



**COMPLIANCE INSPECTION REPORT FOR FINANCIAL YEAR 2023/24**

**NAMISINDWA DISTRICT LOCAL GOVERNMENT**

**JUNE 2025**

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## ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
BOQs	Bills of quantities
CC	Contracts Committee
EC	Evaluation Committee
FY	Financial Year
HIV	Human Immunodeficiency Virus
LPO	Local Purchase Order
LTD	Limited
MBA	Masters in Business Administration
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PGD	Post Graduate Diploma
PM	Per- month
PPDA	Public Procurement and Disposal of Public Assets Authority
SET	School of Engineering and Technology
SOR	Statement of requirements
TCC	Tax Clearance Certificate
UGX	Uganda Shillings
ESHS	Environment, Social, Health and Safety

## EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection of Namisindwa District Local Government that covered a representative sample of 11 procurement transactions worth UGX 1,179,335,000 under the Financial Year 2023/24.

The overall objective of the procurement and disposal inspection was to assess and establish the degree of compliance of Namisindwa 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.

From the findings of the procurement and disposal inspection exercise, the performance of Namisindwa District Local Government for the Financial Year 2023/24 was **moderately satisfactory** with overall weighted average risk rating of **51.4%** as detailed in Chapter 3 of the report.

### **The Authority however noted the following exceptions:**

1. Failure to fully constitute the Contracts Committee. During the audit period, the Entity's Contracts Committee was not fully constituted, it was comprised of only three members contrary to the provisions of Section 29 of the PPDA Act, Cap 205. This may affect the effectiveness and efficiency of the Contracts Committee as it conducts its oversight function;
2. Failure to fully implement previous audit recommendations. The Entity had issued its previous audit report for the Financial Year 2021/2022 on 24<sup>th</sup> February 2023. Out of the 16 recommendations, eight (50%) were partially implemented, one (6%) remained unimplemented, while seven (44%) were fully implemented. Failure to fully implement audit recommendations affects performance of the procurement function and is an indicator of a weak implementation mechanism by the Entity;
3. Inadequately prepared bidding documents. There were weaknesses in the bidding documents for seven procurements worth UGX 578,618,500. Such as; failure to capture the bid validity period, failure to capture the payment duration, unclear requirements under the environment and social aspects, among others. This may lead to bidders misunderstanding the Entity's requirements and thereafter submitting poorly prepared and non-responsive bids. Similarly, it may confuse bidders and become a source of potential conflicts with the Entity;
4. The Authority noted an average delay of 23 working days at submission of documents to Contracts Committee for approval of solicitation documents, firms and evaluation committee members in six procurements worth UGX. 355,304,000 Contrary to Section 51 of the PPDA Act, Cap 205. Delays in the procurement cycle are an indicator of inefficiencies in the procurement process which in turn lead to delayed service delivery to the intended beneficiaries ultimately compromising achievement of value for money;
5. Low bidder participation. In six procurements worth UGX 621,703,000, the Entity received an average of 1.1 bids in response to invitations to bid which could be an indicator of lack of confidence by bidders in the Entity's procurement processes. This is contrary to Section 46 of the PPDA Act, Cap 205 which provides that all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money;
6. Restrictive requirements. Contrary to Section 64 of the PPDA Act, Cap 205 which requires Entities to provide a correct and complete description of the object of the procurement or disposal activity for the purpose of creating fair and open competition, the

Authority noted that in four procurements worth UGX 239,413,000, the Entity included personnel requirements that were restrictive compared to the magnitude of the projects which might have hindered competition;

7. The Authority noted irregularities during the evaluation stage of three procurement transactions worth UGX 290,410,500 that included, introduction of new evaluation criteria, passing bidders who lacked requirements stipulated in the bidding document among others which may lead to award of contracts to non-compliant bidders. This was contrary to Regulation 5 (1) and (2) of the PPDA (Evaluation) Regulations 2023;
8. Failure to dispose obsolete items. The Board of Survey report for the Financial Year 2023/2024 recommended several items for disposal including motorcycles, motor vehicles, a refrigerator among others but at the time of audit, no disposal process had commenced to ensure that these items are disposed contrary to Regulation 3 (1) of the PPDA (Disposal of Public Assets) Regulations 2023;
9. Missing documents. In two procurement transactions worth UGX 115,891,000, there was no evidence of preparation of contract management plans, no program of works, lacked progress reports contrary to Regulation 52(3) (a) (vii) of the PPDA(Contracts) Regulations, 2023. Lack of contract management/progress reports and other records casts doubt on whether contracts were executed in accordance with contractual requirements and terms and conditions;
10. Six procurements worth UGX 528,618,500 did not have clear provisions pertaining Environment, Social, Health and Safety issues in the Bills of Quantities which might have left doubt to the bidders regarding the requirements of the Entity contrary to Regulation 37 (2) (i) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. Unclear Environment, Social, Health and Safety requirements can potentially lead to environmental harm, worker and public health risks, delays in contract implementation and may result into outcomes which do not meet the end user requirements;

#### Key Recommendations:

1. The Accounting Officer should:
  - i. Fast track the submissions made to Ministry of Finance and Economic Development to ensure that the Contracts Committee is fully constituted and staffed at an appropriate level in accordance with Section 29 (2) of the PPDA Act, Cap 205;
  - ii. Task the appointed taskforce to implement all the audit recommendations and endeavor to have them regularly monitored and implemented in accordance with Section 10 (1) (a) of the PPDA Act, Cap 205;
  - iii. Regularly carry out a review of the implementation of the procurement plan in the event that amendments are made to departmental workplans and have the procurement plan updated in accordance with Section 60 (7) of the PPDA Act, Cap 205 and Regulation 4 of the PPDA (Procurement Planning) Regulations 2023 to ensure improved absorption of the Entity's Procurement Plan;
  - iv. Ensure that all procurements are undertaken in a manner that enhances efficiency and economy as required by Section 51 of the PPDA Act Cap 205;
  - v. Address procurement irregularities such as unfairness at evaluation, poor quality bidding documents, restrictive requirements among others that could be responsible for the low bidder participation leading to reduced competition in the Entity, thus affecting value for money in accordance with Section 49 of the PPDA Act, Cap 205;
  - vi. Follow up with the Chief Mechanical Engineer to ensure that the items for disposal are disposed using appropriate disposal methods stipulated under Part II, Conditions

- and Rules for disposal of public assets, of the PPDA (Disposal of public assets) Regulations, 2023;
- vii. Prevail upon Contract Supervisors to submit progress reports/contract management reports and all necessary documentation in accordance with Regulation 52(3) (a) (vii) of the PPDA(Contracts) Regulations, 2023;
  - viii. Task Contract Management teams to closely monitor contractors to perform contracts as per the terms and condition specified in the Contract in accordance with Regulation 52 of the PPDA (Contracts) Regulations, 2023 and all identified issues should be addressed immediately and a status provided to the Authority;
2. The Contracts Committee should:
    - i. Scrutinize all sections of the bidding documents for completeness and appropriateness before approval for issuance and confirm that the statement of requirements is complete and suitable for the procurement or disposal in accordance with Regulation 10 of the PPDA (PDEs) Regulations, 2023; and
    - ii. Ensure that the principles of fairness and transparency are observed during evaluation processes in accordance with Section 48 of the PPDA Act, Cap 205 before approving the evaluation reports.
  3. The Head, Procurement and Disposal Unit should:
    - i. Ensure that the bidding documents issued to bidders have all the relevant required information including adequate specifications in accordance with Regulations (33), (34), (35), (36), (37), (38) and 40 of the PPDA (Rules and Methods for procurement of Supplies, Works and Non-Consultancy services) Regulations, 2023;
    - ii. Ensure that bidding documents are prepared in a manner which promotes competition in accordance with Section 64 of the PPDA Act, Cap 205;
    - iii. Consider providing for a Performance Security Declaration in the bidding documents for procurements under restricted domestic, restricted international, quotation and direct bidding methods in accordance with Clause 2.0 (iii) of Guidelines Reference: 3/2024 on Bid and Performance Securities;
    - iv. Prepare bidding documents for works that clearly define the statement of requirements that are environmentally and socially responsive in accordance with Regulation 37 (2) (i) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
  4. Evaluation Committees should strictly adhere to the evaluation criteria outlined in the solicitation documents in line with Section 76 (3) & (4) of the PPDA Act, Cap 205 and Regulation 5 (1) & (2) of the PPDA (Evaluation) Regulations, 2023. Firms that do not comply should be eliminated;
  5. The District Engineer should work closely with the Environmental Officer, Community Development Officer and the District Health Officer to enforce the implement of ESHS requirements during contract implementation. ESHS aspects should be incorporated in the monthly progress reports submitted to the Accounting Officer and the Procurement and Disposal Unit in accordance with Regulations 52 (3) (g) of the PPDA (Contracts) Regulations, 2023; and
  6. Contract Managers should submit monthly reports on contract progress to the Accounting Officer and the Procurement and Disposal Unit in accordance with Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.

Namisindwa District Local Government should implement the recommended action plan on pages **26 and 27** of the audit report.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background**

The Public Procurement and Disposal of Public Assets Authority carried out the compliance inspection of Namisindwa District Local Government that covered a representative sample of 11 procurement transactions under the Financial Year 2023/24. The audit 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 audit was to assess and establish the degree of compliance of Namisindwa District Local Government's procurement system, process and disposal process with the provisions of the Public Procurement and Disposal of Public Assets Act, Cap 205, the Local Governments (PPDA) Regulations, 2006 and the PPDA Regulations, 2023, and assess the level of procurement 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, the Local Governments (PPDA) Regulations, 2006 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 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 **10<sup>th</sup> April 2025** before the auditors could embark on preparation of the management letter. The Authority prepared the management letter, which was sent to the Entity on **20<sup>th</sup> May 2025** with a request to submit a management response by **30<sup>th</sup> May 2025** which was submitted on **30<sup>th</sup> May 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 TWO: KEY FINDINGS AND RECOMMENDATIONS

### 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 Namisindwa 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 Administration Officer; Mr. Leonard Kitavujja was designated as the Accounting Officer of the Entity during the Financial Year 2023-2024 and is the current Accounting Officer.

##### ii. Inadequate staffing of the Contracts Committee

During the audit period, the Entity's Contracts Committee was not fully constituted, as it had only three members instead of the required five, which is in contravention of Section 29 (2) of the PPDA Act, Cap 205. The composition of the Contracts Committee during the period is shown in Table 1 below:

**Table 1: List of Contracts Committee Members**

No	Name	Job Title	Position on Contract Committee	Appointment Date By PS/ST	Date of Expiry
1.	Mr. Ronald Wasukira	Ag. District Natural Resources Officer	Chairperson	25 <sup>th</sup> July 2024	25 <sup>th</sup> July 2027
2.	Ms. Sophie Namutosi kuloba	Ag. District Education Officer	Secretary	10 <sup>th</sup> May 2023	10 <sup>th</sup> May 2026
3.	Ms. Jackline Namuwenge	Ag. Town clerk	Member	25 <sup>th</sup> July 2024	25 <sup>th</sup> July 2027

#### Implications

- The Contracts Committee might encounter challenges constituting a quorum to transact business in the Entity which may delay procurement activities and service delivery to the intended beneficiaries.
- This may affect the effectiveness and efficiency of the Contracts Committee as it conducts its oversight function.

### **Management Response**

Management submitted to Ministry of Finance the additional members to the committee and is following up on the approval process of the remaining members to ensure that the committee is fully constituted.

### **Recommendation**

The Authority has noted the Entity's response, however; the Accounting Officer should fast track the submissions made to Ministry of Finance, Planning and Economic Development to ensure that the Contracts Committee is fully constituted and staffed at an appropriate level in accordance with Section 29 (2) of the PPDA Act, Cap 205.

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

At the time of audit, the Authority observed that the Entity's Procurement and Disposal Unit (PDU) was staffed as per the structure. Details of the Procurement and Disposal Unit staff are shown in Table 2 below:

**Table 2: Details of the staff in Procurement and Disposal Unit**

No.	Name	Position	Academic Qualification	Professional Certification	Year of Experience
1.	Ms. Phillis Cynthia Wanyenya	Senior Procurement Officer	Post graduate diploma in Procurement and Supply Chain Management	None	1 <sup>st</sup> July 2017
2.	Mr. Masafu Derrick James	Procurement Officer	Bachelors of Business Administration in Procurement and Supply Chain Management	None	28 <sup>th</sup> June 2019

### **2.1.2 Failure to fully implement previous audit recommendations**

The Authority noted that the Entity had been issued its previous audit report for the Financial Year 2021/2022 on 24<sup>th</sup> February 2023. Out of the 16 recommendations, eight (50%) were partially implemented, one (6%) remained unimplemented, while seven (44%) were fully implemented as indicated in Table 3 below;

**Table 3: Implementation of previous audit recommendations**

No.	Recommendation	Implementation status
1.	The Accounting Officer should ensure that a strong mechanism is put in place to implement recommendations made by the Authority so as to improve the Entity's performance.	Partially implemented
2.	The Accounting Officer and Management should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance.	Partially implemented
3.	Heads of User Departments should charge all Contract	Partially

No.	Recommendation	Implementation status
	Supervisors to submit progress reports/contract management reports and all contract implementation documentation to the Procurement and Disposal Unit in accordance with the Local Governments (PPDA) Regulations, 2006.	implemented
4.	The Accounting Officer should expedite the disposal process to prevent loss of value of pilferage of public assets.	Partially implemented
5.	Heads of User Departments should ensure that statements of requirements define the need precisely and in a manner that leaves no doubt or assumption by a bidder of the requirements of the Entity in accordance with Regulation 48 (2) of the Local Governments (PPDA) Regulations, 2006.	Partially Implemented
6.	The Entity should increase the number of shortlisted bidders to more than a minimum of three in order to attain maximum competition.	Not Implemented
7.	The Accounting Officer should prior to the commencement of any procurement process undertake a market price assessment to obtain a realistic market price in accordance with Section 26 (4) of the PPDA Act 2003. The Accounting Officer shall not sign a contract where the price quoted by the bidder is higher than the estimated price established in accordance with subsection (4).	Partially implemented
8.	The Accounting Officer should ensure that procurements are undertaken in a manner that enhances efficiency as required by Section 43 of the PPDA Act 2003.	Partially Implemented
9.	Contract managers should ensure that providers are paid in time as per the terms stipulated in the contract.	Partially Implemented

### **Implication**

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

### **Management Response**

*The Accounting Officer has appointed a task force as per the recommendation.*

### **Recommendation**

The Authority has noted the Entity's response. The Accounting Officer should task the appointed taskforce to implement all the audit recommendations and ensure they are regularly monitored and implemented in accordance with Section 10 (1) (a) of the PPDA Act, Cap 205.

### **2.1.3 Procurement plan implementation rate**

Assessment of the procurement plan and utilization of funds revealed that the procurement plan implementation rate of the Entity for FY 2023/24 was 72.1%. Whereas, the Entity planned to spend UGX 2,845,553,000 on procurement, the Authority noted that the Entity carried out procurements worth UGX 2,053,760,694 (72.1%) creating an implementation variance of UGX 791,792,306 (27.8%). Table 4 below summarizes information about the procurement plan, budget and utilization of funds.

**Table 4: Procurement Plan Implementation**

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	2,845,553,000
Total procurement spend value inclusive of VAT (UGX)	2,053,760,694
Procurement plan implementation rate (%)	72.1%
Implementation variance (UGX)	791,792,306
Implementation variance (%)	27.8%

**Implication**

Failure to fully implement the procurement plan denies service delivery to the intended beneficiaries and also exposes the Entity to risks of budgetary cuts for subsequent periods due to non-performance.

**Management Responses**

- *The Entity had an initial procurement plan of UGX 2,903,754,000 inclusive of VAT for FY 2023/24. This was revised to UGX. 2,632,089,432 inclusive of VAT with a spend value of UGX. 2,632,089,432.*
- *There were no unimplemented projects except the unimplemented ones were construction of admin block at 91,000,000 and construction of 3rd phase of Namboko Seed Secondary School at 469,363,000 since it was a multi-year project, construction of a theatre at Bumbo HCIII at shs 56713000 which was handed over to the UPDF Engineering brigade for construction.*
- *Funds for supply of ICT to Mukoto worth 145,000,000, construction funds for Mukoto Seed school worth 152,000,000 and 165,000,000 for supply of ICT Equipment, and science kits worth 56,047,000 were revoked back to the Ministry due to late release of the supplementary budget which came in May and it was hard for the entity to undertake the procurement due to the short time and the construction/supplies would take long.*

**Authority's response**

- The Authority has noted the Entity's response, it should be noted that the Authority has never received an updated procurement plan from the Entity. The procurement figures that were used were based on the procurement plan that was in the Authority's custody at the time.
- The total procurement plan figure of UGX 2,845,553,000 was based on the Entity's procurement plan for FY 23/24 submitted to the Authority while the procurement spend figure of UGX 2,053,760,694 was based off the Entity's FY 23/24 procurement reports.

**Recommendation**

The Accounting Officer along with Management should regularly carry out a review of the implementation of the procurement plan in the event that amendments are made to departmental workplans and have the procurement plan updated in accordance with Section 60 (7) of the PPDA Act, Cap 205 and Regulation 4 of the PPDA (Procurement Planning) Regulations 2023 to ensure improved absorption of the Entity's Procurement Plan.

**2.1.4 Inadequately prepared bidding documents**

The Authority noted that there were weaknesses in the bidding documents for seven procurements worth UGX 578,618,500 contrary to Regulation 10 of the PPDA (PDEs) Regulations, 2023 as detailed in Table 5 below:

**Table 5: Procurements with inadequacies in the bidding documents**

S/No	Details of procurements	Contract Amount (UGX)	Inadequacies in the bidding document
1.	Construction of two classrooms at Kutsuyi PS	61,500,000	Provision of contradictory information to bidders. The advert indicated that a pre bid meeting shall be held on 15 <sup>th</sup> August 2023. However, paragraph 7 on page 5 of the bidding document stated that a pre-bid meeting shall not be held.
2.	In the procurement of construction of two classroom blocks at Busulwa Primary school.	63,997,500	
3.	Construction of two classrooms at Butsebangwe Primary school worth UGX.	57,915,500	Issues of insurance are not well articulated; GCC 18.1 stated 'The minimum cover for insurance of the Works, Plant and Materials is: to be covered by the contractor'
4.	Construction of two classrooms at Buwuma Primary School.	57,975,500	The amount/value of insurance which was to be covered was not stated.
5.	Siting-drilling-pump installation-casting and supervision of Namitsa-Bubutu and Namboko S/c.	116,235,000	Provision of contradictory information to bidders. The advert indicated that a pre bid meeting shall be held on 15 <sup>th</sup> August 2023. However, paragraph 7 on page 5 of the bidding document stated that a pre-bid meeting shall not be held. The bid validity period was not indicated in the bidding document.
6.	In the procurement of construction of Kaboole Mini Gravity Flow scheme Phase 2.	69,995,000	Lacked clear provisions in the bills of quantities such as 'Provide for submission of as built drawings and completion report estimated at UGX 800,000' Did not capture the payment duration period
7.	Completion of Mukoto Seed School.	151,000,000	Unclear requirements Inclusion of a requirement of experience in management of environment and social issues on a previous project handled but did not indicate the actual documentation required and requiring Audited books of accounts for the last 1 year without indicating the minimum annual turnover. The detailed technical evaluation criteria did not include requirements pertaining equipment.

S/No	Details of procurements	Contract Amount (UGX)	Inadequacies in the bidding document
<b>Total</b>		<b>578,618,500</b>	

### **Implication**

Provision of inadequate, inaccurate and contradictory information in the bidding document may lead to bidders misunderstanding the Entity's requirements and thereafter submitting poorly prepared and non-responsive bids. Similarly, it may confuse bidders and become a source of potential conflicts with the Entity.

### **Management response**

- *The contradictory information to bidders may have been an oversight, nevertheless, this has been emphasized for further management.*
- *This has been attributed to oversight on some relevant technical persons however it has been taken up for further management.*

### **Recommendations**

- The Head, Procurement and Disposal Unit should ensure that the bidding documents issued to bidders have all the relevant required information including adequate specifications in accordance with Regulations (33), (34), (35), (36), (37), (38) and 40 of the PPDA (Rules and Methods for procurement of supplies, works and Non-Consultancy Services) Regulations, 2023.
- The Contracts Committee should scrutinize all sections of the bidding documents for completeness and appropriateness before approval for issuance in accordance with Regulation 10 of the PPDA (PDEs) Regulations, 2023.

### **2.1.5 Delays at various stages of the procurement process**

The Authority noted an average delay of 23 working days at submission of documents to Contracts Committee for approval of solicitation documents, firms and evaluation committee members in six procurements worth UGX. 355,304,000 Contrary to Section 51 of the PPDA Act, Cap 205. Details are provided in Table 6 below:

**Table 6: Delays at various stages of procurement**

No	Subject of Procurement	Contract Amount (UGX)	Stage	Observations
1.	Construction of two classrooms at Kuafu.	56,000,000	Submission to Contracts Committee for approval of Solicitation Document, Evaluation committee and firms	24 working days delay. Whereas the Accounting Officer confirmed funding on 27 <sup>th</sup> June 2023, submission to Contracts Committee was done on 31 <sup>st</sup> July 2023.
2.	Construction of two classrooms at Kutsuyi PS.	61,500,000		

No	Subject of Procurement	Contract Amount (UGX)	Stage	Observations
3.	Construction of two classrooms at Buwuma Primary School worth UGX.	57,975,500		
4.	Construction of two classrooms at Situyi Primary School	57,915,500		Delay of 22 working days to submit the procurement to the Contracts Committee for approval of evaluation committee, procurement method and bidding document. Approval by the Accounting Officer was 27th June, 2023, submission to CC was 31st July 2023.
5.	Construction of two classroom blocks at Busulwa Primary school. Delayed submission to Contracts Committee.	63,997,500		
6.	Construction of two classrooms at Butsebangwe Primary school. Contracts Committee for approval of evaluation committee, procurement method and bidding document.	57,915,500	Submission to Contracts Committee for approval of Solicitation Document, Evaluation committee and firms	
<b>Total</b>		<b>355,304,000</b>		

### **Implication**

Delays in the procurement cycle are an indicator of inefficiencies in the procurement process which in turn lead to delayed service delivery to the intended beneficiaries ultimately compromising achievement of value for money.

### **Management Response**

*This has been taken note of but it was mainly due to the delay in the release of 1<sup>st</sup> quarter funds. However, this has been taken note of and harmonization shall be done in all the subsequent procurements to fast track the process.*

### **Recommendation**

The Accounting Officer should ensure that all procurements are undertaken in a manner that enhances efficiency and economy as required by Section 51 of the PPDA Act Cap 205.

#### **2.1.6 Low bidder participation**

The Authority noted that in six procurements worth UGX 621,703,000, the Entity received an average of 1.1 bids in response to invitations to bid which could be an indicator of lack of confidence by bidders in the Entity's procurement processes. This was contrary to Section 49 of the PPDA Act, Cap 205 which provides that all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money. The procurements with low bidder participation are indicated in the Table 7 below: -

**Table 7: Procurements with low bidder participation**

S/No	Procurement	Amount (UGX)	Bids received	Form of invitation
1.	Construction of two classroom blocks at Busulwa Primary school.	63,997,500	1	Open bidding
2.	Construction of two classrooms at Buwuma Primary School	57,975,500	1	Open bidding
3.	Extension of Mukoto Gravity Flow Scheme to Bubikala and surround areas	162,500,000	1	Open bidding
4.	Siting-drilling-pump installation-casting and supervision of Namitsa-Bubutu and Namboko S/c	116,235,000	1	Open bidding
5.	Construction of Kaboole Mini-Gravity Flow Scheme Phase 2 worth.	69,995,000	2	Open bidding
6.	Partial completion of Mukoto seed school.	151,000,000	2	Open Bidding
<b>Total</b>		<b>621,703,000</b>		
Average number of bids received			1.14	

**Implications**

- Inadequate competition inhibits achievement of value for money.
- This could also be a sign of possible loss of confidence by bidders in the procurement processes of the Entity due to issues in the Entity such as failure by members of the Evaluation Committees to adhere to the set criteria thus failure to obtain competitive offers.

**Management response**

*Management has taken note of the concern. However, the issue at hand is the terrain, weather condition and the distance away from most of prospective bidders which makes attraction of bidders low.*

**Recommendation**

The Accounting Officer should address procurement irregularities such as unfairness at evaluation, poor quality bidding documents, restrictive requirements among others that could be responsible for the low bidder participation leading to reduced competition in the Entity, thus affecting value for money in accordance with Section 49 of the PPDA Act, Cap 205.

**2.1.7 Restrictive Requirements**

Contrary to Section 64 of the PPDA Act, Cap 205 which requires Entities to provide a correct and complete description of the object of the procurement or disposal activity for the purpose of creating fair and open competition, the audit noted that in four procurements worth UGX 239,413,000, the Entity included requirements that were restrictive compared to the magnitude of the projects as shown in table 8 below:

**Table 8 : Restrictive requirements**

S/No	Procurement details	Contract value in UGX	Issue
1.	Construction of two classrooms at Kuafu Primary School	56,000,000	Whereas the construction was for a simple two classroom block. The following personnel were required: A project Manager, Site Engineers, Material Engineer, Plant /Equipment manager, Electrical Engineer, Land Surveyor, Quantity Surveyor/Measurement Engineer, Environmental Officer, Sociologist, Health and Safety officer. This was exaggerated given the magnitude of the project.
2.	Construction of two classrooms at Kutsuyi Primary School	61,500,000	
3.	Construction of two classroom blocks at Busulwa Primary school	63,997,500	
4.	Construction of two classrooms at Butsebangwe Primary school	57,915,500	
	<b>Total</b>	<b>239,413,000</b>	

**Implication**

Restrictive requirements inhibit competition and lead to low bidder participation.

**Management Response**

*This has been taken note of and subsequent changes shall be made in the bidding documents. However due to the unique terrain of the district it was important that any bidder should be capable of working in the hard to-reach area which requires those personnel.*

**Recommendations**

- The Head, Procurement and Disposal Unit should ensure that bidding documents are prepared in a manner which promotes competition in accordance with Section 64 of the PPDA Act, Cap 205.
- The Contracts Committee should scrutinize the bidding documents and confirm that the statement of requirements is complete and suitable for the procurement or disposal in accordance with Regulation 10 (a) of the PPDA (PDEs) Regulations, 2023.

**2.1.8 Irregularities at evaluation**

The Authority noted irregularities during the evaluation stage of three procurement transactions worth UGX 290,410,500 that included, introduction of new evaluation criteria, passing bidders who lacked requirements stipulated in the bidding document among others. This was contrary to Regulation 5 (1) and (2) of the PPDA (Evaluation) Regulations 2023 that provides that evaluation of bids shall be conducted in accordance with the evaluation criteria specified in the bidding documents and that an Evaluation Committee shall not, during an evaluation, make any amendment including any addition to the evaluation criteria stated in the bidding document. These are indicated in Table 9 below:

**Table 9: Procurements for which irregularities at evaluation were noted**

No.	Subject of the procurement	Contracts Value (UGX)	Observations
1.	Construction of two classrooms at Butsebangwe Primary school	57,915,500	The Best Evaluated Bidder, Muaina Engineering Works Limited did not present ownership of a generator which was one of the equipment to be in possession of the bidder. There was no evidence by the Best Evaluated Bidder indicating access to lines of credit in form of a bank letter yet they were passed at evaluation
2.	Extension of Mukoto Gravity Flow Scheme to Bubikala and surround areas	162,500,000	Introduction of the NSSF certificate at evaluation yet it was not in the evaluation criteria in the bidding document.
3.	Construction of Kaboole Mini Gravity Flow Scheme Phase 2	69,995,000	There was no evidence of academic qualifications for all submitted employers by the Best Evaluated Bidder, i.e. Mr. Disha Tweheyo n-Project Manager, Mr. Stephen Wepondi Nabonga, Site Engineer, Mr. John Waiswa - Material Engineer and others. Introduction of new evaluation criteria- NSSF requirement was not stated in the bidding document Inclusion of a lorry, vibrator, which were not in the bidding document
<b>TOTAL</b>		<b>351,910,500</b>	

**Implications**

- This is an indicator that members of the Evaluation Committees lacked adequate capacity to review bids which could have compromised fairness and transparency in the evaluation process.
- This may lead to award of contracts to non-compliant bidders which could result in to substandard work and failure to attain value for money.

**Management response**

- *For Construction of two classrooms at Kutsuyi PS, the evaluation committee wrote to the firm to clarify since the bid submission sheet read 55,800,000 and the bills of quantities read 61,500,000. The firm wrote back confirming the bid price of 61,500,000.*
- *For Extension of Mukoto Gravity Flow Scheme to Bubikala and surround areas the bidder submitted the bids with a bid submission of price of 178,648,428 (annex-F). However, during evaluation one bid read UGX. 165,398,210 and another read 162,500,000 (annex-H). The bidder was written to confirm which price the evaluation committee should proceed with and the bidder communicated confirming the bid price of 162,500,000. evidence of the communications is in annex-*
- *For Construction of Kaboole Mini Gravity Flow Scheme Phase 2, Bukhabulo Investments Limited during evaluation had a bid price of 72,007,201 which the evaluation team used*

*and the bidder was informed via notification. It is our belief that there may have been an oversight in the typing of the evaluation report. Evidence of the BOQ is in the annex-I.*

### **Authority's response**

The Authority has noted the Entity's responses and verified Annexes E, F, H and I. Although the Entity submitted the stated attachments for verification, the attachments did not provide evidence of how other concerns under irregularities at evaluation were addressed such as introduction of the NSSF certificate at evaluation yet it was not in the evaluation criteria in the bidding document.

### **Recommendations**

- Evaluation Committees should strictly adhere to the evaluation criteria outlined in the solicitation documents in line with Section 76 (3) & (4) of the PPDA Act, Cap 205 and Regulation 5 (1) & (2) of the PPDA (Evaluation) Regulations 2023. Firms that do not comply should be eliminated.
- The Contracts Committee should ensure that the principles of fairness and transparency are observed during evaluation processes in accordance with Section 48 of the PPDA Act, Cap 205 before approving the evaluation reports.

### **2.1.9 Gross underestimation of procurement price**

The Authority noted gross underestimation of procurement prices in two procurements worth UGX 125,497,000 indicated in table 10 below:

**Table 10: Procurements for which there was underestimation of price**

<b>No.</b>	<b>Subject of the procurement</b>	<b>Contracts Value (UGX)</b>	<b>Observations</b>
1.	Construction of two classrooms at Kutsuyi PS	61,500,000	Whereas, this was a two-classroom block estimated at UGX 90,000,000 as per Ministry of Education and Sports Guidelines, the Entity estimated UGX 62,000,000 which was below the standard of UGX. 90,000,000 and did not take into account the unique terrain of Namisindwa DLG. This indicates that the User Department did not involve technical personnel in planning.
2.	Construction of two classrooms at Busulwa Primary school.	63,997,000	
<b>TOTAL</b>		<b>125,497,000</b>	

### **Implications**

- This may lead to low bidder participation and compromise the quality of works where contractors may opt for cheaper, lower-quality materials to stay within the underestimated budget, leading to substandard results.
- Underestimated budgets may force contractors to hire less experienced workers, affecting workmanship and overall project integrity.

### **Management Response**

*Management appreciates the observation however the limited resources amidst high demand for services forces the Entity to economically find the means to achieve the target within the limited resources which has been the case. However, we continue requesting for additional resources to meet the standards and demand.*

### **Recommendation**

The Authority noted the Entity's response and recommends that the Accounting Officer should ensure that the confirmation of availability of funding takes into account the total cost of acquiring the requirement in accordance with Regulation 3(3) (c) of the PPDA (Rules and Methods for procurement of supplies, works and non-consultancy services) Regulations 2023.

## **2.2 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**

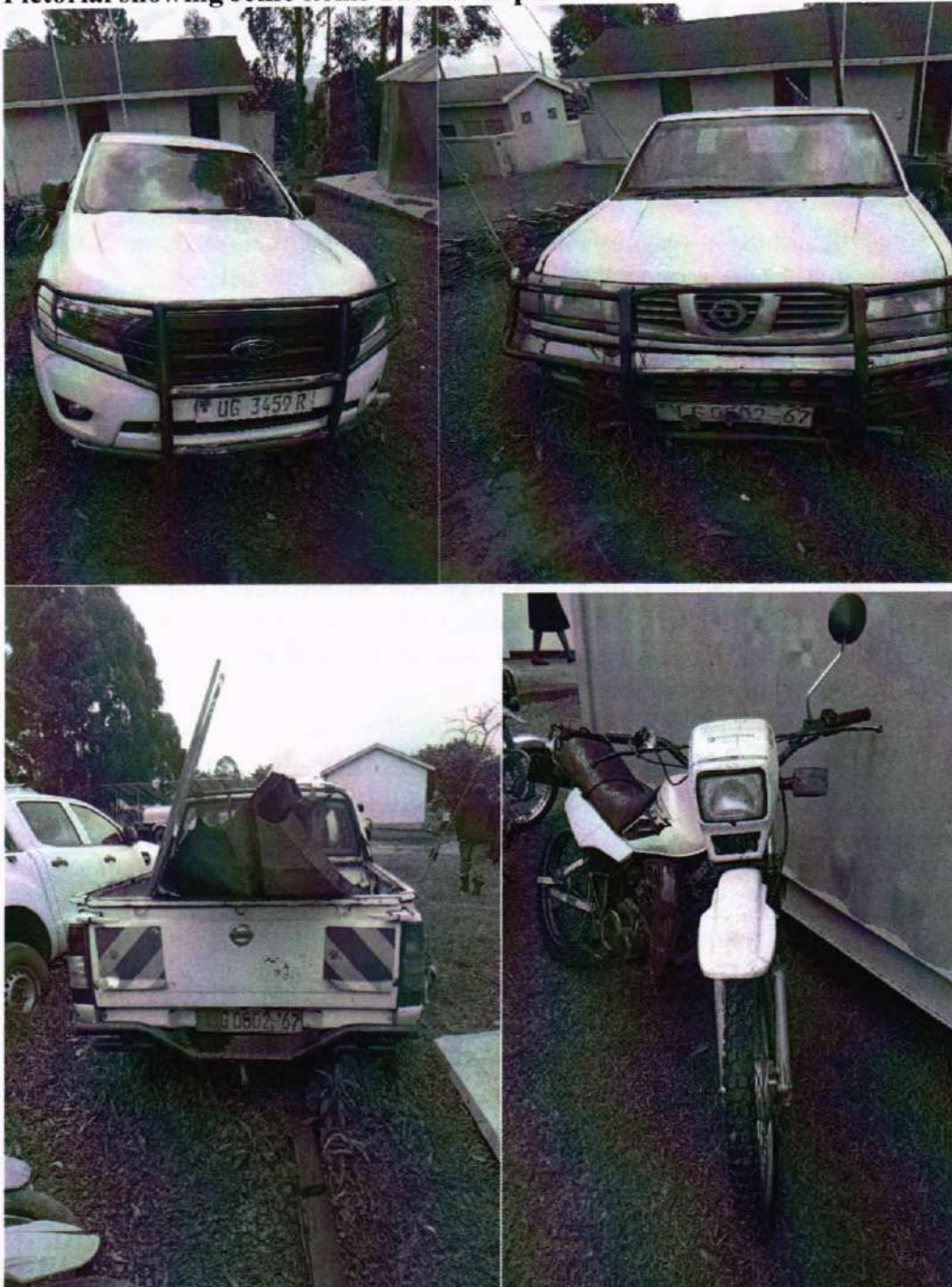
### **2.2.1 Failure to dispose obsolete items**

The Board of Survey report for the Financial Year 2023/2024 recommended several items for disposal including motorcycles, motor vehicles, a refrigerator among others but at the time of audit, no disposal process had commenced to ensure that these items are disposed contrary to Regulation 3 (1) of the PPDA (Disposal of Public Assets) Regulations 2023. Some of the items identified for disposal are indicated in Table 11 below.

**Table 11: Some of the assets identified for disposal**

<b>Item</b>	<b>Engraved code/Reg. no</b>	<b>Condition</b>	<b>Location</b>
Double cabin pickup	LG-0009-30	Not functional	Finance
Double pickup	LG 0002-67	Not functional	Works
Suzuki Motor cycle	UG0365R	Not operational	Bumbo S/C
Suzuki Motor cycle	UG0349R	Not operational	Bubutu
Motor cycle Suzuki	UG131A	Not operational	Bumbo S/C
Yamaha Motor cycle	LG 0035-67	Not operational	Bupoto S/C
Honda Motor cycle	-	Not operational	Tsekululu
Jailing Motor cycle	-	Not operational	Tsekululu S/C
Yamaha Motor cycle	-	Not operational	Tsekululu
Yamaha Motor cycle	UEC017Y	Not operational	Tsekululu
Refrigerator	-	Not operational	Bumbo S/C
Yamaha Motor cycle	LG00022-67	Not operational	Bukokho
2 Yamaha Motor cycle	LG0003-767	Not functional	Mukoto
Yamaha Motor cycle	LG0003-	Not functional	Buwabwala
Yamaha Motor cycle	LG0003	Old	Namabya
Yamaha Motor cycle	UDX-901Y	Old	Bukhaweka
Yamaha Motor cycle	LG0003-	Old	Tsekululu
Yamaha Motor cycle	LG0003-	Old	Bumbo
Yamaha Motor cycle	LG0003-	Old	Bukokho
Laptop	-	Not functional	CAO's Office
2 Printers	-	Non functional	Procurement & planning
1 Riso Machine	RN2000EP	Non functional	Education

**Pictorial showing some items due for disposal**



**Pictures clockwise: Double cabin pickup UG 3459R, Double cabin pickup LG 0002-67 motor cycle UEC 017Y**

**Implications**

- Failure to dispose of assets whose use ceased inhibits achievement of value for money as funds are held up in assets and also lost through depreciation of these assets.
- This also exposes the assets to possible theft, destruction or vandalism.

**Management Response**

*The Entity wrote to the Chief Mechanical Engineer to come and value the assets and we were waiting on the communication from the Ministry*

### Authority's response

The Authority noted the Entity's response, and commends the Entity for the efforts made, however, the issue still remains unresolved and the observation will be maintained in the report for follow up to ensure the Entity implements the Authority's recommendations.

### Recommendation

The Accounting Officer should follow up with the Chief Mechanical Engineer to ensure that the items for disposal are disposed using appropriate disposal methods stipulated under Part II, Conditions and Rules for disposal of public assets, 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 Missing documents

The Authority observed that in two procurement transactions worth UGX 115,891,000, there was no evidence of preparation of contract management plans, no program of works, lacked progress reports contrary to Regulation 52(3) (a) (vii) of the PPDA(Contracts) Regulations, 2023 as indicated in Table 12 below:

**Table 12: Missing documents inclusive of contract implementation plans, site visit minutes, monthly progress reports among others**

No	Subject of Procurement	Contract Amount (UGX)	Missing records
1.	Construction of two classrooms at Butsebangwe Primary school	57,915,500	<ul style="list-style-type: none"><li>• Contract management plan</li><li>• Program of works</li><li>• Site visit minutes</li><li>• progress reports</li></ul>
2.	Construction of two classrooms at Buwuma Primary School	57,975,500	<ul style="list-style-type: none"><li>• Site visit minutes</li><li>• monthly progress reports (only one report, dated 12th March 2024 was submitted)</li><li>• Program of works</li><li>• contract management plan</li><li>• completion certificate</li></ul>
		<b>115,891,000</b>	

### Implications

- Lack of contract management /progress reports and other records casts doubt on whether contracts were executed in accordance with contractual requirements and terms and conditions.
- This indicates failure by the Entity to account for public funds.

### **Management Response**

- *The Head Procurement and Disposal Unit and the Heads of Departments have been notified of the same and a copy of it is attached in annex-k for your review.*
- *The necessary missing documents have been availed for your review in annex-L.*

### **Authority's response**

The Authority has noted the Entity's response; however, the following should be noted;

- *None of the stated missing documents (in table 12) under the procurement of Construction of two classrooms at Butsebangwe Primary school was presented to the Authority for verification.*
- *Under the procurement of Construction of two classrooms at Buwuma Primary School; the following documents have been submitted by the Entity; payment voucher, No. 16021996, report dated 28th May 2024 and an IPC dated 9th April 2024. Progress reports for February 2024 and April 2024 were not presented for verification. The rest of the documents identified by the Authority as missing documents (indicated in table 12) were not presented.*

### **Recommendations**

- The Accounting Officer should prevail upon Contract Supervisors to submit progress reports/contract management reports and all necessary documentation in accordance with Regulation 52(3) (a) (vii) of the PPDA(Contracts) Regulations, 2023;
- The Accounting Officer should prevail upon the Head Procurement and Disposal Unit to prepare a report every three months submitted to the Accounting Officer detailing contracts signed by the Entity and highlighting status of contract implementation/problems encountered of the contracts in accordance with Regulation 52(4) of the PPDA (Contracts) Regulations, 2023.

#### **2.3.2 Failure by contractors to submit Performance Securities**

The Authority found that contractors did not submit Performance Securities in seven procurements worth UGX 616,886,000 contrary to the provisions in the Special Conditions of Contract listed in Table 13 below:

**Table 13: Procurements where contractors did not submit Performance Securities**

<b>No</b>	<b>Subject of Procurement</b>	<b>Contract Amount (UGX)</b>
1.	Construction of two classrooms at Kuafua	56,000,000
2.	Construction of two classrooms at Kutsuyi PS.	61,500,000
3.	Construction of two classrooms at Butsebangwe Primary school	57,915,500
4.	Construction of two classrooms at Buwuma Primary School	57,975,500
5.	Extension of Mukoto Gravity Flow Scheme to Bubikala and surround areas	162,500,000
6.	Construction of Kaboole Mini Gravity Flow Scheme Phase 2	69,995,000
7.	Partial completion of Mukoto seed school.	151,000,000
	<b>Total</b>	<b>616,886,000</b>

### **Implication**

Without obtaining Performance Securities, the Entity loses out on compensation that results from the contractors' failure to honor their obligations under the contract.

### **Management Response**

*Management has taken this up and a tracker of submission of performance securities has been developed by the Entity to ensure compliance.*

### **Recommendations**

- In future procurements, where the contractor fails to furnish the performance security within the stipulate period; the Accounting Officer should withhold the bid security, annul the contract award decision and award the contract to the next best evaluated bidder in accordance with Regulation 12 (2) and (3) of the PPDA (Contracts) Regulations, 2023.
- The Head, Procurement and Disposal Unit should consider providing for a performance security declaration in the bidding documents for procurements under restricted domestic, restricted international, quotation and direct bidding methods in accordance with Clause 2.0 (iii) of Guidelines Reference: 3/2024 on Bid and Performance Securities.

### **2.3.3 Failure to have clear provisions regarding Environment, Social, Health and Safety issues including Gender issues in the Bills of Quantities**

Six procurements worth UGX 528,618,500 did not have clear provisions pertaining Environment, Social, Health and Safety issues in the Bills of Quantities which might have left doubt to the bidders regarding the requirements of the Entity contrary to Regulation 37 (2) (i) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

**Table 14: Procurements for which the Environment, Social, Health and Safety issues were not clearly stipulated**

<b>No.</b>	<b>Subject of Procurement</b>	<b>Contract Amount UGX)</b>	<b>Observations</b>
1.	Construction of two classroom blocks at Busulwa Primary school worth UGX.	63,997,500	Unclear ESHS requirements under ITB 15.1, the requirement for an Environment and Social Management Plan was inadequate since it did not elaborate what was required from the bidders under the plan, instead the default in the SBD was left there without customization
2.	Construction of two classrooms at Butsebangwe Primary school	57,915,500	
3.	Construction of two classrooms at Buwuma Primary School	57,975,500	
4.	Extension of Mukoto Gravity Flow Scheme to Bubikala and surround areas	162,500,000	
5.	Siting-drilling-pump installation-casting and supervision of Namitsa-Bubutu and Namboko S/c	116,235,000	
			• Some aspects in the Bills of Quantities are not clear, i.e. provision of green cover as per the District Environmental

No.	Subject of Procurement	Contract Amount (UGX)	Observations
			<p>Officer's recommendations UGX 500,000.</p> <ul style="list-style-type: none"> <li>Unclear provision of health and safety issues estimated at UGX 50,000.</li> </ul>
6.	Construction of Kaboole Mini-Gravity Flow scheme Phase 2.	69,995,000	<p>Aspects on ESHS were not clear such as:</p> <p>Allow for the provision of social safe guard as guided by the client's Environmental Officer and Community Development Officer-worth UGX 1,200,000.</p>
<b>Total</b>		<b>528,618,500</b>	

### **Implication**

Unclear Environment, Social, Health and Safety requirements can potentially lead to environmental harm, worker and public health risks, delays in contract implementation and may result into outcomes which do not meet the end user requirements.

### **Management Response**

- *The Head Procurement and Disposal Unit did take this up and necessary changes were done in the bidding documents of the current financial year.*
- *On some aspects of the ESHS being unclear, the Environment Officer and the District Community Development Officer have been implored to detail in the BOQs the requirements to avoid uncertainty.*

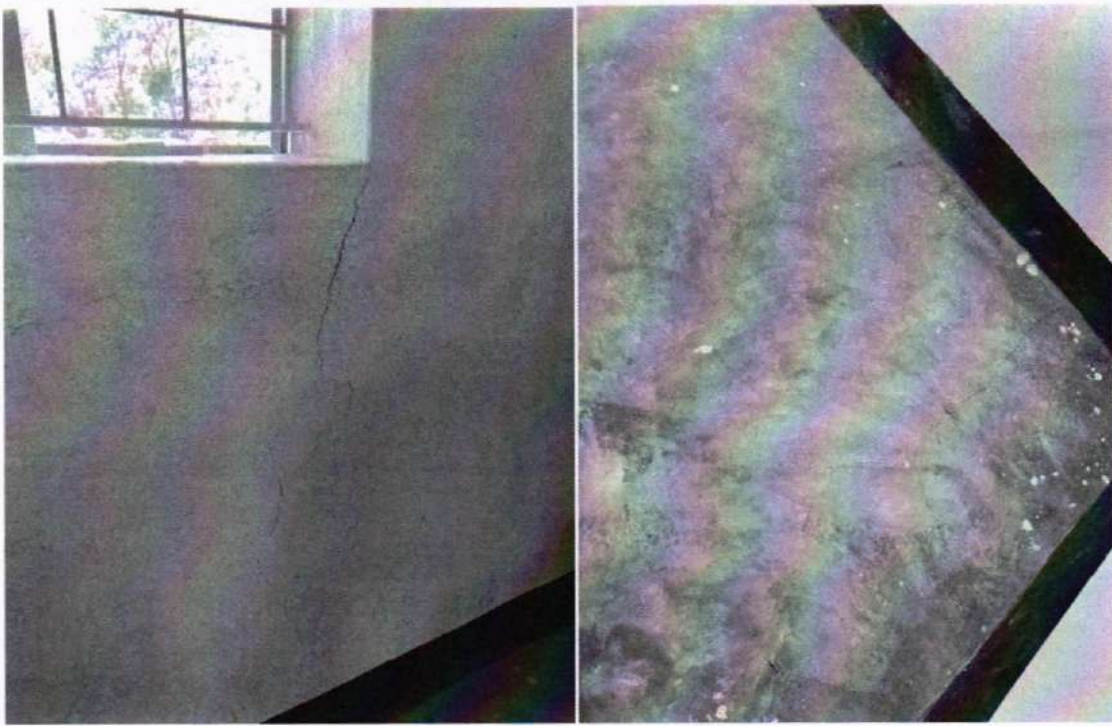
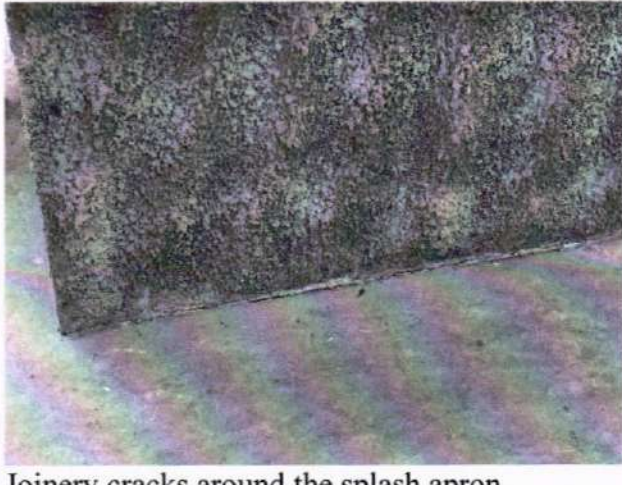
### **Recommendations**

- The Head, Procurement and Disposal Unit should prepare bidding documents for works that clearly define the statement of requirements that are environmentally and socially responsive in accordance with Regulation 37 (2) (i) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
- The District Engineer should work closely with the Environmental Officer, Community Development Officer and the District Health Officer to enforce the implement of ESHS requirements during contract implementation. ESHS aspects should be incorporated in the monthly progress reports submitted to the Accounting Officer and the Procurement and Disposal Unit in accordance with Regulations 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.

### 2.3.4 Physical verification anomalies

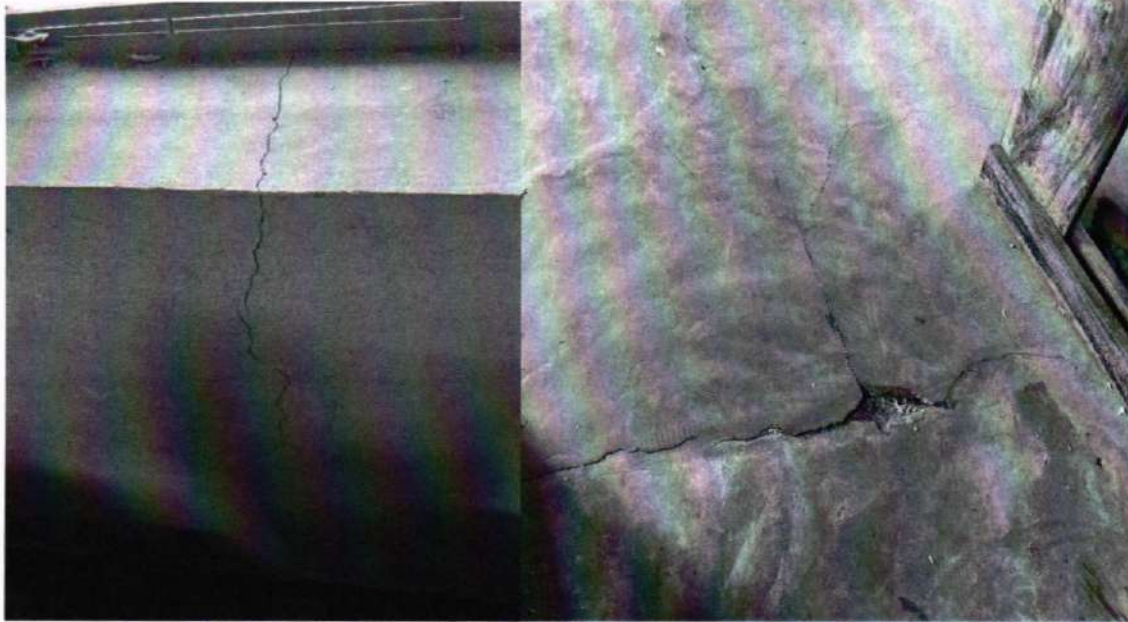
The Authority on 6<sup>th</sup> March 2025 conducted physical verification on nine projects. Out of the nine projects, there were observed anomalies in four projects worth UGX 429,065,000 for management's attention as per Table 15 below:

**Table 15: Issues noted during physical verification**

Subject of Procurement	Issues Noted at Physical Verification
<p><b>Subject:</b> Construction of two classroom blocks at Butsebangwe Primary School</p> <p><b>Contract Amount:</b> UGX 57,915,000</p> <p><b>Procurement method:</b> Open Bidding</p> <p><b>Status:</b> Completed</p>	<p><b>Poor workmanship evidenced by;</b></p> <ul style="list-style-type: none"> <li>Wall cracks</li> <li>Cracked floor</li> <li>Cracked splash apron</li> </ul>
	
Cracked wall	cracked floor
	
Joinery cracks around the splash apron	

**Subject:** Construction of two classroom blocks at Situyi Primary School  
**Contract Amount:** 57,915,000  
**Procurement method:** Open Bidding  
**Status:** Completed

**Poor workmanship evidenced by;**  
Wall cracks  
Cracked floor  
Improper timber alignment in the roofing structure



Wall cracks

Floor cracks



Improper timber alignment in the roofing structure compromising stability and visual appeal.

**Subject:** Partial completion of Mukoto Seed School  
**Contract Amount:** 151,000,000  
**Procurement method:** Open Bidding  
**Status:** Completed

**Poor workmanship evidenced by;**  
Poor drainage around the classroom block which leads to stagnation of rain water  
Substandard wall finishing



Poorly drainage around the block

Substandard wall finishing with uneven and unpolished appearance

**Subject:** Mukoto Gravity Flow scheme to Bubikala and surround areas  
**Contract Amount:** 162,235,000  
**Procurement method:** Open Bidding  
**Status:** Completed

**Poor workmanship evidenced by;**  
 Uncontrolled water leakage from one of the pipes due to compromised pipe integrity



Uncontrolled water leakage due to compromised pipe integrity causing inefficiencies in the system.

Pictorial showing the fixed water leakage in the procurement of Mukoto Gravity Flow scheme to Bubikala and surround areas worth UGX 162,235,000.

After picture



### **Implication**

Irregularities at contract implementation compromise quality and the intended beneficiaries do not get the desired benefits of the services delivered.

### **Management Response**

- *The issues identified by the audit team when verifying works in Butsebangwe Primary school have been rectified.*
- *The issues identified by the audit team when verifying works in situyi Primary school have been rectified.*
- *The issues identified by the audit team when verifying works in Mukoto seed school have been noted and the contractor has been notified accordingly. Since the project is under defects liability period, the issues identified are still being worked on and a report shall be provided to your office on the same.*
- *The issues identified by the audit team when verifying works of Mukoto Gravity Flow Scheme to Bubikala and surrounding areas have been rectified.*

### **Authority's responses**

The Authority has noted the Entity's responses and noted the following;

- In the construction of Butsebangwe Primary school worth UGX 57,915,000, three major issues were identified, i.e wall cracks, cracked floor and cracked splash apron, annex O presented does not clearly indicate how the anomalies were addressed.
- In the construction of Situysi Primary school worth UGX 57,915,000, three major issues were identified, i.e wall cracks, cracked floor, improper timber alignment in the roofing structure compromising stability and visual appeal. There was no indication that the timber alignment was identified by the contractor.

- In the construction of Mukoto seed school, there was not clear status report to indicate how the identified anomalies of poor drainage and poor wall finishing were addressed.
- In the procurement of Mukoto Gravity Flow scheme to Bubikala and surround areas worth UGX 162,235,000, the leaking pipe was fixed as indicated in the pictorial.

**Recommendation**

The Accounting Officer should ensure that Contract Management teams closely monitor contractors to perform contracts as per the terms and condition specified in the Contract in accordance with Regulation 52 of the PPDA (Contracts) Regulations, 2023 and all identified issues should be addressed immediately and a status provided to the Authority.

### 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 Namisindwa District Local Government for the Financial Year 2023/24 was unsatisfactory with overall weighted average risk rating of **51.4%**.

#### 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 in Table 16 below:

**Table 16: Summary of performance of Namisindwa District Local Government**

Risk Category	Number of Sampled Procurements	% No	Value (UGX)	% Value	Weights	Total weighted average	
						By No.	By Value
High	4	36	330,888,500	28	0.6	21.8	16.8
Medium	4	36	351,910,500	30	0.3	10.9	8.9
Low	2	18	<b>172,235,000</b>	15	0.1	1.8	1.5
Satisfactory	1	10	<b>324,301,000</b>	27	0	0	0
<b>Total</b>	<b>11</b>	<b>100</b>	<b>1,179,335,000</b>	<b>100.0</b>	<b>1</b>	<b>34.5</b>	<b>27.2</b>

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{34.5}{60} \times 100 = 57.5\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{27.2}{60} \times 100 = 45.3\%$$

$$\text{The average weighted risk rating} = \frac{57.5 + 45.3}{2} = 51.4$$

**Table 17: The risk rating is as follows:**

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

### 3.3 Chart representation of risk rating

Figure 1: Chart Representation of Risk Rating by Value

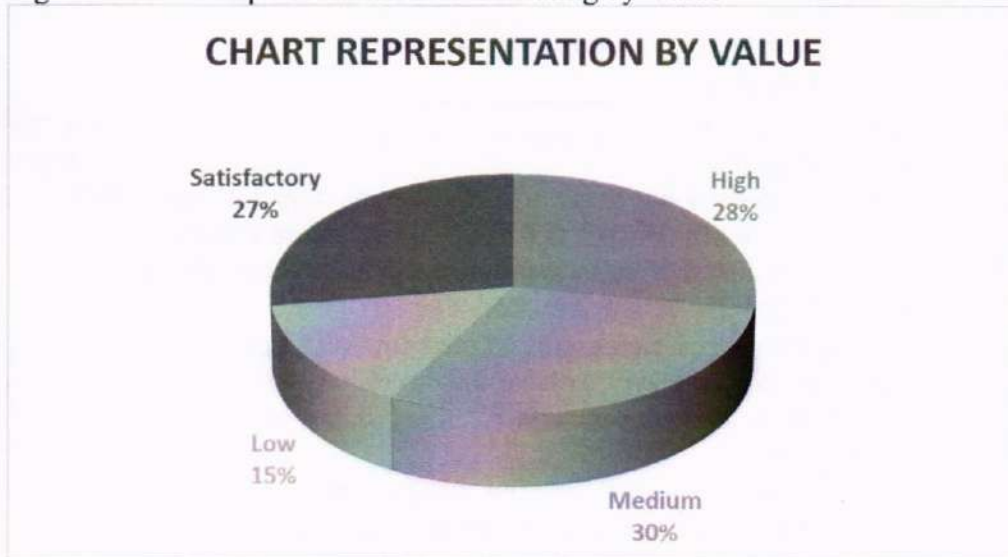
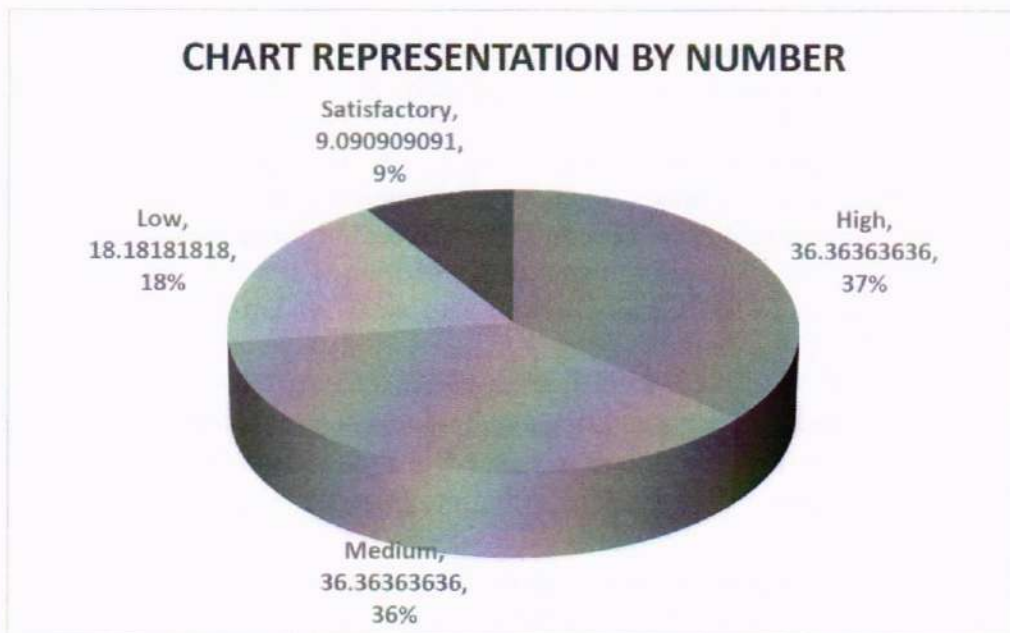


Figure 2: Chart Representation of Risk Rating by Number



### 3.4 Recommended Action Plan

Namisisindwa District Local Government should implement the following recommendations in Table 18 within the timeframe given in order to improve its performance in Procurement and Disposal.

**Table 18: Recommended Action plan**

No.	Recommendation	Target Date
1.	<p>The Accounting Officer should:</p> <ul style="list-style-type: none"> <li>i. Fast track the submissions made to Ministry of Finance and Economic Development to ensure that the Contracts Committee is fully constituted and staffed at an appropriate level in accordance with Section 29 (2) of the PPDA Act, Cap 205;</li> <li>ii. Task the appointed taskforce to implement all the audit recommendations and endeavor to have them regularly monitored and implemented in accordance with Section 10 (1) (a) of the PPDA Act, Cap 205;</li> <li>iii. Regularly carry out a review of the implementation of the procurement plan in the event that amendments are made to departmental workplans and have the procurement plan updated in accordance with Section 60 (7) of the PPDA Act, Cap 205 and Regulation 4 of the PPDA (Procurement Planning) Regulations 2023 to ensure improved absorption of the Entity’s Procurement Plan;</li> <li>iv. Ensure that all procurements are undertaken in a manner that enhances efficiency and economy as required by Section 51 of the PPDA Act Cap 205;</li> <li>v. Address procurement irregularities such as unfairness at evaluation, poor quality bidding documents, restrictive requirements among others that could be responsible for the low bidder participation leading to reduced competition in the Entity, thus affecting value for money in accordance with Section 49 of the PPDA Act, Cap 205;</li> <li>vi. Follow up with the Chief Mechanical Engineer to ensure that the items for disposal are disposed using appropriate disposal methods stipulated under Part II, Conditions and Rules for disposal of public assets, of the PPDA (Disposal of public assets) Regulations, 2023;</li> <li>vii. Prevail upon Contract Supervisors to submit progress reports/contract management reports and all necessary documentation in accordance with Regulation 52(3) (a) (vii) of the PPDA(Contracts) Regulations, 2023; and</li> <li>viii. Tas Contract Management teams to closely monitor contractors to perform contracts as per the terms and condition specified in the Contract in accordance with Regulation 52 of the PPDA (Contracts) Regulations, 2023 and all identified issues should be addressed immediately and a status provided to the Authority.</li> </ul>	November 2025
2.	<p>The Head, Procurement and Disposal Unit should:</p> <ul style="list-style-type: none"> <li>i. Ensure that the bidding documents issued to bidders have all the relevant required information including adequate specifications in accordance with Regulations (33), (34), (35), (36), (37), (38) and</li> </ul>	November 2025

No.	Recommendation	Target Date
	<p>40 of the PPDA (Rules and Methods for procurement of Supplies, Works and Non-Consultancy services) Regulations, 2023;</p> <p>ii. Ensure that bidding documents are prepared in a manner which promotes competition in accordance with Section 64 of the PPDA Act, Cap 205;</p> <p>iii. Consider providing for a performance security declaration in the bidding documents for procurements under restricted domestic, restricted international, quotation and direct bidding methods in accordance with Clause 2.0 (iii) of Guidelines Reference: 3/2024 on Bid and Performance Securities; and</p> <p>iv. Prepare bidding documents for works that clearly define the statement of requirements that are environmentally and socially responsive in accordance with Regulation 37 (2) (i) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.</p>	
3.	<p>The contract Committee should:</p> <p>i. Scrutinize all sections of the bidding documents for completeness and appropriateness before approval for issuance and confirm that the statement of requirements is complete and suitable for the procurement or disposal in accordance with Regulation 10 of the PPDA (PDEs) Regulations, 2023; and</p> <p>ii. Ensure that the principles of fairness and transparency are observed during evaluation processes in accordance with Section 48 of the PPDA Act, Cap 205 before approving the evaluation reports.</p>	November 2025
4.	<p>Evaluation Committees should strictly adhere to the evaluation criteria outlined in the solicitation documents in line with Section 76 (3) &amp; (4) of the PPDA Act, Cap 205 and Regulation 5 (1) &amp; (2) of the PPDA (Evaluation) Regulations, 2023. Firms that do not comply should be eliminated;</p>	November 2025
5.	<p>The District Engineer should work closely with the Environmental Officer, Community Development Officer and the District Health Officer to enforce the implement of ESHS requirements during contract implementation. ESHS aspects should be incorporated in the monthly progress reports submitted to the Accounting Officer and the Procurement and Disposal Unit in accordance with Regulations 52 (3) (g) of the PPDA (Contracts) Regulations, 2023; and</p>	November 2025
6.	<p>Contract Managers should submit monthly reports on contract progress to the Accounting Officer and the Procurement and Disposal Unit in accordance with Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.</p>	November 2025

**ANNEXES**  
**ANNEX 1: RISK RATING PER CASE**

<b>No</b>	<b>HIGH RISK CONTRACTS</b>	<b>REASONS FOR HIGH RISK</b>
1.	<p>Construction of two classrooms at Busulwa PS NAMI905/WRKS/23-24/00029 Open National Bidding African Construction Technicians &amp; Contractors (U) Ltd Estimate: 64,000,000 Actual: 63,997,500</p>	<p><b>Initiation</b> Underestimation of procurement value. <b>Inefficiencies.</b> 24 working days delay to submit procurement to Contracts Committee for approval of solicitation document, evaluation committee and firms. <b>Bidding</b> Low bidder participation <b>Inadequately drafted bidding document</b> The advert indicated that a pre-bid meeting shall be held on 15<sup>th</sup> August 2023. However, paragraph 7 on page 5 of the bidding document stated that a pre-bid meeting shall not be held Restrictive requirements Inadequate ESHS requirements</p>
2.	<p>Construction of two classrooms at Butsebangwe PS Open National Bidding NAMI905/WRKS/23-24/00030 Muaina Engineering Works Limited Estimate 58,000,000 Actual: 57,915,500</p>	<p><b>Inefficiencies.</b> 24 working days delay to submit procurement to Contracts Committee for approval of solicitation document, evaluation committee and firms. 23 working days delay to sign the contract <b>Bidding</b> Low bidder participation <b>Inadequately drafted bidding document</b> GCC 18.1-Insurance coverage is not clear. It stated that. 'The minimum cover for insurance of the Works, Plant and Materials is: to be covered by the contractor' Inadequate ESHS requirements <b>Evaluation</b> Irregularities at evaluation <b>Contract</b> Inadequately drafted contract Missing contract management documents</p>
3.	<p>Construction of two classrooms at Buwuma PS NAMI905/WRKS/23-24/00031 Open National Bidding African Construction Technicians &amp; Contractors (U) Ltd Estimate: 58,000,000 Actual: 57,975,500</p>	<p><b>Inefficiencies in the procurement process</b> 24 working days delay to submit procurement to Contracts Committee for approval of solicitation document, evaluation committee and firms <b>Bidding document</b> Inadequately drafted bidding document Inadequately drafted ESHS requirements <b>Bidding</b> Low bidder participation <b>Contract management</b> No performance security</p>

No	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
		<p><b>Missing documents:</b> Site visit meetings, monthly progress reports, program of works, contract management plan, completion certificate</p>
4.	<p>Partial Completion of Mukoto Seed School NAMI905/WRKS/23-24/00051 Quotation Muaina Engineering Works Limited Estimate: 152,000,000 Actual: 151,000,000</p>	<p><b>Bidding document</b> Inadequately drafted bidding document; Unclear requirements Inclusion of a requirement of experience in management of environment and social issues on a previous project handled but did not indicate the actual documentation required and requiring Audited books of accounts for the last 1 year without indicating the minimum annual turnover. The detailed technical evaluation criteria did not include requirements pertaining equipment.</p> <p><b>Bidding</b> Low bidder participation</p> <p><b>Contract management</b> No performance security Physical verification-Poor workmanship</p>

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
5.	<p>Construction of two classrooms at Kutsuyi PS NAMI905/WRKS/23-24/00028 Open National Bidding Stepco Bumbo Contractors Limited Estimate: 62,000,000 Actual: 61,500,000</p>	<p><b>Initiation</b> Underestimation of procurement value.</p> <p><b>Inefficiencies.</b> 24 working days delay to submit procurement to Contracts Committee for approval of solicitation document, evaluation committee and firms</p> <p><b>Inadequately drafted bidding document</b> Provision of contradictory information to bidders Restrictive requirements</p> <p><b>Poor evaluation</b> Irregularities at evaluation</p> <p><b>Contract management</b> Delayed commencement of works Lacked performance security</p>
6.	<p>Construction of two classrooms at Situyi PS NAMI905/WRKS/23-24/00037 Open National Bidding Muaina Engineering Works Limited Estimate: 58,000,000 Actual: 57,915,500</p>	<p><b>Inefficiencies in the procurement process</b> 22 working days delay to submit procurement to Contracts Committee for approval of solicitation document, evaluation committee and firms.</p> <p><b>Contract management</b> Physical verification-Poor workmanship</p>
7.	<p>Extension of Mukoto Gravity Flow Scheme to Bubikala and Surrounding areas.</p>	<p><b>Initiation</b> Initiating procurement above the budget</p> <p><b>Bidding document</b></p>

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	NAMI905/WRKS/23-24/00033 Open National Bidding Yeewa Enterprises Ltd Estimate: 162,550,000 Actual: 162,500,000	Inadequately drafted bidding document  <b>Bidding</b> Low bidder participation <b>Evaluation</b> Irregularities at evaluation <b>Contract management</b> Lacked performance security Pipe leakage noticed during physical verification Insufficient ESHS requirements
8.	Construction of Kaboole Mini Gravity Flow Scheme Phase II NAMI905/WRKS/23-24/00036 Acacia Commercial Investments Limited Estimate: 70,000,000 Actual: 69,995,000	<b>Bidding document</b> Inadequately drafted bidding document Unclear ESHS requirements <b>Evaluation</b> Introduction of a new evaluation criteria <b>Contract</b> Inadequately drafted contract <b>Contract Management</b> No performance security

No	LOW RISK CONTRACTS	REASONS FOR LOW RISK
9.	Construction of two classrooms at Kuafu NAMI905/WRKS/23-24/00027 Open National Bidding Eka General Trading Limited Estimate 56,000,000 Actual: 56,000,000	<b>Inefficiencies.</b> 24 working days delay to submit procurement to Contracts Committee for approval of solicitation document, evaluation committee and firms <b>Bidding document</b> Restrictive requirements <b>Bidding</b> Low bidder participation
10.	Siting, drilling, pump installation, casting and supervision of Namitsa, Bubutu TC, Lwakhakha TC, Bubutu and Namboko S/Cs NAMI905/WRKS/23-24/00034 Open National Bidding Mama Borewells Ltd Estimate: 116,500,000 Actual: 116,235,000	<b>Bidding document</b> Inadequately drafted bidding document Unclear ESHS requirements. <b>Bidding</b> Low bidder participation.
11.	Design, supply and installation UGIFT Micro-Scale Irrigation Systems NAMI905/WRKS/23-24/00052 Quotation Sesom (U) Limited Estimate: 324,301,000 Actual: 324,301,000	<b>Bidding</b> Low bidder participation

**Annex 2: Transaction list and rating per case**

<b>No.</b>	<b>Reference Number</b>	<b>Subject of Procurement</b>	<b>Method of Procurement</b>	<b>Provider</b>	<b>Contract Amount (UGX)</b>	<b>Risk rating</b>
	NAMI905/WRKS/23-24/00027	Construction of two classrooms at Kuafu	Open National Bidding	Eka General Trading Limited	56,000,000	Low
	NAMI905/WRKS/23-24/00028	Construction of two classrooms at Kutsuyi PS	Open National Bidding	Stepco Bumbo Contractors Limited	61,500,000	Medium
	NAMI905/WRKS/23-24/00029	Construction of two classrooms at Busulwa PS	Open National Bidding	African Construction Technicians & Contractors (U) Ltd	63,997,500	Medium
	NAMI905/WRKS/23-24/00030	Construction of two classrooms at Butsebangwe PS	Open National Bidding	Muaina Engineering Works Limited	57,915,500	High
	NAMI905/WRKS/23-24/00031	Construction of two classrooms at Buwuma PS	Open National Bidding	African Construction Technicians & Contractors (U) Ltd	57,975,500	High
	NAMI905/WRKS/23-24/00033	Extension of Mukoto Gravity Flow Scheme to Bubikala and Surrounding areas	Open National Bidding	Yeewa Enterprises Limited	162,500,000	Medium
	NAMI905/WRKS/23-24/00034	Siting, drilling, pump installation, casting and supervision of Namitsa, Bubutu TC, Lwakhakha TC, Bubutu and Namboko S/Cs	Open National Bidding	Mama Borewells Ltd	116,235,000	Low
	NAMI905/WRKS/23-24/00036	Construction of Kaboole Mini Gravity Flow Scheme Phase	Open National Bidding	Acacia Commercial	69,995,000	Medium

<b>No.</b>	<b>Reference Number</b>	<b>Subject of Procurement</b>	<b>Method of Procurement</b>	<b>Provider</b>	<b>Contract Amount (UGX)</b>	<b>Risk rating</b>
		II		Investments Limited		
	NAMI905/WRKS/23-24/00037	Construction of two classrooms at Situyi P	Open National Bidding	Open National Bidding	57,915,500	Medium
	NAMI905/WRKS/23-24/00051	Partial Completion of Mukoto Seed School	Quotation	Muaina Engineering Works Limited	151,000,000	High
	NAMI905/WRKS/23-24/00052	Design, supply and installation UGIFT Micro-Scale Irrigation Systems	Quotation	Sesom (U) Limited	324,301,000	Low

**Annex 3: : Risk Rating Criteria**

<b>RISK</b>	<b>DESCRIPTION</b>	<b>AREA</b>	<b>IMPLICATION</b>
<b>HIGH</b>	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry risk for the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management.  Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	<b>Planning:</b> Lack of or failure to procure within the approved plan	This implies emergencies and use of the direct procurement method which affects competition and value for money.
		<b>Bidding Process:</b> Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals and usurping the powers of the PDU.	This implies use of less competitive methods which affects transparency, accountability and value for money.
		<b>Evaluation:</b> Use of inappropriate evaluation methodologies or failure to conduct evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.
		<b>Record Keeping:</b> Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		<b>Fraud/forgery:</b> Falsification of Documents	This implies lack of transparency and value for money.
		<b>Contract Management:</b> 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
<b>MEDIUM</b>	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	<b>Planning:</b> Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		<b>Bidding Process:</b> Deviations from standard procedures namely bidding periods, standard formats, use of	This implies lack of efficiency, standardisation and avoiding competition.

RISK	DESCRIPTION	AREA	IMPLICATION
	using the existing management framework to ensure a formal and effective system of management controls is put in place. Such	PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	
	procurements would normally be graded “medium” provided that there is sufficient evidence of “hands on management control and oversight” at an appropriate level of seniority.	<p><b>Procurement Structures:</b> Lack of procurement structures</p>	This implies lack of independence of functions and powers and interference in the procurement process.
		<p><b>Record Keeping:</b> Missing Contracts Committee records and incomplete contract management records.</p>	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		<p><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.</p>	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		<p>Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety.</p> <p>Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.</p>	
<b>LOW</b>	Procurements with weaknesses where resolution within the normal management framework is considered	<b>Planning:</b> Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	<b>Bidding Process:</b> 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.