acceptable work schedule or programme stating the completion dates in their bid • No records to show progress, and no contract management plan

MEDIUM RISK PROCUREMENTS

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	<p>Subject: Construction of a mini solar powered water supply system at Bumalenge in Sigulu sub county</p> <p>Procurement method: Open Bidding</p> <p>Contractor: Abayaku General services Ltd</p> <p>Contract value: UGX 293,987,556</p>	<ul style="list-style-type: none"> • Lack of separation of duties; Mr. Wabusa Joshua was the originator of the requisition as well as the authorizing officer • Low bidder response; open bidding but received only 2 bids. • 2-month delay between funding confirmation and Contracts Committee approval and 3-month delay in publishing advert after approval • No contract management plan.
2.	<p>Subject: Drilling, platform casting and installation of six boreholes in the selected sub counties of Namayingo district</p> <p>Procurement method: Open national Bidding</p> <p>Contractor: East Africa Boreholes Ltd</p> <p>Contract value: UGX 147,181,400</p>	<ul style="list-style-type: none"> • Lack of separation of duties; Mr. Wabusa Joshua was the originator of the requisition as well as the authorizing officer • Low bidder response; open bidding but received only 1 bid. • 2 months delay by the Accounting Officer to confirm funding. • No contract management plan

LOW RISK PROCUREMENTS

NO	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	<p>Subject: Supply and installation of irrigation equipment to set up a demonstration site at Bumoli B, supply of agriculture supplies for operationalizing the demonstration site and supply of field equipment and protective gear for farm.</p> <p>Procurement method: RFQ</p> <p>Contractor: Benalfa Engineering Services Ltd</p> <p>Contract value: UGX 27,450,000</p>	<ul style="list-style-type: none"> • Bid validity was inconsistently stated as 60 days and up to 30th January 2025. • No contract management plan

SATISFACTORY PROCUREMENTS

NO	SATISFACTORY
1.	<p>Subject: Supply of 30,800 assorted text books and 336 assorted teachers guides for primary four worth.</p> <p>Procurement method: RFQ</p> <p>Provider: M.K Publishers Limited</p> <p>Contract Value: UGX. 718,544,400</p>

ANNEX B: TRANSACTION LIST AND RATING PER CASE

No.	Reference number	Subject of procurement	Procurement method	Provider	Contract value (UGX)	Risk rating
1.	Nama904/wrks/2023-2024/00010	Supply and installation of irrigation equipment to set up a demonstration site at Bumoli B, supply of agriculture supplies for operationalizing the demonstration site and supply of field equipment and protective gear for farm.	Request for Quotations	Benalfa Engineering Services Ltd	27,450,000	Low
2.	Nama904/wrks/23-24/00021	Construction of a mini solar powered water supply system at Bumalenge in Sigulu sub county	Open national bidding	Abayaku General services Ltd	293,987,556	Medium
3.	Nama904/wrks/2023-2024/00006	Drilling, platform casting and installation of six boreholes in the selected sub counties of Namayingo district	Open national bidding	East Africa Boreholes Ltd	147,181,400	Medium
4.	Nama904/wrks/23-24/00033	Remodeling of OPD at Dohwe Health Center II	Request for Quotation	Rivaflo Investment Limited	115,434,980	High
5.	Nama904/wrks/2023-2024/00007	Construction of a 2-classroom block at Nasinu primary school	Open national bidding	Yoki general enterprises	91,952,455	High
6.	Nama904/srvcs/2023-2024/00002	Consultancy services for a feasibility study and design of a mini solar powered water supply	Open national bidding	Psem Africa Ltd	44,840,000	High

No.	Reference number	Subject of procurement	Procurement method	Provider	Contract value (UGX)	Risk rating
		system for Lolwe sub county				
7.	Nama904/wrks/2023-2024/00008	Construction of 2 in No 5 stance VIP latrine blocks at Lot 1	Open national bidding	Rivaflo investment Ltd	63,944,200	High
8.	Nama904/wrks/23-24/00032	Roofing of Banda sub county headquarter administration offices	Request for quotations	Hoyo Twins Limited	54,182,060	High
9.	Nama904/supls/23-24/00003	Supply of assorted borehole spare parts	Open national bidding	Jopal Investments Ltd	54,295,000	High
10.	Nama904/Supls/23-24/00008	Supply of 30,800 assorted text books and 336 assorted teachers guides for primary four.	Request for quotations	M.K Publishers Limited	718,544,000	Satisfactory
Total					1,611,812,051	

ANNEX C: 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. Significant deviations from	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.
		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

RISK	DESCRIPTION	AREA	IMPLICATION
	established policies and principles and/or generally accepted industry standards will normally be rated "high".		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 report, and contracts.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk	Planning: Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	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 lack of efficiency, standardisation and avoiding competition.
		Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	

RISK	DESCRIPTION	AREA	IMPLICATION
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed 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.	Planning: Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

SATISFACTORY

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