



COMPLIANCE INSPECTION REPORT FOR FINANCIAL YEAR 2023/24

NWOYA DISTRICT LOCAL GOVERNMENT

JUNE 2025

TABLE OF CONTENTS

ACRONYMS	iii
EXECUTIVE SUMMARY	iv
CHAPTER 1: INTRODUCTION	1
1.1 Structure of the Entity	1
1.2 Background	1
1.3 Objective of the Compliance Inspection	1
1.4 Scope of the Compliance Inspection	1
1.5 Methodology	1
CHAPTER 2: FINDINGS AND RECOMMENDATIONS	3
2.1 COMPLIANCE OF THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP.205, REGULATIONS AND GUIDELINES WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT PROCESSES	3
2.2 COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESSES TO THE PPDA ACT, REGULATIONS AND GUIDELINES	19
2.3 EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION INCLUDING THE APPLICATION OF ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY (ESHS) REQUIREMENTS IN THE PROCUREMENT PROCESS	21
CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY	31
3.1 Overall Compliance Inspection Conclusion	31
3.2 Recommended Action Plan	33
Appendix 1: Sampled procurement files for FY 2023/24 with their risk rating	36
Appendix 2: Summary of case-by-case findings and risk rating	38
Appendix 3: Risk Rating Criteria	39
Appendix 4: Photographic presentation of disposal assets in the Entity	40
Appendix 5: Staff in the Procurement and Disposal Unit	40
Appendix 6: Members of the Contracts Committee	40

List of Tables

Table 1: Analysis of procurement spend for financial year 2023/2024.....	3
Table 2: Planned procurements not implemented.....	3
Table 3: Procurements implemented outside the procurement plan.....	4
Table 4: Partially implemented and unimplemented previous audit recommendations of the Authority.....	5
Table 5: Procurements implemented with disparities at initiation.....	7
Table 6: Procurements executed with bids received from bidders who were not issued bidding document.....	8
Table 7: Procurements in which the entity failed to hold a pre-bid meeting.....	9
Table 8: Procurements implemented without Contracts Committee approval of the bid invitation notices.....	10
Table 9: Procurements in which unclear and restrictive bid evaluation criteria were used....	10
Table 10: Procurement in which non-compliant bidder was passed.....	12
Table 11: Procurements in which the evaluation committee did not abide to the general provisions for evaluation of bids.....	14
Table 12: Procurements in which the evaluation criteria changed during the evaluation process.....	15
Table 13: Procurements in which the Solicitor General's guidance were not implemented...	18
Table 14: Contracts implemented without minimum insurance policy cover for works, equipment, material and property.....	19
Table 15: List of assets due for disposal.....	20
Table 16: Contracts with inadequacies in contract management.....	22
Table 17: Contracts with noncompliance to the Environmental and Social requirements.....	25
Table 18: Staff advanced cash to procurement services and inputs for the road works.....	26
Table 19: Summary status of the procurement of Microscale Irrigation Equipment in FY 2023/2024.....	27
Table 20: Level of implementation of micro scale irrigation program.....	28
Table 21: The risk rating is as follows.....	31
Table 22: Summary of performance of Nwoya District Local Government.....	31
Table 23: Recommended Action Plan.....	1

List of Figures

Figure 1: Risk Rating by Number.....	32
Figure 2 : Risk Rating by Value.....	32

ACRONYMS

BEB	Best Evaluated Bidder
BOQ	Bills of Quantities
ESHS	Environmental, Social, Health and Safety
FY	Financial Year
GCC	General Conditions of the Contract
ITB	Instruction to Bidders
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets
PPDA Act	Public Procurement and Disposal of Public Assets Act, Cap. 205
SCC	Special Conditions of the Contract.
UGX	Uganda Shillings
VAT	Value Added Tax

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Nwoya District Local Government that covered a sample of ten procurement transactions under the Financial Year 2023/24. The overall objective of the compliance inspection was to assess the effectiveness and efficiency of procurement and disposal processes at the Entity and adherence to the PPDA Act, Cap. 205, attendant PPDA Regulations, and public procurement policies so as to determine the procurement performance over the compliance inspection period.

From the findings of the compliance inspection exercise, the performance of Nwoya District Local Government for Financial Year 2023/24 was **moderately satisfactory**, with an average weighted risk rating of **47.72%** as per the ranking in **Table 21** under Chapter 3 of this compliance inspection report.

The performance was attributed to the following key exceptions:

1. The Entity implemented nine procurements worth UGX. 181,668,780 outside the procurement plan, contrary to Section 60 (10) of the PPDA Act Cap. 205. This exposed the Entity to the risk of accumulation of domestic arrears.
2. Failure by the Accounting Officer to implement all the Authority's recommendations as 5(31%) were partially implemented and 4(25%) were not implemented, contrary to the provision under Section 10 of the PPDA Act Cap. 205. This negatively impacted on the Entity's ability to achieve efficiency in the procurement function, reduce procurement risks and achieve its procurement objectives.
3. Failure to attach proposed drawings and bill of quantities (BOQ) with the Engineer's cost estimates at initiation of three procurements worth UGX.105,585,442 was against the requirements of Regulation 3(1) of the PPDA (Rules and Methods of Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. This cause delays in the procurement process and exposed the Entity to the risk of low bidder participation.
4. Entity received bids from bidders who had not been issued bidding document by the Entity, contrary to Regulations 58 the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. This was observed in two procurement worth UGX.213,254,000, and exposed the Entity to receipt of unsolicited bids and engagement of providers with low capacity to implement the contracts effectively.
5. The Procurement and Disposal Unit in four procurements worth UGX 507,885,112 issued bid notices to bidders without Contracts Committee approval, contrary to the requirements of Regulation 53 (5) of the PPDA (Rules and Methods for Procurement of Supplies, works and Non-Consultancy Services), 2023. The above practice affects the credibility of the bidding process.
6. Failure by the PDU to seek Contracts Committee approval of the procurement method, shortlist and the bidding document in three procurements worth UGX.105,585,442. The forementioned undermined the specific role of the Contracts Committee in the approval of the above requirements to sanction the bidding process as required by Regulation 53(5) of the PPDA (Rules and Methods of Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
7. The Evaluation Committee in two procurements worth UGX 177,544,442 passed non-compliant bidders, contrary to the requirements of Regulations 18 (1-4) of the PPDA (Evaluation) Regulations, 2023. This created a disadvantage on other bidders who participated in the procurement and exposed the Entity to risk of administrative reviews

- from the disadvantaged bidders, contracting unreliable and incapable bidders to effectively deliver the envisioned objectives of the procurement.
8. There was change in the evaluation criteria during the bid evaluation exercise in eight procurements worth UGX.1,397,242,914, contrary to the provision under Regulation 5 (1-2) of the PPDA (Evaluation) Regulations, 2023. Change in evaluation criteria compromise the integrity of the evaluation process and exposed the Entity to the risk of administrative reviews, that cause delays in the procurement process and service delivery to the beneficiaries as well.
 9. Failure by the Entity to implement the legal guidance issued to the Accounting Officer by the Solicitor General in two procurement worth UGX.609,874,504. This was contrary to the requirement of Regulations 6(1)(f) of the PPDA (Contracts) Regulations, 2023 and exposed the Entity to the risk of being at a disadvantage in the event providers take legal action in any omission in the contract terms and conditions during the contract implementation.
 10. Failure by the Entity to dispose unserviceable and unusable assets that exposed the assets to further loss of market value through deterioration, contrary to the requirements of Regulation 3(1-4) of the PPDA (Disposal) Regulations, 2023.
 11. Failure by the Entity to take action on the Board of Survey report that identified that two assets had been stolen; thus, Motor cycle UG 0594Z and Motor cycle Yamaha UG 2241S, as there was no report on recovery of the above assets or action taken to recover the same assets such as filing a complaint with the Uganda Police Force.
 12. Failure by the Contract Managers in eight procurements worth UGX 1,187,069,852 to prepare contract management plans, monthly progress reports, and completion certificates for completed projects, was contrary to the requirements of Regulations 50(1 & 3) of the PPDA (Contracts) Regulations, 2023. This showed inefficiency in contract management in the Entity.
 13. The Entity allowed the contractor for low-cost sealing of Anaka T/c roads worth UGX. 329,241,004 to implement the project without submission of Performance Security and ES Performance Security as was required under SCC (GCC 61.1). This was contrary to the requirements of Regulation 12(1)(a) of the PPDA (Contracts) Regulations, 2023 and exposed the Entity to lack of protection against poor quality or defective works done by the contractor or non-performance of contractual obligations.
 14. The Procurement and Disposal Unit had incomplete procurement files in place in eight procurements worth UGX 1,187,069,852, as the files reviewed had missing records like payment records. Lack of payment records showed lack of transparency and accountability for project funds and weak records management in the Procurement and Disposal Unit, contrary to the requirements of Section 33(o) of the PPDA Act, Cap. 205.

In summary, the Authority observed irregularities in the bidding process, evaluation process and poor contract management that affected the Entity's performance.

In light of the above findings, the Authority recommends that:

1. The Accounting Officer should:
 - i. Desist from approving procurement requisitions for procurements outside the procurement plan, as guided under Section 60(10) of the PPDA Act Cap. 205, unless in case of an emergency. However, in case of new activities identified and approved, then the procurement plan should be updated and approved accordingly in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023.

- ii. Task the Heads of User Departments, Contract Managers, Contracts Committee and the Procurement and Disposal Unit to take responsibility for the weaknesses identified in the Entity's procurement function and to accordingly implement the Authority's recommendations. This will enhance the performance of the procurement function in the Entity and ensure compliance to the requirements of Section 10 of the PPDA Act Cap. 205.
- iii. Desist from signing contracts with providers prior to implementing the Solicitor General's advice as required under Regulations 6(1)(f) of the PPDA (Contracts) Regulations, 2023. Most importantly, the guidance provides protection to the Entity against possible litigation from providers on identifiable gaps in the provisions in the contractual documentations issued during contract implementation.
- iv. Upon, valuation of the assets by the Chief Mechanical Engineer or any other competent authority, have all the assets due for disposal, disposed as per the recommendations of the Board of Survey report of the financial year 2023/2024, in order to comply with the requirements of Regulation 3(1-4) of the PPDA (Disposal) Regulations, 2023;
- v. Task the Head, Procurement and Disposal Unit to prepare annual disposal plan for the Entity and submit a copy to the Authority as required under Regulations 2(1) of the PPDA (Disposal) Regulations, 2023 to guide the disposal process of the assets.
- vi. See to it that the loss of the two motor cycles are accounted for by the responsible staff, reported to the police and also put in place control measures to safe guard assets of the Entity to avoid similar occurrences in the future. In addition, the Accounting Officer should show cause as to why disciplinary action should not be taken against her for loss of assets of the Government of Uganda.
- vii. Task the Contract Managers for the various projects to prepare contract management plans and progress reports for effective project monitoring as required in Regulations 52(1) (a-b) and 52(3a) (i-vii) of the PPDA (Contracts) Regulations, 2023.
- viii. Task the Contract Managers and the Head Procurement and Disposal Unit to have in place an up-to-date record of all the procurement transactions as required by Section 33(o) of the PPDA Act, Cap. 205.
- ix. Task the Contract Managers to see to it that:
 - Providers submit Performance Securities where it's specified in the SCC, and in accordance with Regulation 12(1)(a) of the PPDA (Contracts) Regulations, 2023, so as to protect the Entity against defective works and achieve good performance of the contractors; and
 - In case providers fail to submit the required Performance Securities within 21 days, terminate the contract with the best evaluated bidder, and invite the next best evaluated bidder for contract engagement.

2. The Head of the Procurement and Disposal Unit should:

- i. Always seek Contracts Committee approval of the procurement method, shortlist, bid invitation notices and the bidding document before commencing any bidding process to avoid discrediting of the credibility of the bidding process. This should be done in accordance with Regulation 53(5-6) of the PPDA (Rules and Methods of Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
- ii. Reject bids submitted by firms that were not issued a bidding document or invited by the Entity, as guided under Regulation 58 the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
- iii. See to it that the Evaluation Committees evaluate bidders without change in the evaluation criteria and evaluate bids in adherence to the evaluation criteria as was

stated in the bidding documents issued to bidders to determine their responsiveness based on the contents of a bid. The ensuing must be implemented in compliance with the requirements of Regulations 5 (1-2) and 18 (1-4) of the PPDA (Evaluation) Regulations, 2023.

- iv. Guard against passing of non-compliant bidders, contrary to the requirements of Regulations 18 (1-4) of the PPDA (Evaluation) Regulations, 2023, and always review the evaluation reports for accuracy and objectiveness of the award recommendations before presenting it to the Contracts Committee for review and approval as required by Regulations 12(4) of the PPDA (Evaluation) Regulations, 2023 so as to have the Entity contract capable and reliable providers.
3. The User Departments, the District Engineer and other technical staff in the Entity should avoid delay in submitting the drawings, BOQ and other technical requirements for a procurement that form part of the bidding document to the Procurement and Disposal Unit in accordance to Regulation 3(2) of the PPDA (Rules and Methods of Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, to avoid:
 - i. Delays in the procurement process and achieve timely implementation of procurements.
 - ii. Discouraging capable bidders in expressing interest in the procurements, hence, leading to low bidder participation in the procurement process.

Nwoya District Local Government should implement the recommended action plan on page **33-35** of this report.

CHAPTER 1: INTRODUCTION

1.1 Structure of the Entity

According to Section 28 of the PPDA Act, Cap. 205, the Accounting Officer has the overall responsibility for the successful execution of the procurement, disposal and contract management in Nwoya District Local Government. The Accounting Officer during the financial year under inspection was Hon. Nantume Janepher Egonyu, the Chief Administrative Officer. The composition of the Procurement and Disposal Unit is detailed in Appendix 5 and the Contracts Committee in Appendix 6.

1.2 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a compliance inspection of Nwoya District Local Government that covered 10 procurement transactions for the Financial Year 2023/24, as listed in Appendix 1.

1.3 Objective of the Compliance Inspection

The overall objective of the compliance inspection was to assess the effectiveness and efficiency of procurement and disposal processes at the entity and adherence to the PPDA Act, Cap. 205, attendant PPDA Regulations, and public procurement policies so as to determine the procurement performance over the compliance inspection period.

The specific objectives of the compliance inspection were to:

1. Assess the compliance of the entity's procurement processes with the provisions of the PPDA Act, Cap. 205 and any other applicable laws and identify areas for improvement to enhance procurement practices at the entity;
2. Assess the compliance of the entity's disposal process with the provisions of the PPDA Act, Cap. 205 and attendant Regulations;
3. Assess the level of application of the Environmental, Social, Health and Safety (ESHS) requirements in the procurement processes at the Entity; and
4. Assess the progress and performance of the Micro-scale Irrigation Program in Nwoya District Local Government.

1.4 Scope of the Compliance Inspection

The inspection involved a review of the procurement and disposal process, general compliance issues and contract implementation on sample basis. The exercise covered a sample of ten procurement transactions worth UGX.2,298,072,505 conducted during the FY 2023/2024, review of procurement structures and review of the procurement plan performance. The list of sampled transactions is contained in Appendix 1.

1.5 Methodology

A sample of ten procurement transactions were selected based on stratified random sampling using Contracts Committee minutes, quarterly and monthly procurement and disposal reports. The compliance team examined records and documents for each sampled procurement and disposal transactions from where inspection evidence was derived to draw the inspection conclusions. This involved a review of the entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and management.

During the inspection, the compliance team met with the staff from the Procurement and Disposal Unit (PDU), Contracts Committee, internal audit, and User Departments where

necessary, to obtain crucial qualitative information about the internal control system and processes in place.

A debrief meeting to discuss preliminary findings was held with the entity management and staff before the team could embark on preparation of the management letter. The management letter was sent to the entity on 11th April 2025 with a request to submit a management response by 17th April 2025 which was submitted on 13th May 2025.

This report presents key findings and conclusions arising from the compliance inspection exercise.

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

2.1 COMPLIANCE OF THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP.205, REGULATIONS AND GUIDELINES WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT PROCESSES

The exceptions below were noted during the inspection:

2.1.1 Procurement plan implementation.

The Authority established that the entity implemented procurements worth UGX 4,500,284,331 during financial year 2023/24 out of the planned procurements estimated at UGX. 5,222,132,518. The foregoing, gave the Entity a procurement plan implementation rate of 86% with a variance of UGX.721,848,187 as presented in Table 1 below.

Table 1: Analysis of procurement spend for financial year 2023/2024

Procurement Plan Value (UGX)	5,222,132,518
Procurement Spend (Quarterly and monthly Reports Value) UGX	4,500,284,331
Procurement Plan Implementation Rate (%)	86%
Variance (UGX)	721,848,187

Implication

The variance shown above implied that there was a risk that the entity was unable to utilize all the funds budgeted for in the financial year 2023/24, which negatively affected budget performance and service delivery by the entity.

Management response

Authority's comment

No management response received.

Recommendation

The Accounting Officer has to see to it that all planned procurements are implemented as per the entity's budget and fund released to the Entity. However, in case of any changes that affect the procurement plan, it should be updated, approved and a copy submitted to the Authority, in accordance with Section 60 (8) of the PPDA Act, Cap. 205.

2.1.2 Failure to implement all planned procurements in the FY 2023/24

The Authority found that the entity failed to implement all its planned procurements in the financial year 2023/2024 worth UGX.1,209,748,592, as presented in Table 2 below.

Table 2: Planned procurements not implemented

No.	Subject of procurement	Contract value (UGX)
1.	Uniforms and protective wears to Anaka T/c.	1,875,454
2.	Supply and installation of five of maize milling machines at Anaka S/c.	25,000,000
3.	Supply and installation of five of rice huller in Ywaya, Anaka S/c.	12,800,000
4.	Opening of 7km of Koo-gaa to Okir road Anaka S/c.	26,715,502

No.	Subject of procurement	Contract value (UGX)
5.	Supply of Oxen and ox-plough to Anaka S/c.	15,000,000
6.	Physical planning of Amar trading centre.	10,500,000
7.	Construction of one block of 3 – stance larine at Got Apwoyo S/c headquarters.	21,000,000
8.	Construction of a slope hopper at Koch Lii HCIII.	928,791
9.	Installation of 500litre water tank at Koch Lii Maternity ward.	500,000
10.	Construction of a new HCIII in Lungulu S/c headquarters.	1,054,500,000
11.	Supply of livestock to Koch Goma.	15,928,845
12.	Upgrading of foot path from Wake to Ajubi in Alero S/c.	25,000,000
	Total	1,209,748,592

Implication

Failure by an entity to implement all its procurement activities in the financial year 2023/2024, amounted to under absorption of funds that negatively affected the budget performance and service delivery.

Management response

Most of the above procurements were to be funded by proceeds from revenue sharing provided by UWA unfortunately funds came in late by the end of the financial year and the district was instructed to use the funds in the subsequent financial year. Moving forward we are always going to track the procurements and update the procurement plan and eventually submit it to the Authority. Except for the projects of Installation of 500litre water tank at Koch Lii Maternity ward and construction of a slope hopper at Koch Lii HCIII which were by the facility but not reported under the micro procurements.

Recommendation

The Entity's response was noted, however, the Accounting Officer should at the end of the financial year reconcile its procurement expenditure with the procurement plan and any changes that accrue in the procurement plan implementation, an updated plan should be prepared and approved and a copy submitted to the Authority, in accordance with Section 60 (2)(d) and (7-8) of the PPDA Act, Cap. 205.

2.1.3 Procurements implemented outside the procurement plan

The Authority found that nine procurements worth UGX. 181,668,780 implemented by the entity were not in the procurement plan, contrary to Section 60 (10) of the PPDA Act Cap. 205. This is presented in Table 3 below.

Table 3: Procurements implemented outside the procurement plan

No.	Subject of procurement	Contract value (UGX)
1.	Supply of public address system at the district headquarters.	10,266,000
2.	Construction of multipurpose hall at Got Apwoyo S/c H/Qs	40,807,250
3.	Completion of construction of Lii S/c staff quarters	24,385,880
4.	Renovation of OPD block at Kibar HCII	17,901,450
5.	Consultancy services for low volume sealed road	24,950,000
6.	Construction of 1 block of 2 stances drainable latrine at the Abattoir in Koch Goma TC	13,018,000

No.	Subject of procurement	Contract value (UGX)
7.	Construction of 1 block of 2 stances water borne toilet with urinal at production department offices	19,939,900
8.	Supply of solar system and electrical installation at Production Department and OPD at Todora HCIII	19,900,300
9.	Supply of fish handling equipment at the district H/Qs	10,500,000
	Total	181,668,780

Implication

Implementing procurements outside the approved procurement plan, exposed the Entity to financial imbalance and budget constraint that increase the risk of creating domestic arrears.

Management response

All these procurements were in the updated procurement plan that was sent to you on mail.

Authority's comment

The Authority took note of the entity's response, however, after review of the updated procurement plan, the above procurements were not in the plan.

Recommendation

The Accounting Officer should desist from approving procurement requisitions for procurements outside the procurement plan, as guided by Section 60(10) of the PPDA Act Cap. 205, unless in case of an emergency. However, in case of new activities identified and approved, then the procurement plan should be updated and approved accordingly in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023.

2.1.4 Failure to fully implement the PPDA audit recommendations for FY 2018/2019

The Authority found that out of the 16 audit recommendations made in FY 2018/2029, 7(44%) were implemented, 5(31%) were partially implemented and 4(25%) were not implemented, contrary to the provision under Section 10 of the PPDA Act Cap. 205 as specified in Table 4 below.

Table 4: Partially implemented and unimplemented previous audit recommendations of the Authority

Recommendation	Status of Implementation
1. The Accounting Officer should:	
i. Take corrective action and engage all stakeholders to develop strategies on implementation of all the Authority's recommendations in accordance with Regulation 14 (k) of the Local Governments (PPDA) Regulations, 2006.	Partially implemented
ii. Conduct an investigation into the suspected bid tampering and take action against the evaluation committee members found culpable in the procurement lor rehabilitation of Lebngec P.7 to Dog Aswa Village 17.3km Climate Resilient Access Road in Purongo-Got Apwoyo Sub County worth UGX 1,268,425.901.	Not implemented
iii. Endeavour to fulfil conditions of contract effectiveness by obtaining the Performance Securities where required from the contractors in accordance with Regulation 89 (l) (a) of the Local Governments	Partially implemented

Recommendation	Status of Implementation
(PPDA) Regulations, 2006.	
2. The Contracts Committee should prior to approval of bidding documents, conduct quality assurance for accuracy and appropriateness of all the required documentation in accordance with Regulation 48 (2) and (4) of the Local Governments (PPDA) Regulations, 2006.	Partially implemented
3. The Head Procurement and Disposal Unit should update the procurement plan in the event that amendments are made to the departmental work plans in accordance with Section 58 (4) of the PPDA Act,2003.	Partially implemented
4. User Departments should in writing nominate to the Accounting Officer an existing member of staff with appropriate skills and experience as a contract supervisor and ensure that each appointed contract supervisor prepares a contract implementation plan in accordance with Regulations, 119 (2) and (3) of the Local Governments (PPDA) Regulations, 2006. The Internal Audit Department, Secretary Contracts Committee and any other relevant stakeholders should be informed of the designated contract supervisor taking full responsibility and a copy of the contract implementation plan shared with them for monitoring purposes.	Not implemented
5. Evaluation committees should adhere to the criteria set out in the solicitation documents during bid evaluation in accordance with Regulation 73 (l) of the Local Governments (PPDA) Regulations, 2006.	Not implemented
6. Contract supervisors should ensure that each provider meets all performance or delivery obligations as per the terms and conditions of a contract, in accordance with Regulation 119 (l0) (a) (i) of the Local Governments (PPDA) Regulations, 2006.	Partially implemented

Implication

Failure to implement the Authority's recommendations, hindered the Entity's ability to achieve efficiency in the procurement function, reduction in its procurement risks and achievement of procurement objectives.

Management response

Management has noted for improvement.

Recommendation

The Accounting Officer should task the heads of User Departments, contract managers, Contracts Committee and the Procurement and Disposal Unit to take responsibility for the weaknesses identified in the entity's procurement function and accordingly implement the Authority's recommendations. This will strengthen the procurement function in the entity and ensure compliance to the requirements of Section 10 of the PPDA Act Cap. 205.

2.1.5 Procurements with irregularities at initiation

The Authority found that the Entity implemented three procurements worth UGX.105,585,442 with irregularities at initiation, contrary to the provision under Regulation

3(1) of the PPDA (Rules and Methods of Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, as presented in Table 5 below.

Table 5: Procurements implemented with disparities at initiation

No.	Subject of procurement	Contract Value (UGX)	Exceptions
1.	Renovation of OPD and Staff House at Langol HCII	70,647,500	<ul style="list-style-type: none"> • Failure to attach proposed drawings and BOQs at initiation. • Failure to have Engineer's estimate. • No record of submission from PDU to Contracts Committee for approval of the procurement method, shortlist and the bidding document.
2.	Construction of 1 block of 5 stances drainable latrine with Urinal at Anaka Kulu Amuka Primary School	34,937,942	<ul style="list-style-type: none"> • Failure to attach proposed drawings and BOQs at initiation. • Failure to have Engineer's estimate.
	Total	105,585,442	

Implication

- Failure by the Entity to attach project drawings, BOQs and engineers estimates for the projects at initiation, exposed the procurements to delays due to the time lost in waiting for the drawings and BOQs. This further increased the risk of low bidder participation in the procurement process.
- Failure by the PDU to seek Contracts Committee approval of the procurement method, shortlist and the bidding document, for the above procurement undermined the specific role of the contracts committee in the approval of the above requirements to sanction the bidding process.

Management response

Construction of 1 block of 5 stances drainable latrine with Urinal at Anaka Kulu Amuka Primary School. This is to be corrected in the subsequent procurements.

Recommendations

1. The Head, Procurement and Disposal Unit should always seek Contracts Committee approval of the procurement method, shortlist and the bidding document before commencing any bidding process, in accordance with Regulation 53(5) of the PPDA (Rules and Methods of Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
2. The User Departments, the District Engineer and other technical staff in the Entity should avoid delays in submission of the drawings, BOQ and other technical requirements for a procurement that form part of the bidding document to the Procurement and Disposal Unit in accordance to Regulation 3(2) of the PPDA (Rules and Methods of Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, to avoid:
 - i. Delays in the procurement process and achieve timely implementation of procurements.

- ii. Discouraging capable bidders and achieving low bidder participation in the procurement process.

2.1.6 Receipt of bids from bidders not issued bidding document by the Entity

The Authority established that in two procurement worth UGX.213,254,000 the entity received bids from bidders who had not been issued bidding document by the entity, contrary to Regulations 58 the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. This is summarized in Table 6 below.

Table 6: Procurements executed with bids received from bidders who were not issued bidding document.

No.	Subject of procurement	Contract Value (UGX)	Exceptions
1.	Construction of 1 block of 2 classroom with office at Anaka Central P/s	142,606,500	The Authority found that PDU received and evaluated a bid from Sir Alex and Sons Co. Ltd who had not issued a bidding document.
2.	Renovation of OPD and Staff House at Langol HCII	70,647,500	The entity received the bid from Norah Foundation (U) Ltd (BEB) which had not invited to bid.
Total		213,254,000	

Implications

Receipt of bids from bidders not issued a bidding document by the entity, amounted to receipt of unsolicited bids and was a red flag for foul play in the bidding process.

Management response

- i. Construction of 1 block of 2 classroom with office at Anaka Central P/s this has been noted and it will never be repeated again.
- ii. Renovation of OPD and Staff House at Langol HCII. This procurement was undertaken under direct method of procurement and the firm and bidding document were approved by the Contracts Committee. The form 5 is attached for verification.

Authority's comment

The Authority noted the Entity's response; however, the response was not matched to the query which needed a response on receipt of unsolicited bids and not why direct procurement methods were used in the above procurements.

Recommendation

The Head, Procurement and Disposal Unit, should reject bids submitted by firms that were not issued a bidding document or invited by the Entity, as guided under Regulation 58 the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.7 Failure to hold pre-bid meeting

The Authority found that the entity failed to hold a pre-bid meeting on the 25th August, 2023 as per the bid invitation notice dated 18th August, 2023 for six procurements worth UGX. 1,268,118,914 contrary to the provision under Regulation 60(2-3) of the PPDA (Rules and

Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, as summarized in Table 7 below.

Table 7: Procurements in which the entity failed to hold a pre-bid meeting

No.	Subject of procurement	Contract Value (UGX)
1.	Completion of construction of solar motorised borehole water supply at Gok in Anaka S/c	164,664,268
2.	Supply of 18 complete sets of borehole pump parts with engraving at the district headquarters	84,130,000
3.	Drilling, test pumping, engraving & installation of 15 deep boreholes in Anaka, Alero, Lungulu, Lii, Koch Goma, Purongo and Got Apwoyo Sub counties.	280,633,500
4.	Low-cost sealing of 0.34Km Opiyo-Lusip road in Anaka T/c	329,241,004
5.	Construction of 1 block of 4 Units Staff House at Coorom HC II in Kochgoma Sub County.	149,756,972
6.	Construction of box culverts on Owii Akago & Wii Ogonyi streams at Anaka T/c - Amuru road.	259,693,170
Total		1,268,118,914

Implication

Failure by the entity to hold pre-bid meeting as specified in the bid notice, made the entity miss opportunity to share and have the prospective bidders get thorough understanding of the solicitation's requirements. In addition, it promotes transparency and competitive bidding process in the entity.

Management response

The Entity could not hold pre –bid meetings because no bidder turned up.

Recommendation

The Authority took note of the Entity's response, however, the Head, Procurement and Disposal Unit is guided to see to it that records of pre-bid meetings are captured by taking records of attendance of the staff in the Entity who participated in the bid opening with details of the fact that the pre-bid meeting was not held because bidders failed to turn-up as was expected to maintain the integrity of the bidding process and comply with the requirements of Regulation 60 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.8 Deficiencies identified in the bidding process

i. Failure to seek Contracts Committee approval of the bid invitation notices

The Authority found in four procurements worth UGX 507,885,112 that the Procurement and Disposal Unit issued bid notice to bidders without Contracts Committee approval contrary to the requirements under Regulation 53 (5) of the PPDA (Rules and Methods for Procurement of Supplies, works and Non-Consultancy Services), 2023 as presented in the Table 8 below.

Table 8: Procurements implemented without Contracts Committee approval of the bid invitation notices

No.	Subject of procurement	Contract value (UGX)
1.	Construction of 1 block of 2 classroom with office at Anaka Central P/s.	142,606,500
2.	Construction of 1 block of 5 stances drainable latrine with Urinal at Anaka Kulu Amuka Primary School	34,937,942
3.	Construction of box culverts on Owii Akago & Wii Ogonyi streams at Anaka T/c - Amuru road.	259,693,170
4.	Renovation of OPD and Staff House at Langol HCII	70,647,500
	Total	507,885,112

Implication

Failure by the Procurement and Disposal Unit to seek Contracts Committee approval of the bid invitation notice before issuance, discredits the credibility of, and accountability in the bidding process.

Management response

All these procurements were approved by the Contracts Committee.

Authority's comment

The Authority took note of the Entity's response; however, no evidence was submitted for verification that the Contracts Committee approved the bid invitation notices for the above procurements.

Recommendation

The Head of Procurement and Disposal Unit, should prepare bid invitation notices and ensure that they are approved by the Contracts Committee before the notices are advertised by the Accounting Officer in accordance with Regulation 53(5) of the PPDA (Rules and Methods for Procurement of Supplies, works and Non-Consultancy Services), 2023 failure of which should result into disciplinary action by the Accounting Officer against the Head of the Procurement and Disposal Unit.

ii. Use of unclear evaluation criteria in bidding documents

The Authority found that the Entity issued bidding documents with unclear evaluation criteria which curtailed competitiveness of the bidding process and subjected it to unfair assessment of bidders, contrary Regulation 47(5) of the PPDA (Rules and Methods for procurement of Supplies, Works and Non-consultancy services), 2023. These observations were in seven procurements worth UGX 1,303,056,856 as presented in Table 9 below.

Table 9: Procurements in which unclear and restrictive bid evaluation criteria were used

No.	Subject of procurement	Contract value (UGX)	Exceptions
1.	Completion of construction of solar motorised borehole water supply at Gok in Anaka S/c	164,664,268	<ul style="list-style-type: none"> Use of VAT registration as an evaluation criterion, was against the requirements in the PS/ST guideline No.1 of 2015 that advised entities not to use VAT registration certificate for evaluating bidders.

No.	Subject of procurement	Contract value (UGX)	Exceptions
2.	Supply of 18 complete sets of borehole pump parts with engraving at the district headquarters	84,130,000	<ul style="list-style-type: none"> Use of VAT registration as an evaluation criterion, was against the requirements in the PS/ST guideline No.1 of 2015 that advised entities not to use VAT registration certificate for evaluating bidders.
3.	Drilling, test pumping, engraving & installation of 15 deep boreholes in Anaka, Alero, Lungulu, Lii, Koch Goma, Purongo and Got Apwoyo Sub counties.	280,633,500	<ul style="list-style-type: none"> Use of VAT registration as an evaluation criterion, was against the requirements in the PS/ST guideline No.1 of 2015 that advised entities not to use VAT registration certificate for evaluating bidders.
4.	Low-cost sealing of 0.34Km Opiyo-Lusip road in Anaka T/c	329,241,004	<ul style="list-style-type: none"> Use of VAT registration as an evaluation criterion, was against the requirements in the PS/ST guideline No.1 of 2015 that advised entities not to use VAT registration certificate for evaluating bidders.
5.	Construction of 1 block of 4 Units Staff House at Coorom HC II in Kochgoma Sub County.	149,756,972.	<ul style="list-style-type: none"> Use of VAT registration as an evaluation criterion, was against the requirements in the PS/ST guideline No.1 of 2015 that advised entities not to use VAT registration certificate for evaluating bidders.
6.	Construction of 1 block of 5 stances drainable latrine with Urinal at Anaka Kulu Amuka Primary School	34,937,942	<ul style="list-style-type: none"> Use of VAT registration as an evaluation criterion, was against the requirements in the PS/ST guideline No.1 of 2015 that advised entities not to use VAT registration certificate for evaluating bidders. GCC 47.1 stated that the proportion of any payments shall be retained. This was not clear on the percentage to be retained.
7.	Construction of box culverts on Owii Akago & Wii Ogonyi streams at Anaka T/c - Amuru road.	259,693,170	<ul style="list-style-type: none"> Unclear evaluation criteria. ITB 15.1 (x) required bidders to submit records of previous experience in works of similar nature in the last three years, however, it did not state type of records required such as completion certificate, recommendation letters from the previous projects, copies of

No.	Subject of procurement	Contract value (UGX)	Exceptions
			the contracts or LPOs.
	Total	1,303,056,856	

Implication

- Use of unclear evaluation criteria subjects the bidding process to low bidder participation and hinders the participation of potential bidders in public procurement. In addition, it does not give the evaluation committee clear basis of evaluating bids.
- Use of VAT registration certificate as an evaluation criterion, was a violation of the guidance issued by the PS/ST in circular No.1 Of 2015, that debarred entities from using VAT registration certificates for evaluating bidders.

Management response

This has been noted for improvement.

Recommendations

The Head of the Procurement and Disposal Unit should:

1. When preparing bidding documents, set clear evaluation criteria that are fair and encourages competition, in compliance with the provisions of Regulation 47(5) of the PPDA (Rules and Methods for procurement of Supplies, Works and Non-consultancy services), 2023.
2. Desist from using VAT registration certificate as an evaluation criterion, as it violates the guidance issued by the PS/ST in circular No.1 Of 2015, debarred entities from using VAT certificates for evaluating bidders, and instead use certificate of tax registration.

2.1.9 Irregularities identified in the Entity's evaluation processes

The Authority established the deficiencies below in the evaluation processes of the entity.

i. Passing non-complaint bidders

The Authority established in two procurements worth UGX 177,544,442 that the evaluation committee passed non-compliant bidders, as indicated in Table 10 below, contrary to the requirements of Regulations 18 (1-4) of the PPDA (Evaluation) Regulations, 2023.

Table 10: Procurement in which non-compliant bidder was passed

No.	Subject of procurement	Contract value (UGX)	Exceptions
1.	Construction of 1 block of 2 classroom with office at Anaka Central P/s.	142,606,500	<ul style="list-style-type: none"> • Passing of a non-compliant bidder. The evaluation committee evaluated Pathway Technical Services Ltd as compliant yet it did not offer the required bid validity date of 29th February 2024 as stated in ITB 19.1. The Authority noted that the best evaluated bidder Pathway Technical Services Ltd offered a bid validity of 120 days instead of stating a specific date. • Pathway Technical Services Ltd (BEB) submitted unrealistic

No.	Subject of procurement	Contract value (UGX)	Exceptions
			<p>construction work schedule. Whereas GCC 22.1 required a completion period of four months, Pathway Technical Services Ltd submitted a construction work schedule of one month (four weeks).</p> <ul style="list-style-type: none"> • Pathway Technical Services Ltd submitted logbooks for Tipper Reg No. UA 702L and UAU 127H that belong to TATA UGANDA LIMITED without lease agreement.
2.	Construction of 1 block of 5 stances drainable latrine with Urinal at Anaka Kulu Amuka Primary School.	34,937,942	<ul style="list-style-type: none"> • Failure by the best evaluated bidder Hatim Construction Agency Ltd to submit past experience yet this was required in the bidding document to submit past experience in terms of completion certificate. • Hatim Construction Agency Ltd did not submit audited books of accounts or bank statement. • The CVs of the personnel were not signed. • The best evaluated bidder submitted a bid which was not signed, stamped or on a company's headed paper.
	Total	177,544,442	

Implication

Passing non-compliant bidders, disadvantaged other bidders who participated in the procurement and exposed the entity to risks of:

- Administrative reviews from the disadvantaged bidders, that if done, cause delays in the procurement process and service delivery; and
- Contracting unreliable and incapable bidders who cannot deliver the envisioned objectives of the procurement.

Management response

Noted for improvement.

Recommendations

The Head, Procurement and Disposal Unit should:

1. See to it that the Evaluation Committees evaluate bidders without change in the evaluation criteria and evaluate bids in adherence to the evaluation criteria as was stated in the bidding documents issued to bidders to determine their responsiveness based on the contents of a bid. The ensuing must be implemented in compliance with the requirements of Regulation 5 (1-2) of the PPDA (Evaluation) Regulations, 2023.
2. Guard against passing of non-compliant bidders, contrary to the requirements of Regulations 18 (1-4) of the PPDA (Evaluation) Regulations, 2023, and always review the evaluation reports for accuracy and objectiveness of the award recommendations before

presenting it to the Contracts Committee for review and approval in accordance with Regulations 12(4) of the PPDA (Evaluation) Regulations, 2023 so as to have the Entity contract capable and reliable providers.

ii. Failure to abide to the general provisions of the law on the evaluation of bids

The Authority found in five procurements worth UGX.1,008,425,744 that the evaluation committees did not prepare minutes of the evaluation and members did not sign on all pages of the evaluation report contrary to the requirements of Regulations 4(11-12) and 12 (3), of the PPDA (Evaluation) Regulations, 2023. The cases are presented in Table 11 below.

Table 11: Procurements in which the evaluation committee did not abide to the general provisions for evaluation of bids

No.	Subject of procurement	Contract value (UGX)	Exceptions
1.	Completion of construction of solar motorised borehole water supply at Gok in Anaka S/c	164,664,268	<ul style="list-style-type: none"> Minutes for the evaluation process not prepared. Failure by all members of the evaluation committee to sign all pages of the evaluation report.
2.	Supply of 18 complete sets of borehole pump parts with engraving at the district headquarters	84,130,000	Failure by all members of the evaluation committee to sign all pages of the evaluation report.
3.	Drilling, test pumping, engraving & installation of 15 deep boreholes in Anaka, Alero, Lungulu, Lii, Koch Goma, Purongo and Got Apwoyo Sub counties.	280,633,500	<ul style="list-style-type: none"> Minutes for the evaluation process not prepared. Failure by all members of the evaluation committee to sign all pages of the evaluation report.
4.	Low-cost sealing of 0.34Km Opiyo-Lusip road in Anaka T/c	329,241,004	<ul style="list-style-type: none"> Minutes for the evaluation process not prepared. Failure by all members of the evaluation committee to sign all pages of the evaluation report.
5.	Construction of 1 block of 4 Units Staff House at Coorom HC II in Kochgoma Sub County.	149,756,972	<ul style="list-style-type: none"> Minutes for the evaluation process not prepared. Failure by all members of the evaluation committee to sign all pages of the evaluation report.
	Total	1,008,425,744	

Implications

- Failure by the Evaluation Committees to prepare minutes of the evaluation process, was violation of a legal requirement that made the evaluation reports incomplete, as the minutes form an annex to the reports and provide insight of the discussions that ensued during the evaluation exercise; and

- Failure by the Evaluation Committee to sign on all pages of the evaluation report exposed the report to the risk of manipulation of the results and the eventual outcome.

Management response

The minutes were prepared but just not put on the file they are hereby available for verification. And for signing all pages of the evaluation report, the pages will all be signed.

Authority’s comment

The Authority took note of the Entity’s response; however, no evidence was submitted for verification.

Recommendations

The Head of Procurement and Disposal Unit must see to it that:

1. The Evaluation Committees prepare and sign minutes of the evaluation process in compliance with Regulations 4(11-12) and 12 (3), of the PPDA (Evaluation) Regulations, 2023 as part of the records of the evaluation exercise showing the discussions that ensued among the members.
2. All pages of the evaluation reports submitted to the Procurement and Disposal Unit are signed by all the members of the Evaluation Committee as required by Regulations 4(14-15), of the PPDA (Evaluation) Regulations, 2023 so as to guarantee the authenticity of the minutes.

iii. Change in the evaluation criteria

The Authority found that in eight procurements worth UGX.1,397,242,914, the evaluation criteria were changed during the evaluation exercise, contrary to the provision under Regulation 5 (1-2), of the PPDA (Evaluation) Regulations, 2023 as presented in Table 12 below.

Table 12: Procurements in which the evaluation criteria changed during the evaluation process

No.	Subject of procurement	Contract value (UGX)	Exceptions										
1.	Completion of construction of solar motorised borehole water supply at Gok in Anaka S/c	164,664,268	<ul style="list-style-type: none"> • Change in evaluation criteria during evaluation as below: <table border="1"> <thead> <tr> <th>Eligibility criteria as specified in methodology.</th> <th>Eligibility criteria as specified at preliminary stage in the evaluation report.</th> </tr> </thead> <tbody> <tr> <td>A copy of valid trading licence 2023</td> <td>Current (valid) trading license</td> </tr> <tr> <td>Bid validity of 120 working days</td> <td>Bid validity</td> </tr> <tr> <td>Audited accounts</td> <td>Audited books of accounts for the most recent 5 years</td> </tr> <tr> <td>Minimum average annual turnover of UGX.150,000,000</td> <td>Minimum average annual turnover of UGX.200,000,000</td> </tr> </tbody> </table> 	Eligibility criteria as specified in methodology.	Eligibility criteria as specified at preliminary stage in the evaluation report.	A copy of valid trading licence 2023	Current (valid) trading license	Bid validity of 120 working days	Bid validity	Audited accounts	Audited books of accounts for the most recent 5 years	Minimum average annual turnover of UGX.150,000,000	Minimum average annual turnover of UGX.200,000,000
Eligibility criteria as specified in methodology.	Eligibility criteria as specified at preliminary stage in the evaluation report.												
A copy of valid trading licence 2023	Current (valid) trading license												
Bid validity of 120 working days	Bid validity												
Audited accounts	Audited books of accounts for the most recent 5 years												
Minimum average annual turnover of UGX.150,000,000	Minimum average annual turnover of UGX.200,000,000												
2.	Drilling, test pumping,	280,633,500	1. Change in evaluation criteria during evaluation as below:										

No.	Subject of procurement	Contract value (UGX)	Exceptions		
	engraving & installation of 15 deep boreholes in Anaka, Alero, Lungulu, Lii, Koch Goma, Purongo and Got Apwoyo Sub counties.		Eligibility criteria as specified in evaluation methodology. A copy of valid trading licence 2023 Bid validity of 120 working days Audited accounts Minimum average annual turnover of UGX.150,000,000	Eligibility criteria as specified at preliminary stage in the evaluation report. Current (valid) trading license Bid validity Audited books of accounts for the most recent 5 years Minimum average annual turnover of UGX.200,000,000	
3.	Low-cost sealing of 0.34Km Opiyo-Lusip road in Anaka T/c	329,241,004	2. Change in evaluation criteria during evaluation as below: Eligibility criteria as specified in evaluation methodology. A copy of valid trading licence 2023 Bid validity of 120 working days Audited accounts Minimum average annual turnover of UGX.150,000,000		Eligibility criteria as specified at preliminary stage in the evaluation report. Current (valid) trading license Bid validity Audited books of accounts for the most recent 5 years Minimum average annual turnover of UGX.200,000,000
4.	Construction of 1 block of 4 Units Staff House at Coorom HC II in Kochgoma Sub County.	149,756,972	3. Change in evaluation criteria during evaluation as below: Eligibility criteria as specified in evaluation methodology. A copy of valid trading licence 2023 Bid validity of 120 working days Audited accounts Minimum average annual turnover of UGX.150,000,000		Eligibility criteria as specified at preliminary stage in the evaluation report. Current (valid) trading license Bid validity Audited books of accounts for the most recent 5 years Minimum average annual turnover of UGX.200,000,000
5.	Construction of 1 block of 2	142,606,500	<ul style="list-style-type: none"> The Entity required 5 years of general experience and 3 years in similar experience, however during 		

No.	Subject of procurement	Contract value (UGX)	Exceptions
	classroom with office at Anaka Central P/s		<p>evaluation this was changed to 4 years of general experience in construction and 3 years of similar experience.</p> <ul style="list-style-type: none"> The Evaluation Committee evaluated portions such as Masonry Foreman (2) and Carpentry Foreman (2) that were not among the required personnel in the issued bidding document.
6.	Construction of 1 block of 5 stances drainable latrine with Urinal at Anaka Kulu Amuka P/s.	34,937,942	<ul style="list-style-type: none"> Hatim Construction Agency Ltd did not submit audited books of accounts or bank statement. The CVs of the personnel were not signed. The best evaluated bidder submitted a bid which was not signed, stamped or on a company's headed paper.
7.	Construction of box culverts on Owii Akago & Wii Ogonyi streams at Anaka T/c - Amuru road.	259,693,170	Contradicting evaluation criteria. ITB 15.1 (V) required bidders to submit Powers of Attorney that is specific to this project, however ITB 22.2 required registered Powers of Attorney
8.	Renovation of OPD and Staff House at Langol HCII	70,647,500	<ul style="list-style-type: none"> Introduction of new criteria at evaluation. <ul style="list-style-type: none"> a) Valid Income Tax clearance certificate of 2023-2024 was used as an evaluation criterion, yet in the bidding document it required evidence of fulfillment of obligation to pay taxes. b) PDDA Certificate for the year ending December 2024 was used as an evaluation criterion, yet it was not a requirement in the bidding document. c) Experience in similar works for the last 3 years was used as an evaluation criterion, yet it was not stated in the issued bidding document.
	Total	1,397,242,914	

Implication

Change in the evaluation criteria, compromise the integrity of the evaluation process and increase the risk of administrative reviews, that end up delaying the whole procurement process and service delivery to the beneficiaries as well.

Management response

The Head Procurement and disposal unit shall set the evaluation criteria with the evaluation committee each time there is an evaluation exercise.

Recommendation

The Head Procurement and Disposal Unit, should ensure that the Evaluation Committees evaluate bids in adherence to the evaluation criteria stated in the bidding documents issued to bidders, as required in Regulations 5 (1-2), of the PPDA (Evaluation) Regulations, 2023.

2.1.10 Deficiencies identified at contracting stage

The deficiencies below were identified by the Authority in the contracting process of the Entity.

i. Failure to implement Solicitor General's guidance.

The Authority established in two procurement worth UGX.609,874,504, that the legal guidance issued to the Accounting Officer by the solicitor general were not implemented, contrary the requirement of Regulations 6(1)(f) of the PPDA (Contracts) Regulations, 2023, as summarized in Table 13 below.

Table 13: Procurements in which the Solicitor General's guidance were not implemented

No.	Subject of procurement	Contract value (UGX)	Exceptions						
1.	Drilling, test pumping, engraving & installation of 15 deep boreholes in Anaka, Alero, Lungulu, Lii, Koch Goma, Purongo and Got Apwoyo Sub counties.	280,633,500	<p>Failure to comply with the guidance of the Solicitor General (SG), as below</p> <table border="1"> <thead> <tr> <th>SCC (GCC)</th> <th>SG's guide</th> <th>SCC as per contract</th> </tr> </thead> <tbody> <tr> <td>SCC (GCC 1.1(ff))</td> <td>Should reflect the start date as: <i>the date indicated on the commencement letter.</i></td> <td>Start date shall be: <i>Two weeks after contract signing</i></td> </tr> </tbody> </table>	SCC (GCC)	SG's guide	SCC as per contract	SCC (GCC 1.1(ff))	Should reflect the start date as: <i>the date indicated on the commencement letter.</i>	Start date shall be: <i>Two weeks after contract signing</i>
SCC (GCC)	SG's guide	SCC as per contract							
SCC (GCC 1.1(ff))	Should reflect the start date as: <i>the date indicated on the commencement letter.</i>	Start date shall be: <i>Two weeks after contract signing</i>							
2.	Low-cost sealing of 0.34Km Opiyo-Lusip road in Anaka T/c	329,241,004	<p>Failure to comply with the guidance of the Solicitor General (SG), as below</p> <table border="1"> <thead> <tr> <th>SCC (GCC)</th> <th>SG's guide</th> <th>SCC as per contract</th> </tr> </thead> <tbody> <tr> <td>SCC (GCC 1.1(ff))</td> <td>Should reflect the start date as: <i>the date indicated on the commencement letter.</i></td> <td>Start date shall be: <i>Two weeks after contract signing</i></td> </tr> </tbody> </table>	SCC (GCC)	SG's guide	SCC as per contract	SCC (GCC 1.1(ff))	Should reflect the start date as: <i>the date indicated on the commencement letter.</i>	Start date shall be: <i>Two weeks after contract signing</i>
SCC (GCC)	SG's guide	SCC as per contract							
SCC (GCC 1.1(ff))	Should reflect the start date as: <i>the date indicated on the commencement letter.</i>	Start date shall be: <i>Two weeks after contract signing</i>							
Total		609,874,504							

Implication

Failure to implement recommendations of the office of the Solicitor General undermined the legal opinion of the same office in the procurement process that exposed the Entity to the risk of being at a disadvantage in the event providers take legal action on any omission in the contract terms and conditions during the contract implementation period.

Management response

Authority's comment

The Entity did not provide management response for the above issue.

Recommendation

The Accounting Officer should sign contracts with providers after implementing the Solicitor General's recommendations, so as to protect the Entity from being at a disadvantage in the event providers take legal action in any omission in the contract terms and conditions during the contract implementation period.

ii. Contracts implemented without minimum insurance policy cover for works, equipment, material and property

The Authority established that the Entity failed to enforce its contractual requirement for the contractors to submit minimum insurance policy cover as was stipulated in SCC (GCC 18.1). The forementioned omission was noticed in six contracts worth UGX 1,326,595,414 as presented in Table 14 below.

Table 14: Contracts implemented without minimum insurance policy cover for works, equipment, material and property

No.	Subject of procurement	Contract value (UGX)
1.	Completion of construction of solar motorised borehole water supply at Gok in Anaka S/c.	164,664,268
2.	Drilling, test pumping, engravement & installation of 15 deep boreholes in Anaka, Alero, Lungulu, Lii, Koch Goma, Purongo and Got Apwoyo Sub counties.	280,633,500
3.	Low-cost sealing of 0.34Km Opiyo-Lusip road in Anaka T/c	329,241,004
4.	Construction of 1 block of 4 Units Staff House at Coorom HC II in Kochgoma Sub County.	149,756,972.
5.	Construction of 1 block of 2 classroom with office at Anaka Central P/s	142,606,500
6.	Construction of box culverts on Owii Akago & Wii Ogonyi streams at Anaka T/c - Amuru road.	259,693,170
	Total	1,326,595,414

Implication

Failure by the Entity to have the contractors provide minimum insurance policy cover for the contracts above exposed to the contractor's staff and visitors to work-related health and safety risks.

Management Response

Noted for improvement in the subsequent procurements.

Recommendation

The Accounting Officer should always task Contract Managers to enforce provisions requiring contractors provide insurance policy cover for the workers at the start of the projects, whenever it's asked for in a procurement, in accordance with Regulations 28, 32 and 36 of the PPDA (Contracts) Regulations, 2023.

2.2 COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESSES TO THE PPDA ACT, REGULATIONS AND GUIDELINES

2.2.1 Failure to plan and dispose assets during financial year 2023/24

The Authority established that:

1. In the board of survey report dated 31st august 2023, it was recommended that Procurement and Disposal Unit *crafts modalities of disposal of transport equipment's and other obsolete assets and prepares a disposal plan*. An extract of some of the assets recommended for disposal is presented in Table 15 below as well as field visit photographic findings in appendix 4;
2. Despite the board of survey's recommendation above, the entity did not conduct disposal of assets in the FY 2023/2024. As such, exposing the assets to vandalism and further depreciation;
3. The entity did not have a disposal plan for the FY 2023/2024, contrary to the requirements of Section 60(1-2) of the PPDA Act, Cap.205.
4. In the board of survey report for the FY 2023/2024, the board also identified two assets that were stolen i.e., motor cycle UG 0594Z and motor cycle Yamaha UG 2241S. However, there was no report on recovery of the said assets or action taken to recover the said assets such as filing a complaint with the police.

Table 15: List of assets due for disposal

No.	Item	Registration Number	Value (Cost)	Location
1.	Isuzu Dmax	LG 0185-09	Yet to be estimated by Government Valuer	District H/Qs
2.	Nissan Hard Body	LG0014-71	Yet to be estimated by Government Valuer	Anaka Hospital
3.	Toyota Double cabin pickup	LG0003-71	Yet to be estimated by Government Valuer	Anaka Hospital
4.	Toyota Land Cruiser	UG 2451M	Yet to be estimated by Government Valuer	Anaka Hospital
5.	Double cabin (Mitsubishi L200)	UAS 971G	Yet to be estimated by Government Valuer	District yard
6.	Ambulance Van (Nissan)	UAA 890Y	Yet to be estimated by Government Valuer	Anaka Hospital
7.	Ambulance (Suzuki Maruti)	UG 3495M	Yet to be estimated by Government Valuer	Anaka Hospital
8.	Nissan Hard Body	UAS 926X	Yet to be estimated by Government Valuer	Anaka Hospital
9.	Double cabin (Nissan)	Missing	Yet to be estimated by Government Valuer	Anaka Hospital
10.	Motor cycle Yamaha AG	UG 0868M	Yet to be estimated by Government Valuer	Anaka Hospital
11.	Motor cycle Yamaha DT	UDQ 087N	Yet to be estimated by Government Valuer	Education
12.	Motor cycle Yamaha DT	UDA 254U	Yet to be estimated by Government Valuer	District HQs
13.	Motor Cycle Jailing Honda 125E	UG 2844R	Yet to be estimated by Government Valuer	Education
14.	Motor cycle Yamaha	UG 3021R	Yet to be estimated by Government Valuer	District HQs
15.	Motor Cycle Honda - Eng No.	Missing	Yet to be estimated by Government Valuer	Anaka Sub County

No.	Item	Registration Number	Value (Cost)	Location
	KRJXL322032			
16.	Motor Cycle Honda - Eng No. WH156FM1	Missing	Yet to be estimated by Government Valuer	Purongo Sub County
17.	Motor Cycle Honda - Eng No.3TT168315	Missing	Yet to be estimated by Government Valuer	Koch Goma HCIII

Source: Board of Survey Report, for FY 2023/203 dated 31st August 2023.

Implication

Failure by the Entity to dispose unserviceable and unusable assets;

- Exposed the assets to further loss of market value through deterioration that brings down the market value of the assets at disposal;
- Exposed the assets to further loss of value through vandalism and the Entity risks failure to attract buyers at disposal; and
- Lack of a report on the loss of the two-motor cycle in the Entity, created uncertainty of the fate of the said assets whether they were recovered or not.

Management response

The management was still waiting for a reply from the Chief Mechanical Engineer on the request to come down and value the items for disposal.

Authority's comment

The Authority noted that the Entity failed to provide a response to the issue of the allegedly stolen motorcycles.

Recommendations

The Accounting Officer should ensure that:

1. Upon, valuation of the assets by the Chief Mechanical Engineer, or any other competent authority, have all the assets due for disposal, disposed as per the recommendations of the Board of Survey report of the financial year 2023/2024, in order to comply with the requirements of Regulation 3(1-4) of the PPDA (Disposal) Regulations, 2023;
2. The Head Procurement and Disposal Unit, prepares annual disposal plan for the Entity and submits a copy to the Authority as required under Regulations 2(1) of the PPDA (Disposal) Regulations, 2023 to guide the disposal process of the assets.
3. The loss of the two motor cycles is accounted for by the responsible staff, reported to the police and also put in place control measures to safe guard assets of the Entity, to avoid similar occurrences in the future. In addition, the Accounting Officer should show cause as to why disciplinary action should not be taken against them for loss of assets of the Government of Uganda by the Permanent Secretary, Ministry of Local Government.

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 Issues and gaps in contract management

i. Failures in contract management

The Authority found that in eight procurements worth UGX 1,187,069,852 there were gaps identified in contract administration, as presented in Table 16 below, contrary to the requirements of Regulations 50(1 & 3) of the PPDA (Contracts) Regulations, 2023.

Table 16: Contracts with inadequacies in contract management

No.	Subject of procurement	Contract value (UGX)	Exception
1.	Construction of 1 block of 2 classroom with office at Anaka Central P/s	142,606,500	<ul style="list-style-type: none"> • Failure by the Contract Manager to prepare contract management plan. • Failure by the contractor to submit updated program of works contrary to GCC 36.1 f the signed contract. • Failure to withhold 2% of the contract price. GCC 36.3 stated that the period between program updates is 30 days, and the contract value to be withheld for late submission of updated program is 2% of the contract sum. However, the Entity did not enforce the above provision on the Contractor for not to submitting program updates. • No monthly progress reports (4 months) • No completion certificate. The intended completion date was 28th February 2024. • No payment records.
2.	Construction of 1 block of 5 stances drainable latrine with Urinal at Anaka Kulu Amuka Primary School	34,937,942	<ul style="list-style-type: none"> • Failure by the Contract Manager to prepare contract management plan. • No monthly progress reports (4 moths) • No completion certificate. • No payment records.
3.	Construction of box culverts on Owii Akago & Wii Ogonyi streams at Anaka T/c - Amuru road.	259,693,170	<ul style="list-style-type: none"> • Failure by the contractor to submit updated program of works contrary to GCC 36.1 f the signed contract. • Failure to withhold 2% of the contract price. GCC 36.3 stated that the period between program updates is 30 days, and the contract value to be withheld for late submission of updated program is 2% of the contract sum. However, the Entity did not enforce the above provision on the Contractor for not to submitting program updates. • Failure by the Contract Manager to prepare contract management plan. • No monthly progress reports • Whereas the contractual completion date was 22nd April 2024, the works were

No.	Subject of procurement	Contract value (UGX)	Exception
			<p>completed on 21st June 2024, without a contract extension.</p> <ul style="list-style-type: none"> No completion certificate.
4.	Renovation of OPD and Staff House at Langol HCII	70,647,500	<ul style="list-style-type: none"> No contract management plan No payment records.
5.	Completion of construction of solar motorised borehole water supply at Gok in Anaka S/c	164,664,268	<ul style="list-style-type: none"> No Contract Manager was appointed by the Accounting Officer. No contract management plan. No contract implementation progress report. No completion and handover certificates
6.	Supply of 18 complete sets of borehole pump parts with engraving at the district headquarters.	84,130,000	<ul style="list-style-type: none"> No Contract Manager was appointed by the Accounting Officer. No contract management plan. No payment records
7.	Drilling, test pumping, engraving & installation of 15 deep boreholes in Anaka, Alero, Lungulu, Lii, Koch Goma, Pungo and Got Apwoyo Sub counties.	280,633,500	<ul style="list-style-type: none"> The contractor did not provide the minimum insurance policy cover and certificate to Project Manager as was required in SCC (GCC 18.1).
8.	Construction of 1 block of 4 Units Staff House at Coorom HC II in Kochgoma Sub County.	149,756,972	<ul style="list-style-type: none"> No contract management plan. No project; progress reports prepared, completion certificate issued and hand over report. No payment records.
	Total	1,187,069,852	

Implications

- Failure by the Accounting Officer to appoint Contract Managers, exposed the Entity to the risk of poor contract implementation outcome, and failure to achieve planned project objectives.
- Failure by Contract Managers to prepare; contract management plans, progress reports, issue completion certificates, and withhold 2% of the contract price from the contractors for lack of updated work programs, indicated weak/ineffective contract supervision and could have caused delay in the completion of the project.
- Lack of payment records showed lack of transparency and accountability for project funds and weak records management in the Procurement and Disposal Unit.
- Failure by the contractor to provide the minimum insurance policy cover certificate to project managers as was required in SCC (GCC 18.1), showed the contractor's works, equipment and workers were not protected against work related risks of accidents.

Management response

Appointment letters and management reports attached for verification.

Authority's comment

The Authority took note of the Entity's response, however:

- i. The evidence provided on contract management reports was for periodic maintenance of Lii-Pajok road and as such the Entity failed to provide evidence on failure by the Contract Managers to prepare contract management plans, progress reports, and issue completion certificates;
- ii. The Entity failed to provide response to the issues raised on: failure by the Accounting Officer to appoint Contract Managers, lack of; completion certificates, contract management plan and payment records in the procurement files; and
- iii. Entity offered no response on failure by the contractors to undertake insurance cover policy as was required under SCC (GCC18.1) for works, materials, and equipment.

Recommendations

The Accounting Officer is tasked to see to it that:

1. The Contract Managers proactively supervise all projects implemented by the Entity and as mandated by Regulations 50(1) and 51(1) of the PPDA (Contracts) Regulations, 2023, so as to achieve the objectives of the procurements.
2. The Contract Managers for the various projects, provide accountability for the use of project funds, prepare contract management plans and progress reports for effective project monitoring as required in Regulations 52(1) (a-b) and 52(3a) (i-vii) of the PPDA (Contracts) Regulations, 2023. This showed inefficiency in contract management in the Entity.
3. The Contract Managers and the Head Procurement and Disposal Unit have in place an up-to-date record of all the procurement transactions as required by Section 33(o) of the PPDA Act, Cap. 205 and for the ease of accountability of the procurements executed by the Entity.
4. The Contract Managers task the contractors to submit minimum insurance policy cover certificate for works, materials and equipment if provided for under the special conditions of contract.

iv. Implementing projects without Performance Securities

The Authority found that in the contract for low-cost sealing of 0.34Km Opiyo-Lusip road in Anaka T/c worth UGX. 329,241,004 the contractor implemented the project without submission of Performance Security and ES Performance Security as was required under SCC (GCC 61.1).

Implication

Failure by the Contract Manager to task the contractor to submit Performance Securities in above projects, exposed the Entity to lack of protection against poor quality or defective works done by the contractor or non-performance of contractual obligations.

Management response

Noted for improvement.

Recommendation

The Accounting Officer should task the contract manager to make sure that:

1. Providers submit Performance Securities where it's specified in the SCC (GCC 61.1), and in accordance with Regulation 12(1)(a) of the PPDA (Contracts) Regulations, 2023, so as

- to protect the Entity against defective works and achieve good performance of the contractors; and
2. In case providers fail to submit the required performance securities within 21 days, terminate the contract with the best evaluated bidder, and invite the next best evaluated bidder for contract engagement.

v. Failure to comply to Environment and Social (ES) requirements

The Authority found that the entity during contract execution did not enforce environmental and social requirements given that they were not included in the bidding document in four projects, worth UGX 714,309,744 as presented in Table 17 below.

Table 17: Contracts with noncompliance to the Environmental and Social requirements

No.	Subject of procurement	Contract value (UGX)
1.	Renovation of OPD and Staff House at Langol HCII.	70,647,500
2.	Completion of construction of solar motorised borehole water supply at Gok in Anaka S/c	164,664,268
3.	Low-cost sealing of 0.34Km Opiyo-Lusip road in Anaka T/c	329,241,004
4.	Construction of 1 block of 4 Units Staff House at Coorom HC II in Kochgoma Sub County.	149,756,972
	Total	714,309,744

Implication

Failure by the Entity to provide for environment and safety requirements in the bidding document, and lack of ESHS compliance reports showed that the environmental and social requirements in projects that were implemented by the Entity were ignored. This undermined the relevancy of ESHS mitigation measures and the need to control the negative impact associated with project implementation, like social risk.

Management response

Noted for improvement.

Recommendations

The Accounting Officer is tasked see to it that:

1. Heads of User Departments and Head, Procurement and Disposal Unit enforce compliance to the ESHS requirements in its bidding process and see to it that from the onset of a project, environment and safety control measures are included as a criterion in a provider selection process; and
2. Contract Managers enforce provider compliance to environment and safety standard during project implementation, so as to comply with the requirements of Section 66 of PPDA Act, Cap. 205.

2.3.2 Deficiencies in the implementation of Force Account Mechanism.

i. Advancing cash for the procurement of services and inputs to staff.

The Authority found that the entity advanced cash worth UGX 58,040,000 to individuals accounts to procure services and inputs for the road works under force account mechanism without justification, as summarized in Table 18 below.

Table 18: Staff advanced cash to procurement services and inputs for the road works.

No.	Name of Payee	Contract value (UGX)	Item procured
1.	Florence Acen	5,000,000	Assessment and data collection the rehabilitation of St. Peter – Kinene – Lingulu road; 18.1Km.
2.	Joel Ojok Keit	5,000,000	Mechanised rehabilitation of St. Peter – Lingulu via Kinene road.
3.	Nwoya district imprest account	13,480,000	Cement (8,085,000), river sand (2,280,000), Hardcore (2,800,000), 12*1 timbers (280,000) and 4” nail (35,000) for culver installation requirements for Lii – Jok II road.
4.	Nwoya district imprest account	18,080,000	Hire of transport inclusive of driver and fuel (13,800,000) and hire of survey equipment (4,280,000) engineering design for the gravelling of Goro – Lii Pajok II road (20km)
5.	Okumu Francis	16,480,000	Materials and Labor costs for culverts installation for Lii pajok II road.
	Total	58,040,000	

Implication

Advancement of cash to individuals to procure services and inputs for the road maintenance under Force Account Mechanism exposed the Entity to the risk of cash mismanagement and abuse, as individual interests could have overridden the Entity interests.

Management response

This was noted and all procurements shall be handled by the Procurement and Disposal Unit going forward. However, the items were all accounted for and attached are the accountability.

Recommendations

The noted the Entity’s response, however, the Accounting Officer is tasked to see to it that:

1. All the procurements in the Entity are managed by the Procurement and Disposal Unit, in accordance with Section 33(a) of the PPDA Act, Cap. 205; and
2. Desist from advancement of cash for procurements to individual staff unless were delegation of authority has been granted by the Accounting Officer in accordance with Regulation 16 of the PPDA (PDE) Regulations, 2023.

2.4 ASSESSMENT OF THE PROGRESS AND PERFORMANCE OF THE MICRO-SCALE IRRIGATION PROGRAM

Background

The Micro-scale Irrigation Program is in line with Uganda’s National Irrigation Policy which aims to create 1.5 million hectares of irrigated land by the year 2040. The Micro-scale Irrigation Program supports farmers to purchase and use individual irrigation equipment through a matching grant scheme, in which the cost of the equipment is co-financed by the farmer and the Government of Uganda. The Government subsidizes between 25% and 75%

of the total cost of the irrigation equipment (which can be sprinkler, drip and drag hosepipe methods using either solar or petrol energy sources). The level of the subsidy varies according to the choice of the irrigation equipment/ technology selected by the farmer as indicated below:

- For solar-powered irrigation equipment, the maximum Government co-payment is 75% of the total cost of equipment and was capped at UGX 18,000,000. Within this total cap, the maximum Government payment for a tank stand is UGX 2,000,000.
- For petrol-powered irrigation equipment the maximum Government co-payment is 25% of the total cost of equipment and is capped at UGX 5,000,000.

The status of procurement of Micro Scale Irrigation Equipment for demonstration to selected farmers in Nwoya District for the FY 2023/24 was as presented in Table 19 below.

Table 19: Summary status of the procurement of Microscale Irrigation Equipment in FY 2023/2024

Level	Definition	Nwoya DLG Statistics by Number (FY 2023/24)
Interested Farmer	<i>Those farmers who submitted an Expression of Interest (EOI) and met the basic self-assessed criteria</i>	57
Eligible Farmer	<i>Those farmers who had a farm visit and were found to meet the eligibility criteria</i>	24
Approved Farmer	<i>Those farmers who made the co-payment, provided documentary proof of their land tenure (if possible) and signed an MOU with the Local Government</i>	24
Installation Accepted Farmer	<i>Those farmers who had the irrigation equipment installed and the Local Government and farmer verified the equipment and installation was as per quotation and standards</i>	2
Completed Farmer	<i>Those Farmers where the irrigation equipment supplier was paid by the Local Government and all paperwork is complete</i>	2
Total of microscale irrigation kits installed and completed in FY 2023/2024		2

2.4.1 Progress achieved in the implementation of micro scale irrigation scheme for demonstration to selected farmers in Nwoya District.

The Authority identified gaps in the implementation of the micro scale irrigation scheme worth UGX.669,141,000 as summarized below:

- The project had no; contract management plan, completion certificates issued and payment records; and
- The construction and installation of the irrigation systems for the various selected farmers was incomplete in most of the sites. Notably, installations were complete in only two sites of selected farmers, ten sites had no progress reported and work were in progress in

twelve sites as per the report provided by the Project Focal Point person. Details are summarized in the Table 20 below.

Table 20: Level of implementation of Micro Scale Irrigation Program

No.	Subject of procurement	Contract value (UGX)	Status of implementation, to selected farmer.
1.	Design, supply & installation of micro scale irrigation equipment for Acayo Consulata	28,340,000	Drip irrigation system 100% complete.
2.	Design, supply & installation of micro scale irrigation equipment for Acen Caroline	28,340,000	Drip irrigation system 60% complete.
3.	Design, supply & installation of micro scale irrigation equipment for Cik Moses	28,340,000	Drip irrigation system 60% complete.
4.	Design, supply & installation of micro scale irrigation equipment for Achan Dorothy	27,115,000	Drip irrigation system 60% complete.
5.	Design, supply & installation of micro scale irrigation equipment for Komakech Moses	31,115,000	Drip irrigation system 50% complete.
6.	Design, supply & installation of micro scale irrigation equipment for Nakato Dalphine	26,815,000	No progress reported.
7.	Design, supply & installation of micro scale irrigation equipment for Obote Buden Paul	29,972,000	Drip irrigation system 90% complete.
8.	Design, supply & installation of micro scale irrigation equipment for Omona Peter	26,815,000	Drip irrigation system 90% complete.
9.	Design, supply & installation of micro scale irrigation equipment for Adokorach Mary	29,672,000	No progress reported.
10.	Design, supply & installation of micro scale irrigation equipment for Arach Beatrice	24,940,000	Drip irrigation system 60% complete.
11.	Design, supply & installation of micro scale irrigation equipment for Atim Margret	29,832,000	Drip irrigation system 90% complete.
12.	Design, supply & installation of micro scale irrigation equipment for Deg Hassan	30,540,000	Drip irrigation system 50% complete.
13.	Design, supply & installation of micro scale irrigation equipment for Kinyera Emmanuel Amone	22,215,000	Drip irrigation system 60% complete.
14.	Design, supply & installation of micro scale irrigation equipment for Kugonza David	27,915,000	No progress reported.
15.	Design, supply & installation of	26,515,000	No progress reported.

No.	Subject of procurement	Contract value (UGX)	Status of implementation, to selected farmer.
	micro scale irrigation equipment for Lanyero Christine Deng		
16.	Design, supply & installation of micro scale irrigation equipment for Magara Peace	27,915,000	No progress reported.
17.	Design, supply & installation of micro scale irrigation equipment for Nkubito Arthur	30,240,000	No progress reported.
18.	Design, supply & installation of micro scale irrigation equipment for Nyamahunge Julian Adyeri	27,915,000	No progress reported.
19.	Design, supply & installation of micro scale irrigation equipment for Okot Killian	27,915,000	No progress reported.
20.	Design, supply & installation of micro scale irrigation equipment for Omara Emmanuel	20,515,000	Drip irrigation system 85% complete.
21.	Design, supply & installation of micro scale irrigation equipment for Oola Alex Awany	27,340,000	No progress reported.
22.	Design, supply & installation of micro scale irrigation equipment for Paramjit Singh	30,340,000	Drip irrigation system 85% complete.
23.	Design, supply & installation of micro scale irrigation equipment for Torach Julius	27,940,000	No progress reported.
24.	Design, supply & installation of micro scale irrigation equipment for Jingo Richard	30,540,000	Drip irrigation system 100% complete.
	Total	669,141,000	

Implications

- Failure to have in place contract management plans, affects the effective monitoring of the project implementation which increases the risk of failure to realize project objectives.
- Lack of payment records and issuance of completion certificates for completed projects, showed lack of accountability for the funds used in the implementation of the micro scale irrigation program and delay in completion of the projects being installed.
- Failure to have all the projects complete as were planned, exposed the Entity to the risk not being able to fully utilize the project fund within the planned project timelines.

Management response

Authority's comment

No response provided by the Entity.

Recommendations

The Accounting Officer should see to it that:

1. The Contract Managers prepare contract management plans and a copy submitted the Procurement Unit, for monitoring purposes, as required in Regulations 50(3) of the PPDA (Contracts) Regulations, 2023; and
2. The Project Focal Point staff, provides updated status of progress achieved in the project implementation and accountability of the funds disbursed, accordingly.
3. All the projects are implemented by the Contractor before the end of the financial year 2023/2024, in order to achieve the planned objectives of the project.

2.4.2 Challenges experienced in the implementation of the Micro Scale program.

The Authority established through the District Project Focal Point staff that the project implementation is faced with the challenges as presented below:

1. Low financial capacity of the selected farmers has caused delays in the project implementation by the Contractor, largely because selected farmers have difficulties in raising their contribution as required in the program.
2. Limited financial support and lack of means of transport for the Focal Point staff, hinders the coordination of the project activities in the various sites as the selected farmers to be reached in the various parishes are at distant locations across the district.
3. The disparity between the financial year for disbursement of project funds and the farming cycle, thus the crop growing seasons, also affects the success of the program, the Project Focal Point person noted.

Implications

- The financial challenges that selected farmers are facing in making their contribution to the project as required, hinders the timely and successful implementation of the program. Further, it deters the timely installation of the irrigation system by the Contractor hence putting project objectives at a risk of not being realized.
- Low financial support and lack of means of transport facility for the Project Focal Point staff, affects timely monitoring of the project implementation, hence, causing delays in achieving the intended program objectives.

Management response

Status reports attached for verification.

Authority's comment

The evidence provided by the Entity was reviewed; however, installation works were complete in 15 sites and the other 9 sites were incomplete, thus overall, the project was 86% complete.

Recommendations

The Accounting Officer should:

1. Pay due heed to the challenges raised by the Project Focal Point Staff and come up with measures to overcome them for purposes of ensuring that the Micro Scale Irrigation Scheme is implemented successfully by the Entity.
2. Task the Project Focal Point staff to ensure that the contractor implements all approved farmer projects within the contractual period, completion certificates prepared and issued for completed sites and official hand over of completed projects made to the farmers.
3. Consider providing transport facility and financial support to the Project Focal point staff to ease monitoring of the project implementation activities of the micro scale projects.

CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall Compliance Inspection Conclusion

The performance of Nwoya District Local Government for the financial year 2023/24 was **moderately satisfactory** with an overall weighted average risk rating of **47.72%**.

Table 21: The risk rating is as follows

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

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 22: Summary of performance of Nwoya District Local Government.

Risk Rating	No .	% By No.	Weight	Weighted score by No.	Value (UGX)	% Value	Weight	Weighted score by value
High	0	0	0.6	0	0	0	0.6	0
Medium	9	90	0.3	27	2,213,942,521	96.34	0.3	28.90
Low	1	10	0.1	1	84,129,984	3.66	0.1	0.37
Total	10	100	1	28	2,298,072,505	100	1	29.27

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{28.00 \times 100}{60} = 46.67\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{29.27 \times 100}{60} = 48.78\%$$

$$\text{The average weighted risk rating} = \frac{46.67\% + 48.78\%}{2} = 47.72\%$$

Figure 1: Risk Rating by Number

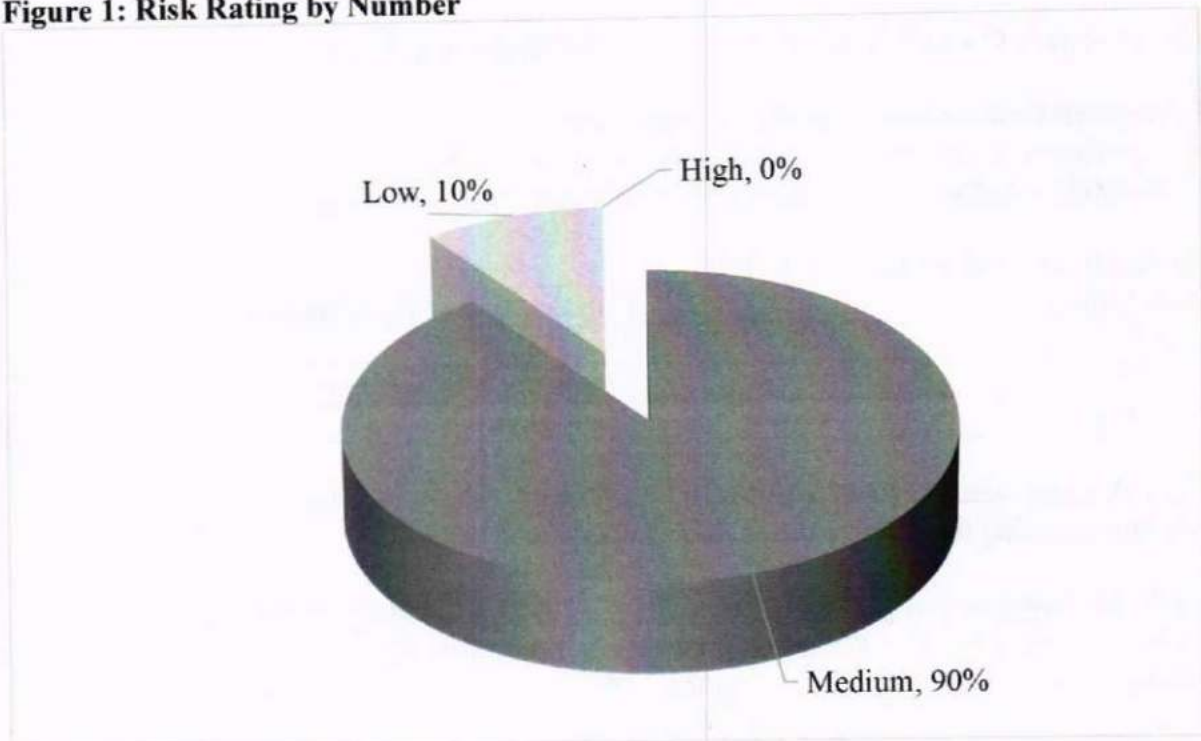
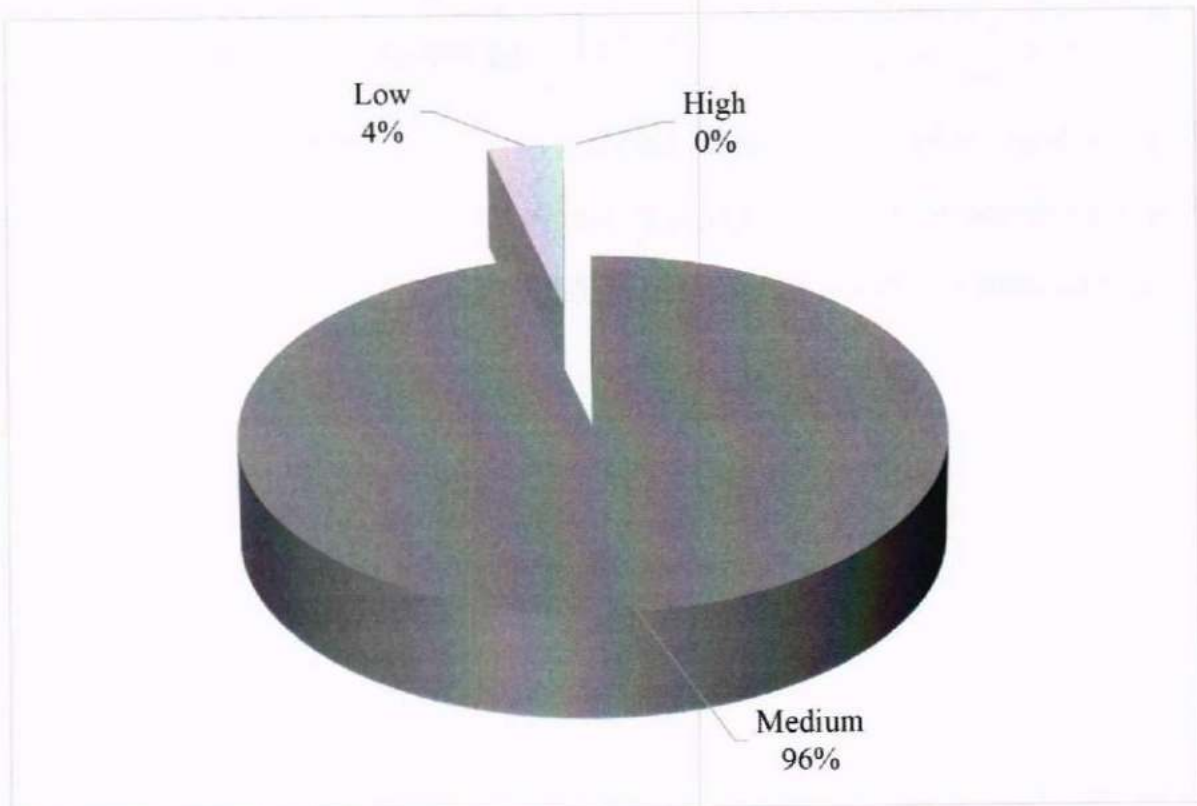


Figure 2 : Risk Rating by Value



3.2 Recommended Action Plan

Nwoya District Local Government should implement the following recommendations within the timeframe given to improve its performance in accordance with Section 10 (1) (a) of the PPDA Act, Cap.205.

Table 23: Recommended Action Plan

Recommendation	Action Date
<p>1. The Accounting Officer should:</p> <ul style="list-style-type: none">i. Desist from approving procurement requisitions for procurements outside the procurement plan, as guided under Section 60(10) of the PPDA Act Cap. 205, unless in case of an emergency. However, in case of new activities identified and approved, then the procurement plan should be updated and approved accordingly in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023.ii. Task the Heads of User Departments, Contract Managers, Contracts Committee and the Procurement and Disposal Unit to take responsibility for the weaknesses identified in the Entity's procurement function and to accordingly implement the Authority's recommendations. This will enhance the performance of the procurement function in the Entity and ensure compliance to the requirements of Section 10 of the PPDA Act Cap. 205.iii. Desist from signing contracts with providers prior to implementing the Solicitor General's advice as required under Regulations 6(1)(f) of the PPDA (Contracts) Regulations, 2023. Most importantly, the guidance provides protection to the Entity against possible litigation from providers on identifiable gaps in the provisions in the contractual documentations issued during contract implementation.iv. Upon, valuation of the assets by the Chief Mechanical Engineer or any other competent authority, have all the assets due for disposal, disposed as per the recommendations of the Board of Survey report of the financial year 2023/2024, in order to comply with the requirements of Regulation 3(1-4) of the PPDA (Disposal) Regulations, 2023;v. Task the Head, Procurement and Disposal Unit to prepare annual disposal plan for the Entity and submit a copy to the Authority as required under Regulations 2(1) of the PPDA (Disposal) Regulations, 2023 to guide the disposal process of the assets.vi. See to it that the loss of the two motor cycles are accounted for by the responsible staff, reported to the police and also put in place control measures to safe guard assets of the Entity to avoid similar occurrences in the future. In addition, the Accounting Officer should show cause as to why disciplinary action should not be taken against her for loss of assets of the Government of Uganda.vii. Task the Contract Managers for the various projects to prepare contract management plans and progress reports for effective project monitoring as required in Regulations 52(1) (a-b) and	30 th September 2025.

Recommendation	Action Date
<p>52(3a) (i-vii) of the PPDA (Contracts) Regulations, 2023.</p> <p>viii. Task the Contract Managers and the Head Procurement and Disposal Unit to have in place an up-to-date record of all the procurement transactions as required by Section 33(o) of the PPDA Act, Cap. 205.</p> <p>ix. Task the Contract Managers to see to it that:</p> <ul style="list-style-type: none"> • Providers submit Performance Securities where it's specified in the SCC, and in accordance with Regulation 12(1)(a) of the PPDA (Contracts) Regulations, 2023, so as to protect the Entity against defective works and achieve good performance of the contractors; and • In case providers fail to submit the required Performance Securities within 21 days, terminate the contract with the best evaluated bidder, and invite the next best evaluated bidder for contract engagement. 	
<p>2. The Head of the Procurement and Disposal Unit should:</p> <p>i. Always seek Contracts Committee approval of the procurement method, shortlist, bid invitation notices and the bidding document before commencing any bidding process to avoid discrediting of the credibility of the bidding process. This should be done in accordance with Regulation 53(5-6) of the PPDA (Rules and Methods of Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.</p> <p>ii. See to it that bids submitted by firms that were not issued bidding document or invited to bid by the entity are rejected, as guided under Regulation 58 the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.</p> <p>iii. See to it that the Evaluation Committees evaluate bidders without change in the evaluation criteria and evaluate bids in adherence to the evaluation criteria as was stated in the bidding documents issued to bidders to determine their responsiveness based on the contents of a bid. The ensuing must be implemented in compliance with the requirements of Regulations 5 (1-2) and 18 (1-4) of the PPDA (Evaluation) Regulations, 2023.</p> <p>iv. Guard against passing of non-compliant bidders, contrary to the requirements of Regulations 18 (1-4) of the PPDA (Evaluation) Regulations, 2023, and always review the evaluation reports for accuracy and objectiveness of the award recommendations before presenting it to the Contracts Committee for review and approval as required by Regulations 12(4) of the PPDA (Evaluation) Regulations, 2023 so as to have the Entity contract capable and reliable providers.</p>	30 th September 2025.
<p>3. The User Departments, the District Engineer and other technical staff in the Entity should avoid delay in submitting the drawings, BOQ and other technical requirements for a procurement that form part of the bidding document to the Procurement and Disposal Unit in accordance to Regulation 3(2) of the PPDA (Rules and Methods of Procurement of Supplies, Works and Non-Consultancy Services)</p>	30 th September 2025.

Recommendation	Action Date
Regulations, 2023, to avoid: i. Delays in the procurement process and achieve timely implementation of procurements. ii. Discouraging capable bidders in expressing interest in the procurements, hence, leading to low bidder participation in the procurement process.	

Appendix 1: Sampled procurement files for FY 2023/24 with their risk rating

Sample for Nwoya DLG for Financial Year 2023-2024						Risk Rating
S/No.	Procurement Ref No.	Subject Of Procurement	Procurement Method	Provider	Contract Value (Ugx)	Medium
1	Nwoy912/Wrks/23-24/00003	Completion of Construction of Solar Motorized Borehole Water Supply System at Gok Anaka Sub County.	ODB	Ferest Investments Ltd	164,664,268	Medium
2	Nwoy912/Wrks/23-24/00006	Construction of 1 block of 2 classroom with office at Anaka Central P/s.	Quotation	Pathway Technical Services Ltd	142,606,500	Medium
3	Nwoy912/Wrks/23-24/00005	Construction of 1 block of 4 Units Staff House at Coorom HC II in Kochgoma Sub County.	ODB	Awoto Foundation (U) Ltd	149,756,972	Medium
4	Nwoy912/S UPLS/23-24/00009	Supply of 18 complete sets of borehole pump parts.	ODB	Pathway Technical Services Ltd	84,129,984	Low
5	Nwoy912/Wrks/23-24/00001	Low-cost sealing of 0.34km of Opiyo Lusip road Anaka T/c.	ODB	Mubuna Investments Uganda Ltd	329,241,004	Medium
6	Nwoy912/S UPLS/23-24/00003	Supply of construction materials for St. Peters Bwobo - Kinene road	ODB	Comrade Auto Parts Supply and Construction Ltd	147,558,607	Medium
7	Nwoy912/S UPLS/23-24/00021	Supply and Installation of Microscale Irrigation System to 24 Farmers in Nwoya District	Selective	Reliefline (U) Ltd	669,141,000	Medium
8	Nwoy912/Wrks/23-24/00006	Construction of box culverts on Owii Akago &	ODB	Load Engineering Ltd	259,693,170	Medium

		Wii Ogonyi streams at Anaka T/c - Amuru road.				
9	Nwoy912/ WRKS/23- 24/00028	Renovation of OPD and Staff House at Langol HCIL.	Selective	Norah Foundation (U) Ltd	70,647,500	Medium
10	Nwoy912/ WRKS/23- 24/00002	Drilling, test pumping, engravement & instllation of 15 deep boreholes at Anaka,Lungulu, Purongo, Alero & Got Apwoyo S/cs.	ODB	BM Watsan Holdings Ltd	280,633,500	Medium
	Total				2,298,072,505	

Appendix 2: Summary of case-by-case findings and risk rating

No.	Contract Description	Reason for Medium Risk
1.	Completion of Construction of Solar Motorized Borehole Water Supply System at Gok Anaka Sub County.	<ul style="list-style-type: none"> • Minutes for the evaluation process not prepared. • Failure by all members of the Evaluation Committee to sign all pages of the evaluation report. • Change in evaluation criteria during evaluation • Failure to enforce ESHS compliance in the project.
2.	Construction of 1 block of 2 classroom with office at Anaka Central P/s.	<ul style="list-style-type: none"> • Receipt of bids from bidders not issued bidding document by the Entity. • Passing of a non-compliant bidder • Change in evaluation criteria during evaluation • Lack of contract management plan.
3.	Construction of 1 block of 4 Units Staff House at Coorom HC II in Kochgoma Sub County.	<ul style="list-style-type: none"> • Minutes for the evaluation process not prepared. • Failure by all members of the Evaluation Committee to sign all pages of the evaluation report. • Change in evaluation criteria during evaluation. • Lack of ESHS compliance report and contract management plan for the project.
4.	Low-cost sealing of 0.34km of Opiyo Lusip road Anaka T/c.	<ul style="list-style-type: none"> • Minutes for the evaluation process not prepared and members of the Evaluation Committee did not sign all pages of the evaluation report. • Change in evaluation criteria during evaluation. • Failure to implement Solicitor General's guidance. • The contractor implemented the project without Performance Security and ES performance security. • Lack of ESHS compliance report and contract management plan for the project.
5.	Supply and Installation of Microscale Irrigation System to 24 Farmers in Nwoya District	<ul style="list-style-type: none"> • Failure to have in place contract management plans. • Failure to issue completion certificates for completed projects. • Delay in completion of the projects, exposed the Entity to the risk not being able to fully utilize the project fund.
6.	Construction of box culverts on Owii Akago & Wii Ogonyi streams at Anaka T/c - Amuru road.	<ul style="list-style-type: none"> • Failure to seek Contracts Committee approval of the bid invitation notice. • Use of VAT registration as an evaluation criterion. • Change in evaluation criteria during evaluation. • Lack of contract management plan.
7.	Renovation of OPD and Staff House at Langol HCII.	<ul style="list-style-type: none"> • No record of submission from PDU to Contracts Committee for approval of the procurement method, shortlist and the bidding document • Receipt of bids from bidders not issued bidding document by the Entity • Change in evaluation criteria during evaluation

No.	Contract Description	Reason for Medium Risk
		<ul style="list-style-type: none"> Lack of ESHS compliance report and contract management plan for the project.
8.	Drilling, test pumping, engraving & installation of 15 deep boreholes at Anaka, Lungulu, Purongo, Alero & Got Apwoyo S/cs.	<ul style="list-style-type: none"> Minutes for the evaluation process not prepared. Failure by all members of the Evaluation Committee to sign all pages of the evaluation report. Change in evaluation criteria during evaluation Failure to implement Solicitor General's guidance
9.	Construction of 1 block of 5 stances drainable latrine with Urinal at Anaka Kulu Amuka Primary School.	<ul style="list-style-type: none"> Failure to attach proposed drawings and BOQs at initiation and have Engineer's estimate. Failure to seek Contracts Committee approval of the bid invitation notices Passing of a non-compliant bidder Change in evaluation criteria during evaluation Lack of contract management plan.
		Low risk
10.	Supply of 18 complete sets of borehole pump parts.	<ul style="list-style-type: none"> Use of VAT registration as an evaluation criterion. Failure by all members of the Evaluation Committee to sign all pages of the evaluation report

Appendix 3: Risk Rating Criteria

Risk	Description
High	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry risk for the regulatory system or the Entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".
Medium	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the 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.
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.
Satisfactory	Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the

Risk	Description
	procurement process based on the records available at the time.

Appendix 4: Photographic presentation of disposal assets in the Entity



Source: Field photographs 2025.

Appendix 5: Staff in the Procurement and Disposal Unit

No	Name	Designation
1	Janepher Achiro	Head, Procurement and Disposal Unit

Appendix 6: Members of the Contracts Committee

No	Name	Position in the Committee	Date of appointment
1	Tabu Justin	Chairman	15/09/2023
2	Kyobe Gerald Balite	Secretary	01/06/2024
3	Odong Robert Omara	Member	27/07/2023
4	Achola Harriet	Member	15/09/2023