



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

**COMPLIANCE INSPECTION REPORT FOR RUKUNGIRI MUNICIPAL
COUNCIL FINANCIAL YEAR 2024/2025**

JANUARY 2026

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ACRONYMS

ESHS	Environmental, Social, Health and Safety safeguards
P/S	Primary School
FY	Financial Year
PDU	Procurement and Disposal Unit
CC	Contracts Committee
PPDA	Public Procurement and Disposal of Public assets Authority
PPDA Act	PPDA Act, Cap. 205
UGX	Ugandan shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection on the procurement and disposal activities of Rukungiri Municipal Council that covered a representative sample of 11 procurement transactions worth UGX 802,900,343 under Financial Year 2024/2025. The overall objective of the inspection was to assess and establish the degree of compliance of Rukungiri Municipal Council's procurement and disposal system and processes with the provisions of the PPDA Act, Cap. 205, the attendant PPDA Regulations and to assess the level of procurement performance over the inspection period.

The compliance inspection exercise revealed that the performance of Rukungiri Municipal Council under Financial Year 2024/2025 was **moderately satisfactory** with an overall weighted average risk rating of **39.9%**. The details of the risk rating are in Chapter 3 of the report.

Despite the moderately satisfactory performance, the following exceptions were noted for management's attention:

1. Non implementation of 33% of the previous compliance inspection recommendations for Financial Year 2022/2023 contrary to Section 10 (1) (a) of the PPDA Act, Cap 205. This raises concerns about the Entity's commitment to improving its procurement processes, addressing identified risks, and ensuring accountability;
2. 14.1% of the procurement plan for Financial Year 2024/2025 worth UGX. 411,820,833 was not implemented. This compromises the achievement of the annual service targets set by the Council compromising social and economic development of the area. Thus, denied service delivery to the intended beneficiaries.
3. The Entity made payments worth UGX 3,357,850 from the contract contingency funds without proof and accountability for any unforeseen works during implementation of the works in two procurements worth UGX 83,220,037 contrary to Regulation 48 (2) of the PPDA (Contracts) Regulations, 2023. Payment of public funds without an equivalent of works done exposes public resources to a risk of financial loss worth UGX 3,357,850;
4. Irregular purchasing of commonly used items through advancing funds to individual staff. Funds worth UGX 18,859,000 were advanced to staff to undertake 44 purchases of commonly used items as opposed to issuing call off orders to the providers with framework contracts in place. This was in complete disregard of Section 57 of the PPDA Act, Cap. 205 and Section 60 (2) b of the PPDA Act, Cap. 205. Procuring through staff increases the risk of fraud, conflict of interest, restricting competition and also compromises the achievement of value for money;
5. There was low bidder participation in eight procurement transactions worth UGX 799,523,343, representing 73% of the sampled procurements, with an average of two bids being received per procurement contrary to Section 49 of the PPDA Act, Cap. 205. This compromises the need to maximize competition and the achievement of value for money in the Entity's procurement processes;
6. The Contracts Committee was not fully constituted with one member missing from the Committee contrary to Section 29(1) of the PPDA Act, Cap. 205. This may lead to lack of

quorum to deliberate on procurement and disposal matters on time in the event that one or more members is not available which may delay procurement decisions thus delaying the procurement decisions and the process;

7. There was non-compliance with the Beneficial ownership disclosure requirement in all the sampled procurements worth UGX 802,900,343 contrary to PPDA Circular No. 1 of 2021. This increases the risk of corruption, fraud and tax evasion by the ultimate beneficiaries of company proceeds;
8. Four procurements worth UGX 514,447,556 were executed against expired contracts contrary to Regulation 52 (3) (vi) of the PPDA (Contracts) Regulations, 2023. The Entity had no contractual obligation with the providers and as such could be exposed to a risk of abandoned works without a fallback position;
9. Six procurements worth UGX 581,740,243 had delayed contract completion with an average delay of 38 days beyond the intended completion periods contrary to Regulation 52 (3) (i) of the PPDA (Contracts) Regulations, 2023. This led to delayed service delivery of much-needed services to the intended beneficiaries and a sign of inefficiency of the procurement function;
10. There was weak contract management in three procurements worth UGX 447,929,234 contrary to Regulation 52 of the PPDA (Contracts) Regulations, 2023. These included inadequate contract monitoring, non-adherence to the contract obligations by the contractor as well as failure to realize planned revenue despite the fact the contract managers were in place. Weak contract management exposes the Entity to a risk of shoddy works, failure to fulfill contractual obligations by both the Entity and provider, under collection of projected revenues and delays in completion of contracts all which hinder effective service delivery to the intended beneficiaries; and
11. There was delayed payment of contractors in two procurements worth UGX 55,767,787 with an average delay of 62 days contrary to Clause 52.1 of the General Conditions of the Contract that stipulated payment within 30 days from the date of invoicing. This was despite the works being completed by the contractors. Such delays cripple the cash flow of the contractors that deal with government and discourages bidder participation in public procurement.

In light of the above findings, Rukungiri Municipal Council should implement the following recommendations:

1. The Accounting Officer should:
 - i. Constitute a task force of about three staff (including the Internal Auditor) to track the implementation of the Authority's recommendations and submit an implementation status report to the Authority within the specified timeframe to improve the Entity's performance in accordance with Section 10 (2) of the PPDA Act, Cap. 205;
 - ii. Task the User Departments and Procurement and Disposal Unit to regularly review and update the procurement plan quarterly in accordance with Section 60 (7) of the PPDA Act, Cap. 205;

- iii. Task the Contract Managers, Mr. Hangson Nuwamanya and Ms. Merinah Kekiijo, for the renovation of classroom block with office at Rukondo P/S worth UGX 36,290,434 and renovation of office block phase 2 worth UGX 46,929,603, to show cause as to why disciplinary action should not be taken against them for certifying payments from the contingency funds without accountability;
 - iv. Organize a supplier's forum as a way of sensitizing bidders to improve their level of confidence in the procurement processes of the Entity so as to maximize competition in accordance with Section 49 of the PPDA Act, Cap.205;
 - v. Follow up with the Permanent Secretary, Ministry of Finance, Planning and Economic Development for approval of the nominated member of the Contracts Committee in accordance with Section 29 (2) of the PPDA Act, Cap. 205;
 - vi. Ensure that contracts are renewed prior to their expiry. Similarly, contract managers should keep track of contract expiry timelines and initiate the process of contract renewal in time, in accordance with Regulation 52 (3) (e) of the PPDA Contracts Regulations 2023.
 - vii. Ensure that payments to providers are made within 30 days, or a period stated in the contract from certification of invoices in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023;
2. The Head Procurement and Disposal Unit should include particulars of Beneficial ownership information in the bidding forms, company Form and in the monthly procurement and disposal reports being submitted to the Authority in accordance with PPDA Circular No. 1 of 2021;
 3. Contracts Committee should effectively play their oversight role and desist from extending already expired contracts in accordance with Section 30(a) of the PPDA Act, Cap.205;
 4. Contract managers should strengthen contract management through conducting regular supervision and monitoring of contracts as well as preparing supervision and progress reports as their duties and responsibilities with regard to contract management as stipulated in Regulation 52 of the PPDA (Contracts) Regulations, 2023 and ensure that both parties to the contract meet their contractual obligations as stipulated in the contract terms and conditions in line with 52 (3) of the PPDA (Contracts) Regulations, 2023.
 5. The Head of the Finance Department should, in accordance with Section 57 of the PPDA Act, Cap. 205, desist from advancing funds to staff to procure commonly used items in complete disregard of the rules, regulations, and guidelines issued under the PPDA Act, Cap. 205.
 6. User departments should make use of the framework contracts to procure works, services or supplies that are required continuously or repeatedly over a set period of time in accordance with Section 60 (2) (b) of the PPDA Act, Cap. 205.

The Entity should implement the recommendations in the recommended action plan on Pages 23-24. You are required to submit to the Authority a status of implementation of the recommendations

within four months from the date of this letter. The Authority shall undertake a follow-up exercise on the implementation of these recommendations.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection on the procurement and disposal activities of Rukungiri Municipal Council that covered a representative sample of 11 procurement transactions UGX 802,900,343 under the Financial Year 2024/2025. The inspection involved a review of procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act, Cap. 205, the attendant PPDA Regulations.

1.2 Objective of the compliance inspection

The overall objective of the procurement and disposal inspection was to assess and establish the degree of compliance of the procurement and disposal system and processes with the provisions of the PPDA Act, Cap. 205, the attendant PPDA Regulations.

The specific objectives were to assess the:

1. Compliance of the Entity with the provisions of the PPDA Act, Cap. 205 and attendant PPDA Regulations with regard to the performance of the procurement structures and conduct of the procurement processes;
2. Compliance of the Entity's disposal processes with the provisions of the PPDA Act, Cap. 205, and attendant Regulations 2014; and
3. Efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements.

1.3 Structure of the Entity

According to Section 28 (1) of the PPDA Act, Cap. 205, the Accounting Officer of a Procuring and Disposing Entity shall have the overall responsibility for the successful execution of the procurement and disposal processes in a Procuring and Disposing Entity. The Town Clerk was Mr. Isaiah Tumwesigye designated as the Accounting Officer for the Entity during the Financial Year 2024/2025.

Section 28 (1) (a) and (c) of the PPDA Act, Cap. 205 specifically gives the responsibility to the Accounting Officer to cause the establishment of a Procurement and Disposal Unit and Contracts Committee staffed at an appropriate level. The Entity had an established Contracts Committee and Procurement and Disposal Unit at the time of the inspection and their composition is detailed in Tables 1 & 2 below:

a) Procurement and Disposal Unit

The Procurement and Disposal Unit was fully staffed as it was constituted as detailed in Table 1 below:

Table 1: Composition of Procurement and Disposal Unit

No.	Name	Job title	Date of appointment in post	Years of experience at the Entity
1.	Ms. Emily Tushabe	Senior Procurement Officer	5 th November 2024	12 years
2.	Mr. Brighton Natukunda	Procurement Officer	3 rd March 2025	6 years

b) Contracts Committee composition

The Contracts Committee was constituted and functional as detailed in Table 2 below. The Authority found that at the time of the audit in October 2025, the Accounting Officer had nominated the fifth member for appointment and was awaiting approval by the PS/ST.

Table 2: Composition of the Contracts Committee

No.	Name	Job title	Committee position	Date of appointment	Tenure
1.	Mr. Denis Buzaabo	Senior Agricultural Officer	Chairperson	2 nd June 2025	1 st Term
2.	Mr. Davis Ahabwe	Principal Medical Officer	Secretary	16 th July 2025	1 st Term
3.	Ms. Evas Kobutungu	Senior Assistant Town Clerk	Member	1 st September 2025	1 st Term
4.	Ms. Juliet Musiimenta	Senior Inspector of Schools	Member	30 th May 2024	1 st Term

1.4 Scope of the compliance inspection

The Authority carried out a compliance inspection of Rukungiri Municipal Council from 13th October to 16th October 2025. The exercise covered a sample of 11 procurement transactions inclusive of revenue collection and disposal worth UGX 802,900,343 conducted during the Financial Year 2024/25, a review of procurement structures and the procurement plan performance. The list of sampled transactions is contained under **Appendix 1** and the analysis of the population and sample is shown in Table 3 below:

Table 3: Analysis of population and sample selected for audit of FY 2024/25

Procurement method	Population value (UGX)	Sample value (UGX)	% Value	Population No.	Sample No.	% No.
Request for Quotation	839,383,039	739,520,343	88	11	8	72
Open Domestic bidding (Framework)	838,973,836	63,380,000	7.5	125	3	2.4
Micro procurement	15,992,292	-	-	3	-	-
Total	1,694,349,167	802,900,343	47.3	140	11	6.4%

1.5 Methodology

The Entity was notified about the exercise on 17th September 2025. A sample of 11 procurement transactions inclusive of disposal and revenue collection was selected using the Entity's expenditure list for the Financial Year 2024/2025.

The exercise was conducted under the supervision of the Regional Manager. During the exercise, the team reviewed the procurement plan for the Financial Year 2024/2025, reviewed records and documents for each of the 11 sampled procurement transactions.

On completion of data collection, members of the team met with various stakeholders such as the Accounting Officer, Contracts Committee members, PDU staff and user department representatives to discuss and get clarifications on some of the preliminary findings.

The Authority prepared a management letter, which was issued to the Entity on 14th November 2025 with a request to submit a management response by 28th November 2025, which was submitted on 27th November 2025. The Authority studied and considered the management response before preparing the compliance inspection report. The report presents the key findings and conclusions arising from the compliance inspection.

1.6 Reporting

The findings are identified by exception, the level of risk and the recommendation. The procurements are rated in four categories according to the weakness identified namely; high risk, medium risk, low risk and satisfactory. The definition of the risk rating is in **Appendix 3**.

CHAPTER TWO: FINDINGS AND RECOMMENDATIONS OF THE AUTHORITY

2.1. COMPLIANCE WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP. 205, AND ATTENDANT PPDA REGULATIONS CONCERNING THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT PROCESSES

2.1.1. Composition of the Contracts Committee

For the period under review, the Contracts Committee was not fully constituted and was missing one member as detailed in Table 4 below. The Authority found that at the time of the audit in October 2025, the Accounting Officer had nominated a member and was awaiting approval by the Permanent Secretary/Secretary to Treasury (PS/ST).

Table 4: Contracts Committee membership during the audit period

No.	Name	Job title	Committee position	Date of appointment	Tenure
1.	Mr. Denis Buzaabo	Senior Agricultural Officer	Chairperson	2 nd June 2025	1 st Term
2.	Mr. Davis Ahabwe	Principal Medical Officer	Secretary	16 th July 2025	1 st Term
3.	Ms. Evas Kobutungu	Senior Assistant Town Clerk	Member	1 st September 2025	1 st Term
4.	Ms. Juliet Musiimenta	Senior Inspector of Schools	Member	30 th May 2024	1 st Term

Implication

An incomplete composition of the Contracts Committee may face a challenge of lack of quorum to deliberate on procurement and disposal matters in the event one or more members is not available which may delay procurement decisions.

Management response

The fifth member of the Contracts Committee transferred her services to Rukungiri District Local Government, but the Entity has already submitted the name of another member for approval by the PS/ST.

Recommendation

The Authority noted the Entity's response and recommends that the Accounting Officer should follow-up with the PS/ST for approval of the nominated member of the Contracts Committee in accordance with Section 29 (2) of the PPDA Act, Cap. 205.

2.1.2. Failure to fully implement PPDA's previous audit recommendations

Rukungiri Municipal Council did not implement three out of the nine previous compliance inspection recommendations (33%), three out of the nine (33%) were partially implemented and three out of the nine (33%) were fully implemented for the Financial Year 2022/2023, representing a 33% non-implementation rate, contrary to Section 10 (1) (a) of the PPDA Act, Cap 205. The status of implementation is given in Table 5 below:

Table 5: Status of implementation of previous audit recommendations

No.	Recommendation	Implementation status
1.	Entity to implement 100% of its procurement plan in the subsequent financial years. In the event that the entity receives additional or less funding, the procurement plan should be revised on a quarterly basis and amended in accordance with Section 60 of the PPDA Act, Cap 205.	Not implemented
4.	Obsolete items identified and documented in the Board of Survey report ending June 2023 are subjected to disposal in accordance with Regulations 2 of the PPDA (Disposal) Regulations, 2023	Partially implemented
5.	All documentation related to the procurement process be submitted to the Procurement and Disposal Unit to enable the Unit prepare comprehensive procurement actions files in accordance with Section 33(o) of the PPDA Act, Cap. 205.	Partially Implemented
6.	The Procurement Unit should ensure competition exercised on all procurements and in accordance with Section 49 of the PPDA Act, Cap. 205.	Not implemented
7.	Supplier appraisals are conducted regularly on providers and strategies for their capacity building developed so as to stimulate competition in accordance with section 49 of the PPDA Act, Cap. 205.	Not implemented
8.	The environment, social, health and safety safeguards are included in the solicitation document and adhered to during contract execution in accordance with Section 66 of the PPDA Act, Cap. 205.	Partially implemented

Implication

Failure to implement audit recommendations raises concerns about the Entity's commitment to improve its procurement processes, addressing identified risks and ensuring accountability.

Management response

Management acknowledges the audit finding and pledges to implement all recommendations in this financial year.

Recommendation

The Accounting Officer should constitute a task force of about three staff (including the Internal Auditor) to track the implementation of the Authority's recommendations and submit an implementation status report to the Authority within the specified timeframe to improve the Entity's performance in accordance with Section 10 (2) of the PPDA Act, Cap. 205.

2.1.3. Procurement plan implementation rate

A review of the Entity's procurement plan and monthly reports for the Financial Year 2024/2025 revealed that the Entity had a total procurement plan value of UGX 2,769,470,000. The Entity procured items worth UGX 2,357,649,167 which amounted to 85.1 % of the planned procurement value and did not implement 14.9% (UGX.411,820,833) of its procurement plan for the Financial Year 2024/2025 as detailed in Table 6 below:

Table 6: Analysis of Procurement plan performance

Total procurement plan value inclusive of VAT (UGX)	2,769,470,000
Total procurement spend value inclusive of VAT (UGX)	2,357,649,167
Procurement plan implementation rate (%)	85.1%
Implementation variance (UGX)	411,820,833

The following anomaly was found from the analysis of the procurement plan implementation:

i) **Planned procurements not implemented**

The Entity did not implement 62 planned procurements worth UGX 248,443,000 (*see appendix 4*) and neither did it review and update its procurement plan contrary to Section 60 (7) of the PPDA Act, Cap. 205. There was no evidence to show that these procurements were implemented by the Entity despite being in the Entity's procurement plan for FY 2024/2025.

Implication

Not implementing planned procurements deprives the intended beneficiaries of effective service delivery which cripples national development and also defeats budgeting objectives.

Management response

Some of the major projects mentioned were done by UPDF, there was also a hybrid procurement for medical equipment under health department. Other projects were to be implemented using local revenue which was not realized as planned. However, we promise to always update our procurement plan as guided. MoU for UPDF projects and a signed contract for the hybrid procurement for medical equipment are available for verification.

Authority's comment

The Authority noted the Entity's response and verified the evidence submitted for implementation of two projects done by the UPDF amounting to UGX. 513,000,000 specifically the construction of an Administration block (Phase III) at UGX. 300,000,000 and completion of general maternity ward at Rukungiri Health Centre IV at UGX. 213,000,000 and also the third procurement for supply medical equipment for Kitimba Health Centre at UGX.150,000,000. These three procurements added up to UGX. 663,000,000 which improved the Entity's procurement plan performance to 85.1% as shown in Table 6 above.

Recommendation

The User departments should:

- i. On a quarterly basis or wherever necessary review and update their procurement plans and submit to the Procurement and Disposal Unit for consolidation in accordance with Section 60 (7) of the PPDA Act, Cap. 205; and

- ii. Make procurement budgets based on realistic revenue projections to enable the preparation of rational and realistic procurement plans in accordance with Section 60(2) of the PPDA Act, Cap. 205.

2.1.4. Irregular purchasing of commonly used items through advancing cash to staff

The Authority found that funds amounting to UGX 18,859,000 were irregularly advanced to staff to undertake 44 purchases (*see appendix 5*) of commonly used items as opposed to issuing call off orders to the providers with framework contracts in place. This was in complete disregard of Section 57 of the PPDA Act, Cap. 205 which provides for the Entity to carry out all public procurement and disposals in accordance with the rules, regulations, and guidelines issued under the Act. Furthermore, Section 60 (2) b of the PPDA Act, Cap. 205 provides for the Entity to make use of framework contracts wherever appropriate to provide an efficient, cost effective and flexible means to procure works, services, or supplies that are required continuously or repeatedly over a set period of time.

Implication

Procuring through staff increases the risk of fraud, conflict of interest, restricting competition and also compromises the achievement of value for money.

Management response

Management acknowledged the audit finding and reported that Heads of Departments were doing micro-procurement of less than UGX 1 million monthly and would report them to PDU using form 202 and pledged to use of framework contracts on repetitive supplies like stationery, fuel etc and as well implement the new laws for micro procurement.

Recommendations

The Authority noted the Entity's response and recommends as follows:

1. The Head of the Finance Department should, in accordance with Section 57 of the PPDA Act, Cap. 205, desist from advancing funds to staff to procure commonly used items in complete disregard of the rules, regulations, and guidelines issued under the PPDA Act, Cap. 205.
2. User departments should make use of the framework contracts to procure works, services or supplies that are required continuously or repeatedly over a set period of time in accordance with Section 60 (2) (b) of the PPDA Act, Cap. 205.
3. The Accounting Officer should ensure that micro procurements are handled in accordance with Regulation 23 (2) of the PPDA (Rules and Methods of procurement of supplies, works and non-consultancy services) Regulations, 2023.

2.1.5. Low bidder participation

The Authority found low bidder participation in eight procurements worth UGX 799,523,343 with an average of two bids received per procurement contrary to the required minimum of three bids as detailed in Table 7 below. This was contrary to Section 49 of the PPDA Act, Cap. 205 which provides that all procurement and disposal shall be conducted in a manner that promotes maximum competition and value for money.

Table 7: Procurements with low bidder participation

No.	Subject of procurement	Amount (UGX)	Method	Number of bidders shortlisted	Number of bids issued	Number of bids received
1.	Supply of Double Cabin Pickup for Finance Department	193,800,000	Request for Quotations	6	1	1
2.	Construction of Lined 5 stance VIP Latrine with Screens walling at Town Council P/S	31,372,719	Request for Quotation	6	2	2
3.	Construction of a 4 Stance VIP Latrine at Kitimba P/S	31,784,687	Request for Quotations	6	2	2
4.	Construction of staff room at Town Council P/S	23,983,100	Request for Quotations	6	2	2
5.	Partial Completion of Southern Division Offices	35,508,000	Request for Quotation	6	2	2
6.	Renovation of Classroom Block with Office at Rukondo P/S	36,290,434	Request for Quotations	6	2	2
7.	Renovation of Office Block phase 2	46,929,603	Request for Quotations	6	3	1
8.	Property rating Exercise	399,854,800	Request for Proposals	6	3	1
Total		799,523,343	Average			2

Implication

The low bidder participation with an average of two bids per procurement, falls short of the desired competitive standards, potentially compromising the achievement of value for money in Rukungiri Municipal Council's procurement processes.

Management Response

Management acknowledged the audit finding and reported that they normally run adverts but attracted few bidders, however the Entity shall create bidder awareness by holding meetings with all suppliers in a supplier forum to improve bidder participation as guided.

Recommendation

The Accounting Officer should organise a supplier's forum as a way of sensitizing bidders to improve the level of confidence bidders have in the procurement processes of the Entity such that they maximize competition in accordance with Section 49 of the PPDA Act, Cap. 205.

2.1.6. Non-Compliance with beneficial ownership disclosure requirements

The Authority found that in all the 11 sampled procurement and disposal transactions worth UGX 802,900,343, Rukungiri Municipal Council did not enforce the beneficial ownership disclosure requirement. Specifically, bidders were not required to disclose beneficial owner information and consequently, the Entity omitted this crucial detail in their monthly reports to the Authority. This was contrary to PPDA Circular No. 1 of 2021 that requires Procuring and Disposing Entities to submit beneficial ownership information for awarded contracts in their monthly reports to the Authority.

Implication

This non-compliance increases the risk of corruption, fraud, and tax evasion by the ultimate beneficiaries of company proceeds.

Management Response

Management acknowledged the audit finding and pledged to improve and reported that the Entity has been requesting this form and even considered it in the evaluation criteria and have started implementing it this financial year.

Authority's comment

Authority noted the Entity's response. However, there was no evidence submitted for verification to show that the beneficial ownership form was being requested for from bidders by the Entity.

Recommendation

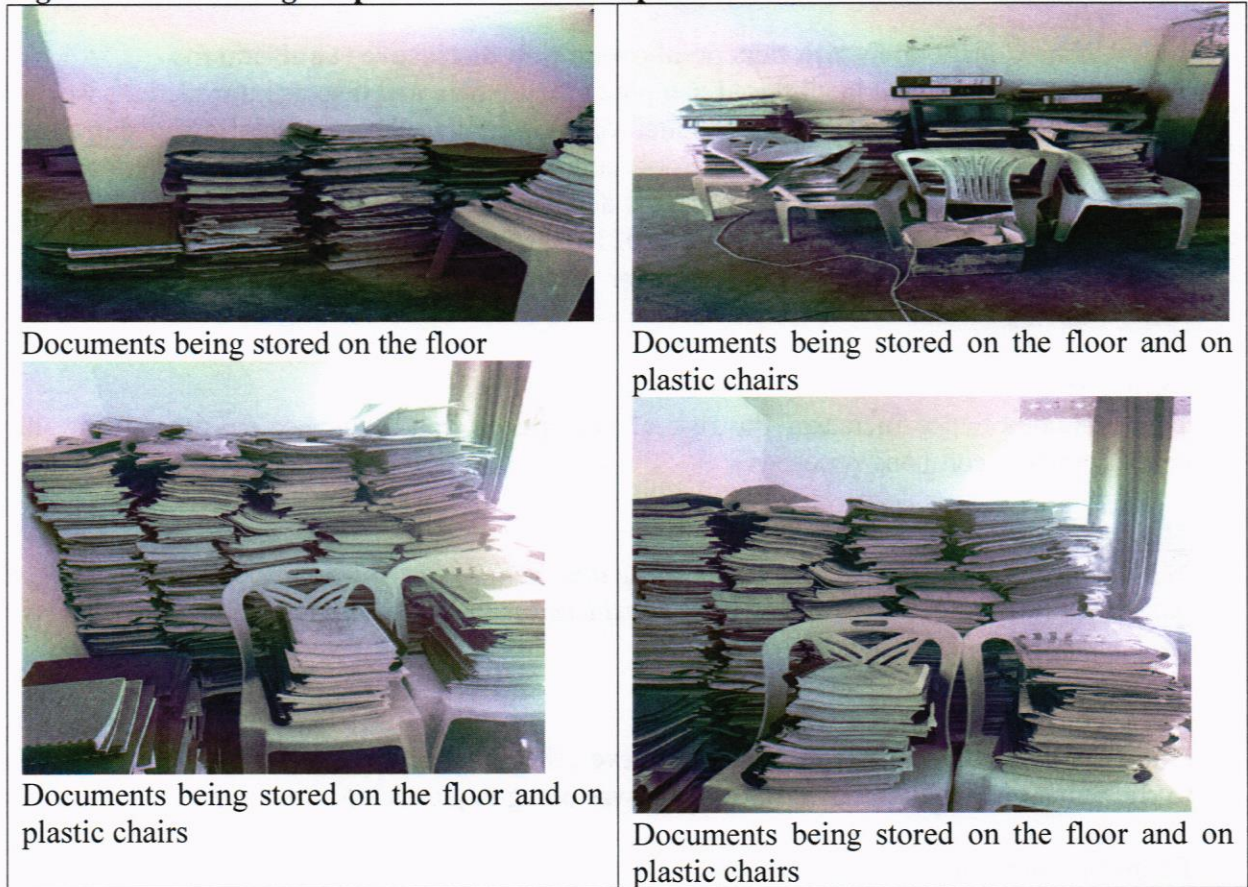
The Procurement and Disposal Unit should:

- i. Require bidders to submit beneficial owner information through bidding forms and company Form 1; and
- ii. Include particulars of beneficial owners in monthly reports submitted to the Authority in accordance with the PPDA Circular No. 1 of 2021.

2.1.7. Inadequate storage space for procurement and disposal files

The Authority observed that the Procurement and Disposal Unit lacked storage shelves and cabinets for procurement and disposal records whose seven years retention period had not yet expired. As a result, procurement and disposal records were being kept on plastic chairs and the floor as shown in Figure 1 below contrary to Section 44 (1) of the PPDA Act, Cap. 205 that requires the Procurement and Disposal Unit to maintain and archive records of the procurement and disposal process for seven years.

Figure 1: Poor storage of procurement and disposal action files as at 16th October 2025



Documents being stored on the floor

Documents being stored on the floor and on plastic chairs

Documents being stored on the floor and on plastic chairs

Documents being stored on the floor and on plastic chairs

Implication

This exposes the Entity’s procurement records to the risk of loss, damage, unauthorized access, and tampering with the contents of such records.

Management Response

Management acknowledged the audit finding and reported that they recently shifted to the new office that was under renovation and have planned for installation of office shelves in the next financial year.

Recommendation

The Authority noted the Entity's response and recommends that the Accounting Officer should provide storage facilities/shelves for the Procurement and Disposal Unit to maintain and archive records of the procurement and disposal process in accordance with Section 44 (1) of the PPDA Act Cap. 205.

2.2. COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, CAP. 205 AND PPDA REGULATIONS

The Authority found that the Entity disposed of only two of the 20 items in the disposal plan for Financial Year 2024/2025 as detailed in Table 8 below. This was because the Entity received the valuation report for the remaining items towards the end of the financial year on 19th May 2025. Consequently, the disposal process for the remaining items was conducted in FY 2025/2026.

Table 8: Obsolete assets disposed of by the Entity in FY 2024/2025

No.	Item Description	Method of disposal	Purchaser	Reserve price (UGX)	Contract value (UGX)
1.	Sale of 147 iron sheets for Administration Department	Public auction	Atuhaire Donana	1,470,000	1,911,000
2.	Sale of 115 no. long iron sheets and 97 no. short iron sheets for Rukungiri Health Centre IV	Public auction	Kamusiime Tom	1,635,000	1,635,000
	TOTAL			3,105,000	3,546,000

The Authority reviewed the disposal process for the assets disposed of by the Entity in the year under review (FY 2024/2025) and found this area to be **Satisfactory**.

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

The following anomalies were found at contract management:

2.3.1. Execution of works on expired contracts

The Authority found that in four procurements worth UGX 514,447,556, contract managers failed to ensure works were completed before contract expiry and neglected to extend the contract periods prior to expiry. This resulted in works being completed after their contracts had expired, contrary to Regulation 52 (3) (vi) of the PPDA (Contracts) Regulations, 2023. The procurements are detailed in Table 9 below:

Table 9:Procurements with execution of works on expired contracts

No.	Procurement Subject	Amount (UGX)	Findings
1.	Renovation of office block phase 2	46,929,603	Extension of an already expired contract: The intended completion date stated in Article 5 of the agreement was 2 nd December 2024 i.e. 2 months within the calendar days starting 2 nd October 2024. However, a request to extend the contract period by 60 days was dated 29 th November 2024 and received by PDU on 2 nd December 2024. The Contracts Committee sat on 5 th December 2024 (3 days after expiry of contract) and approved the request for contract extension to 2 nd February 2025 despite the contract having expired on 2 nd December 2024.
2.	Construction of Lined 5 stance VIP latrine with Screen walling at Town Council P/S	31,372,719	Extension of an already expired contract: The intended completion date stated in Article 5 of the agreement was 10 th February 2025 i.e. 2 months within the calendar days starting 10 th December 2024. However, a request from the contractor to extend the contract period was dated 10 th February 2025, the Contracts Committee sat on 13 th February (3 days after expiry of contract) and approved the extension to 20 th March 2025 despite the contract having already expired on 10 th February 2025.
3.	Property rating exercise for Rukungiri Municipal	399,854,800	Execution of services on an expired contract: Clause GCC 18.1 of the contract signed on 21 st November 2024, provided for completion of services within 6 months following commencement of the services. Clause GCC 8.1 stated commencement as one week from contract signing i.e. 28 th November 2024. Therefore, the contract expired on 28/5/2025. However, according to the contract management report

No.	Procurement Subject	Amount (UGX)	Findings
			dated 26 th June 2025, the services had been completed a month after expiry of the contract without any evidence of contract extension by the Contracts Committee.
4.	Renovation of classroom block with office at Rukondo P/S	36,290,434	Execution of works on expired contract: Clause GCC 17.1 of the contract had an intended completion period of 2 months. The contract was signed on 19 th March 2025 with an intended completion date of 19 th May 2025. However, according to an inspection report dated 10/6/2025, the contract was completed on 9 th June 2025 i.e. 20 days after expiry of contract with no evidence of contract extension by the Contracts Committee.
	TOTAL	514,447,556	

Implication

The Entity had no contractual obligation with the above providers and as such could be exposed to a risk of abandoned works without a fallback position.

Management response

The contractors requested for extension of the contracts on the date of expiry; however, the Contracts Committee approved the request after 3 days. This was an oversight and it's noted for improvement. Extension letters are available for verification.

Recommendations

The Authority noted the Entity's response and recommends as follows;

1. The Accounting Officer should ensure that contracts are renewed prior to their expiry. Similarly, contract managers should keep track of contract expiry timelines and initiate the process of contract renewal in time, in accordance with Regulation 52 (3) (e) of the PPDA Contracts Regulations 2023.
2. Contracts Committee should effectively play their oversight role and desist from extending already expired contracts in accordance with Section 30 (a) of the PPDA Act, Cap. 205.

2.3.2. Delayed contract completion

The Authority found that in five procurements worth UGX 581,740,243, contractors failed to complete the works within the initial contractual periods stated in the contract leading to delays in completion of contracts contrary to Regulation 52 (3) (i) of the PPDA (Contracts) Regulations, 2023 as detailed in Table 10 below.

Table 10: Procurements with delayed contract completion

No.	Procurement Subject	Contractor	Original Contract End Date	Actual Completion Date	Delay (Days)
1.	Construction of lined 5 stance VIP Latrine with screen walling at Town Council P/S worth UGX 31,372,719	Tesha Engineering and Supplies Ltd	10/2/2025	20/3/2025	38
2.	Construction of a 4 stance VIP latrine at Kitimba P/S worth UGX 31,784,687	NUATU Consults Ltd	19/5/2025	30/6/2025	42
3.	Partial completion of Southern Division Offices worth UGX 35,508,000	Rugunika Investments Ltd	19/5/2025	30/6/2025	42
4.	Renovation of classroom block with office at Rukondo P/S worth UGX 36,290,434	Mugumya Engineering Services Ltd	19/5/2025.	9/6/2025	21
5.	Renovation of office block phase 2 worth UGX 46,929,603	Hummer Consults Co. Ltd	2/12/2024	28/01/2025	57
6.	Property rating exercise for Rukungiri Municipality worth UGX 399,854,800	Peak Valuers and Surveyors	28/5/2025	26/6/2025	29

Implication

Failure to complete contracts within the specified contract period led to delayed service delivery to the intended beneficiaries.

Management response

The above contracts delayed to commence due to delayed handover of sites by responsible officers. According to the contract agreement, contract period starts from commencement dates. However, these contracts were extended and completed within the extended contract period. Letters extending the contracts available for verification.

Authority's comment

The Authority maintained this query because the projects failed to achieve their initial intended completion periods and as such led to delayed service delivery to the intended beneficiaries. Furthermore, four of the above projects were executed on expired contracts as seen in query 2.3.1 contrary to what is stated in the Entity's management response regarding extension of the contracts.

Recommendation

Contract Managers should always ascertain that contracts are executed and delivered within the intended completion period in accordance with the terms and conditions of the contract and in line with Regulation 52 (3) (i) of the PPDA (Contracts) Regulations, 2023.

2.3.3. Payment of contract contingency funds without accountability for unforeseen works

The Authority found that the Entity made payments worth UGX 3,357,850 from the contract contingency funds without proof and accountability for any unforeseen works in two procurements worth UGX 83,220,037 as shown in Table 11 below. This was contrary to Regulation 48 (2) of the PPDA (Contracts) Regulations, 2023 that deters Entities from making payment without proof of actual works or services completed. A review of the contract management reports indicated that no unexpected costs were incurred by the contractors during implementation of these works.

Table 11: Payment from contingency funds without accountability

No.	Procurement Subject	Contractor	Contract Amount (UGX)	Contingencies Paid (UGX)
1.	Renovation of classroom block with office at Rukondo P/S	Mugumya Engineering Services Ltd	36,290,434	1,464,000
2.	Renovation of office block phase 2	Hummer Consults Co. Ltd	46,929,603	1,893,850
	Total		83,220,037	3,357,850

Implication

Payment of public funds without an equivalent of works done exposes public resources to a risk of financial loss worth UGX 3,357,850.

Management response

Concerning release of contingency, instructions were given prior to use of contingency funds. Attached are the instructions given.

Authority's comment

The Authority noted the Entity's response. However, no evidence was submitted for verification as stated.

Recommendation

The Accounting Officer should task the Contract Managers, Mr. Hangson Nuwamanya and Ms. Merinah Kekiijo for the above-mentioned contracts to show cause as to why disciplinary action should not be taken against them for certifying payments from the contingency funds without accountability.

2.3.4. Weak contract management

The Authority found weak contract management by contract managers in three contracts worth UGX 447,929,234 contrary to Regulation 52 of the PPDA (Contracts) Regulations, 2023 that provides for contract managers adequately managing the assigned contracts. The procurements are as detailed in Table 12 below:

Table 12: Procurements with weak contract management.

No.	Procurement subject	Amount (UGX)	Observation
1.	Renovation of classroom block with office at Rukondo P/S	36,290,434	Inadequate contract monitoring: The works that ran for a period of 3 months were only inspected once as evidenced by one undated supervision progress report. There was no evidence to show that the contract supervisor carried out regular monitoring, on a monthly basis, of the project to ascertain the progress of the works on the site. This is further evidenced by a recommendation from the contract supervisor in a final inspection report dated 10 th June 2025 (when the contract had already been completed on 9 th June 2025) recommending for a more rigorous monitoring system to track progress against revised schedules. Furthermore, the issue identified in the final inspection regarding a requirement for the contractor to submit material test results should have been captured and enforced a lot earlier as the works progressed, had there been adequate contract monitoring, as opposed to after the completion of the contract.
2.	Property rating exercise for Rukungiri Municipality	399,854,800	No evidence to show fulfillment of contractual obligations: <ul style="list-style-type: none"><li data-bbox="922 1330 1449 1621">i. There was no evidence on file to show that the Consultant had made the required deliverables as stated in the contract i.e. Final acceptable inception report, Draft property valuation report and approved valuation report and end of assignment report.<li data-bbox="922 1621 1449 1910">ii. No evidence of making payments to the consultant as per payment schedule in the contract. According to the contract, Payment was tied to agreed deliverables i.e. 40% upon final acceptable inception report, 30% on submission of draft evaluation

No.	Procurement subject	Amount (UGX)	Observation
			<p>report, final assessment report and 30% on submission of approved valuation report and end of assignment report. The Entity was responsible for procuring a consultant and submitting invoices for the Ministry of Local Government to process payment for the consultant. However, there is no evidence on file to show that the contract manager submitted invoices for payment.</p>
3.	Revenue collection and management of street parking fees	11,784,000	<p>Failure to realize planned revenue collections:</p> <p>A review of the performance report for the Street parking fees revealed that for the FY 2024/2025, the revenue source performed at only 29% of the estimated budget. The Entity was only able to realize UGX 3,414,400 of the estimated/budgeted UGX 11,784,000. The Authority noted that the provider, Fueless Company Ltd, was not remitting as required without any justification given. This was despite a contract management report from the contract supervisor indicating that the provider was not fulfilling the contractual obligation regarding the payment of 80% collection to Divisions. However, there was no evidence to show that the Accounting Officer had followed up with the provider so as to remit the outstanding arrears of UGX 8,369,600 to the Entity.</p>
	TOTAL	447,929,234	

Implication

Weak contract management exposes the Entity to a risk of shoddy works, failure to fulfill contractual obligations by both the Entity and provider, under collection of projected revenues and delays in completion of contracts all which hinder effective service delivery to the intended beneficiaries.

Management response

Contract management of the above procurements was done adequately. Progress reports and monthly meetings were held as required by PPDA Regulations; however, they were filed differently on contract manager's files. Copies are available for verification.

Authority's comment

The Entity only submitted for verification, progress reports and site meeting minutes for a project that was not part of the procurements stated in Table 12. i.e. Construction of 5 stances VIP latrine with urinal at Town Council Primary School. The query was therefore maintained.

Recommendation

Contract managers should strengthen their contract management so as to ensure that they promptly fulfill their duties and responsibilities with regard to contract management as stipulated in Regulation 52 of the PPDA (Contracts) Regulations, 2023.

2.3.5. Delayed payment of providers

The Authority found that at the time of the inspection in October 2025, there was no evidence on file to show that the Entity paid providers within 30 days of certification of their payment claims in two procurements worth UGX55,767,787, despite the works being completed. This was contrary to Clause 52.1 of the General Conditions of the Contracts as detailed in Table 13 below.

Table 13: Procurements with delayed payments

No.	Subject of Procurement	Provider	Amount (UGX)	Certification Date	Payment Date	Length of delay
1.	Construction of 4 stance VIP Latrines at Kitimba P/S	Nuatu Consults Ltd	31,784,687	Works completed on 30/6/2025	2/9/2025	34 days
2.	Construction of staff room at Town Council P/S	Kinombe Nyarunzinga Construction Ltd	23,983,100	Works completed in June 2025	No evidence of payment	90 days
TOTAL			55,767,787	AVERAGE DAYS		62

Implications

- This cripples the cash flow of Contractors/Providers that deal with Government and discourages bidder participation in public procurement.
- The Entity is at risk of litigation for failing to fulfil the contractual obligation on payments as well as payment of hefty interests incurred on overdue payments to providers.

Management Response

There was delay to release local revenue for both projects, but later, money was released and payments were made.

Authority's comment

The Entity did not submit evidence to show the delay in release of local revenue as stated in the management response. Furthermore, the Entity did not submit any evidence to show that Kinombe Nyarunzinga Construction Ltd was paid for the construction of a staff room at Town Council P/S worth UGX 23,983,100. The query was therefore maintained.

Recommendations

1. Contract managers should ascertain that the Entity meets all the payment obligations in accordance with the terms and conditions of a contract following Regulation 52 (3) (a) (iii) of the PPDA (Contracts) Regulations, 2023.
2. The Accounting Officer should ensure that payments to providers are made within 30 days, or a period stated in the special conditions of contract, from certification of the invoices in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall compliance inspection conclusion

The performance of Rukungiri Municipal Council for the Financial Year 2024/2025 was moderately satisfactory with an overall weighted average risk rating of 39.9%.

3.2 Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 14 below:

Table 14: Entity's performance

Risk Rating	No.	% No.	Value (UGX)	% Value	Weights	Total Score	
						By No.	By Value
High	3	27.3	130,143,640	16.2	0.6	16.38	9.72
Medium	2	18.1	336,084,916	41.9	0.3	5.43	12.57
Low	3	27.3	91,275,787	11.4	0.1	2.73	1.14
Satisfactory	3	27.3	245,396,000	30.5	0.0		
Total	11	100	802,900,343	100	1	24.54	23.43

$$\text{Weighted Average (By No.)} = \frac{\text{Sum of weighted score}}{60} \times 100 = \frac{24.54}{60} \times 100 = 40.9\%$$

$$\text{Weighted Average (By Value)} = \frac{\text{Sum of Weighted score}}{60} \times 100 = \frac{23.43}{60} \times 100 = 39.05\%$$

$$\text{Overall Weighted Average Risk Rating} = \frac{40.9 + 39.05}{2} = 39.9\%$$

Since 39.9% falls within the 31-70% risk range, the performance of the Entity is rated **Moderately Satisfactory** as detailed in Table 15 below:

Table 15: Risk rating

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

Graphical Representation

Figure 1: Risk Rating by Number

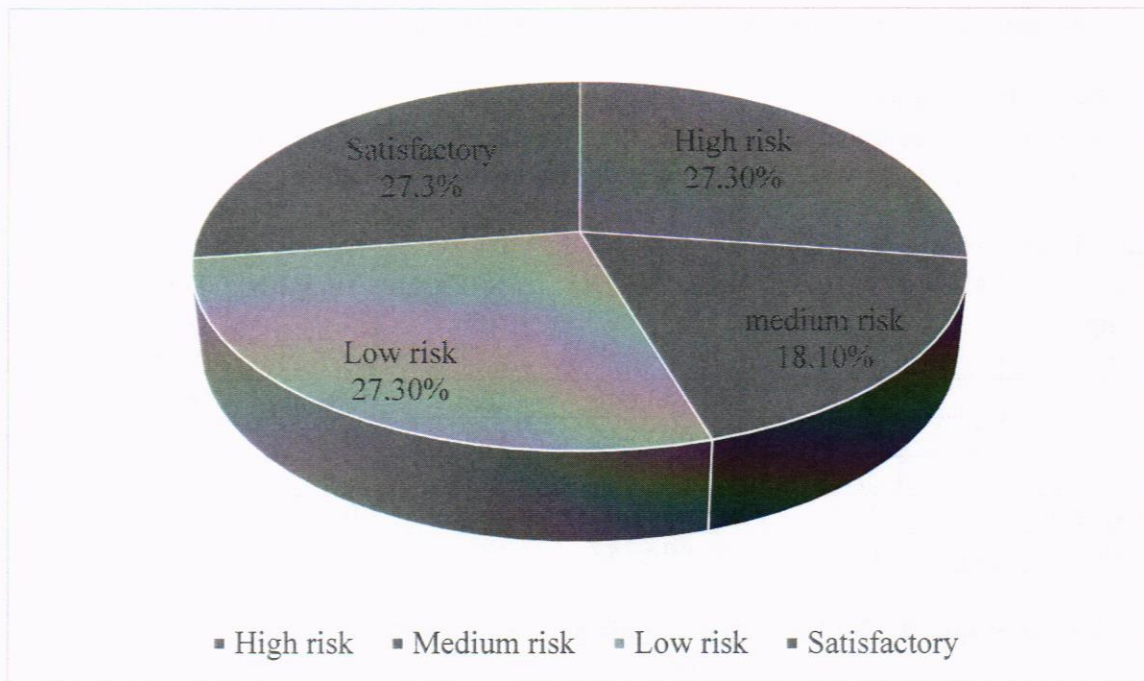
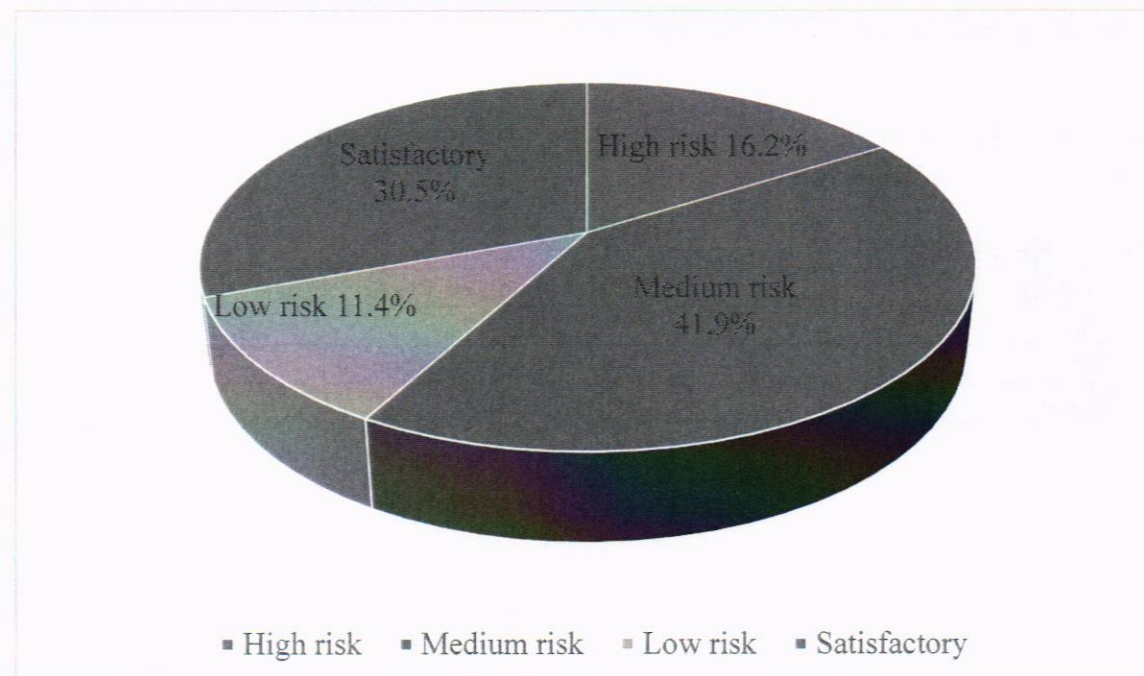


Figure 2: Risk Rating by value



3.3 Recommended Action Plan

The Entity should implement the following recommendations in Table 16 below within the timeframe given in order to improve its performance.

Table 16: Recommendation action plan

No.	Recommended Action to the Accounting Officer	Target Date
1.	<p>The Accounting Officer should:</p> <ul style="list-style-type: none"> i. Constitute a task force of about three staff (including the Internal Auditor) to track the implementation of the Authority’s recommendations and submit an implementation status report to the Authority within the specified timeframe to improve the Entity’s performance in accordance with Section 10 (2) of the PPDA Act, Cap. 205; ii. Task the User Departments and Procurement and Disposal Unit to regularly review and update the procurement plan quarterly in accordance with Section 60 (7) of the PPDA Act, Cap. 205; iii. Follow up with the Permanent Secretary Ministry of Finance, Planning and Economic Development to ensure that the nominated Contracts Committee member by the Entity is approved in accordance with Section 29(2) of the PPDA Act, Cap.2025; iv. Task the Contract Managers, Mr. Hangson Nuwamanya and Ms. Merinah Kekijjo, for the renovation of classroom block with office at Rukondo P/S worth UGX 36,290,434 and renovation of office block phase 2 worth UGX 46,929,603, to show cause as to why disciplinary action should not be taken against them for certifying payments from the contingency funds worth UGX. 1,464,000 and UGX. 1,893,850 respectively without accountability; v. Organize a supplier’s forum as a way of sensitizing bidders to improve their level of confidence in the procurement processes of the Entity so as to maximize competition in accordance with Section 49 of the PPDA Act, Cap.205; vi. Ensure that contracts are renewed prior to their expiry. Similarly, contract managers should keep track of contract expiry timelines and initiate the process of contract renewal in time, in accordance with Regulation 52 (3) (e) of the PPDA Contracts Regulations 2023. 	June 2026

No.	Recommended Action to the Accounting Officer	Target Date
	vii. Ensure that payments to providers are made within 30 days, or a period stated in the contract from certification of invoices in accordance with Regulation 49 (3) of the PPDA (Contracts) Regulations, 2023;	
2.	The Head Procurement and Disposal Unit should include particulars of Beneficial ownership information in the bidding forms, company Form and in the monthly procurement and disposal reports being submitted to the Authority in accordance with PPDA Circular No. 1 of 2021;	June 2026
3.	Contracts Committee should effectively play their oversight role and desist from extending already expired contracts in accordance with Section 30(a) of the PPDA Act, Cap.205;	June 2026
4.	<p>Contract managers should:</p> <ul style="list-style-type: none"> i. Strengthen their contract management so as to ensure that they promptly fulfill their duties and responsibilities with regard to contract management as stipulated in Regulation 52 of the PPDA (Contracts) Regulations, 2023; ii. Always ascertain that contracts are executed and delivered within the intended completion period in accordance with the terms and conditions of the contract and in line with Regulation 52 (3) (i) of the PPDA (Contracts) Regulations, 2023. iii. iv. Ascertain that that the Entity meets all the payment obligations in accordance with the terms and conditions of a contract following Regulation 52 (3) (a) (iii) of the PPDA (Contracts) Regulations, 2023. 	June 2026
5.	The Head of the Finance Department should, in accordance with Section 57 of the PPDA Act, Cap. 205, desist from advancing funds to staff to procure commonly used items in complete disregard of the rules, regulations, and guidelines issued under the PPDA Act, Cap. 205.	June 2026
6.	User departments should make use of the framework contracts to procure works, services or supplies that are required continuously or repeatedly over a set period of time in accordance with Section 60 (2) (b) of the PPDA Act, Cap. 205.	June 2026

APPENDICES

Appendix 1: Rukungiri Municipal Council sample list and Risk Rating for the Financial Year 2024/2025

No.	Procurement Reference	Subject of procurement	Method of procurement	Provider	Contract value (UGX)	Risk Rating
1.	Ruku729/SRVCS/24-25/00001	Property rating Exercise	Quotation method	Peak Valuers and Surveyors	339,854,800	High risk
2.	Ruku729/WRKS/24-25/00001	Renovation of office block (Phase II)	Quotation method	Hummer Consults Co. Ltd	46,926,603	High risk
3.	Ruku729/SUPLS/24-25/00002	Supply of a Double Cabin Pickup for Finance Department	Quotation method	MAC East Africa	193,800,000	Satisfactory
4.	Ruku729/WRKS/24-25/00003	Construction of lined 5 stance VIP Latrine with screen walling at Town Council P/S	Quotation method	Tesha Engineering and Supplies Ltd	31,372,719	Medium risk
5.	Ruku729/WRKS/24-25/00006	Construction of a 4 stance VIP Latrine at Kitimba P/S	Quotation method	Nuatu Consults Ltd	31,784,687	Medium risk
6.	Ruku729/WRKS/24-25/00004	Renovation of a 4-class room block with office at Rukondo	Quotation Method	Mugumya Engineering Services Ltd	36,290,434	High Risk
7.	Ruku729/WRKS/24-25/00008	Construction of staff room at Town Council Primary School	Quotation Method	Kinombe Nyarunzinga Construction Ltd	23,983,100	Low Risk
8.	Ruku729/WRKS/24-25/00007	Partial Completion of Southern Division Offices	Quotation Method	Rugunika Investments Ltd	35,508,000	Low Risk
9.	Ruku729/SUPLS/24-25/0002/11	Gravel for Rukuru Road	Framework Contract L.P.O.No.329	Contra General Supplies	49,685,000	Satisfactory
10.	Ruku729/srvcs/2024-2025/0006	Revenue collection and management of street parking fees	Open bidding	Fueless Company Ltd	11,784,000	Low risk
11.	RUKU/Disp/2024-2025/	Sale of 147 no. iron sheets for Administration Department	Public bidding	Atuhaire Donana	1,911,000	Satisfactory
Total					802,900,343	

Appendix 2: Reasons for risk rating

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	<p>Reference no: Ruku/729/WRKS/24-25/00004</p> <p>Subject: Renovation of a 4-Class room block with office at Rukondo P/S</p> <p>Method of procurement: Quotation Method</p> <p>Contractor: Mugumya Engineering Services Ltd</p> <p>Contract amount: 36,290,434</p>	<ul style="list-style-type: none"> • Execution of works on expired contract. • Payment of Contingency without evidence of unforeseen works (accountability). Payment of public funds without an equivalent of works done exposed public resources to a risk of financial loss worth UGX 1,464,000. • Delayed contract completion • Weak contract management.
2.	<p>Reference no: Ruku729/SRVCS/24-24/00001</p> <p>Subject: Property rating Exercise</p> <p>Method of procurement: Quotation Method</p> <p>Contractor: Peak Valuers and Surveyors</p> <p>Contract amount: 339,854,800</p>	<ul style="list-style-type: none"> • Execution of services on an expired contract • Delayed contract completion • Weak contract management (No evidence to show fulfillment of contractual obligations) <ul style="list-style-type: none"> ✓ There was no evidence on file to show that the Consultant had made the required deliverables as stated in the contract i.e. Final acceptable inception report, Draft property valuation report and approved valuation report and end of assignment report. ✓ No evidence of making payments to the consultant as per payment schedule in the contract.
3.	<p>Reference no: Ruku729/WRKS/24-25/00001</p> <p>Subject: Renovation of office block (Phase II)</p> <p>Method of procurement: Quotation Method</p> <p>Contractor: Hummer Consults Ltd</p> <p>Contract amount: 46,926,603</p>	<ul style="list-style-type: none"> • Extension of an already expired Contract. • Payment of Contingency without evidence of unforeseen works (accountability). Payment of public funds without an equivalent of works done exposed public resources to a risk of financial loss worth UGX 1,893,850. • Low bidder participation
	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	<p>Reference no: Ruku/729/WRKS/24-25/00006</p> <p>Subject: Renovation of a 4- stance VIP Latrine at Kitimba P/S</p>	<ul style="list-style-type: none"> • Low bidder participation • Delayed contract completion • Delayed payment

	<p>Method of procurement: Quotation Method</p> <p>Contractor: Nuatu Consults Ltd</p> <p>Contract amount: 31,784,687</p>	
2.	<p>Reference no: Ruku/729/WRKS/24-25/00003</p> <p>Subject: Construction of 5 stance lined VIP Latrine with screen walling at Town Council P/S</p> <p>Method of procurement: Quotation Method</p> <p>Contractor: Mugumya Engineering Services Ltd</p> <p>Contract amount: 36,290,434</p>	<ul style="list-style-type: none"> • Extension of already expired contract • Delayed contract completion • Low bidder participation
LOW RISK CONTRACTS		REASONS FOR LOW RISK
1.	<p>Reference no: Ruku729/WRKS/24-25/00008</p> <p>Subject: Construction of staff room at Town Council P/S</p> <p>Method of procurement: Quotation Method</p> <p>Contractor: Kinombe Nyarunzinga Construction Ltd</p> <p>Contract amount: 23,983,100</p>	<ul style="list-style-type: none"> • Delayed payment
2.	<p>Reference no: Ruku729/WRKS/24-25/00007</p> <p>Subject: Partial Completion of Southern Division Offices</p> <p>Method of Procurement: Quotation Method</p> <p>Contractor: Rugunika Investments Ltd</p> <p>Contract Amount: 35,508,000</p>	Delayed contract completion
3.	<p>Reference no: Ruku729/srvcs/2024-2025/0006</p> <p>Subject: Revenue collection and management of street parking fees</p> <p>Method of procurement: Open Domestic Bidding</p> <p>Contractor: Fueless Company Ltd</p> <p>Contract amount: 11,784,000</p>	Failure to realize planned revenue collections
SATISFACTORY CONTRACTS		REASONS FOR SASTISFACTORY
1.	<p>Reference no:</p> <p>Subject: Sale of 147 no. iron sheets for Administration Department</p> <p>Method of procurement: Public Bidding</p>	No exceptions noted.

	Contractor: Atuhaire Donna Contract amount: 1,911,000	
2.	Reference no: Ruku729/SUPLS/24-25/0002/11 Subject: Gravel for Rukuru Road Method of procurement: Open Domestic Bidding Contractor: Contra General Supplies Contract amount: 49,685,000	No exceptions noted
3.	Reference no: Ruku729/SUPLS/24-25/00002 Subject: Supply of Double Cabin Pickup for Finance Department Method of procurement: Quotation Method Contractor: MAC East Africa Contract amount: 193,800,000	No exceptions

Appendix 3: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
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".	Planning: Lack of or failure to procure within the approved plan	This implies emergencies and use of the direct procurement method which affects competition and value for money.
		Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals and usurping the powers of the PDU.	This implies use of less competitive methods which affects transparency, accountability and value for money.
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation document, submitted	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.

RISK	DESCRIPTION	AREA	IMPLICATION
		bids, evaluation report and contract.	
		Fraud/forgery: Falsification of Documents	This implies lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.	Planning: Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		Bidding Process: Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	This implies lack of efficiency, standardisation and avoiding competition.
		Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management:	This leads to unjustified contract amendment and variations which lead to unjustified delayed

RISK	DESCRIPTION	AREA	IMPLICATION
		<p>Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.</p>	<p>contract completion and lack of value for money. Bidders are not given the right of appeal.</p>
		<p>Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety.</p> <p>Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.</p>	
LOW	<p>Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.</p>	<p>Planning: Lack of procurement reference numbers.</p>	<p>This leads to failure to track the procurements which leads to poor record keeping.</p>
		<p>Bidding Process: Not signing the Ethical Code of Conduct</p>	<p>This leads to failure to declare conflict of interest and lack of transparency.</p>
SATISFACTORY	<p>Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during</p>	<p>N/A</p>	<p>N/A</p>

RISK	DESCRIPTION	AREA	IMPLICATION
	the conduct of the procurement process based on the records available at the time.		

Appendix 4: Planned procurements not implemented by the Entity.

No.	Procurement subject	Planned value (UGX)
	Education	
1.	Sports uniforms and trophies	1,000,000
2.	Staff welfare	1,000,000
3.	Office chair	700,000
4.	Computer maintenance	1,000,000
	PRODUCTION	
5.	Assorted stationery	2,000,000
6.	ICT Equipment repair and maintenance	400,000
	ADMINISTRATION	
7.	Supply of office stationery, printed stationery, and other small office equipment	15,000,000
8.	Uniforms for enforcement of staff	3,000,000
9.	Accommodation and catering services	9,000,000
10.	Supply of desktop computers and heavy-duty printer for records section	13,334,000
	PUBLIC HEALTH	
11.	Procurement stationery	1,200,000
12.	Small office equipment	1,200,000
13.	Cleaning materials	1,200,000
14.	ICT Repairs and Maintenance	1,600,000
15.	Dirty works	2,000,000
16.	Maintenance of latrines at Headquarters	2,000,000

No.	Procurement subject	Planned value (UGX)
WESTERN DIVISION		
17.	Compound maintenance	1,500,000
18.	Procurement of stationery and other small office equipment	3,500,000
19.	Repair and servicing of computers	2,500,000
20.	Supply and installation of lightening arrestors	2,500,000
21.	Maintenance of water springs	3,200,000
EASTERN DIVISION		
22.	Procurement of a desktop and its accessories	2,000,000
23.	Rehabilitation of 4 water springs in all wards	3,920,000
24.	Purchase of stationery	5,000,000
25.	Purchase of curtains and furniture for Finance Department	2,500,000
26.	Supply of milk	2,232,000
27.	Lorry Park levelling	10,000,000
SOUTHERN DIVISION		
28.	Stationery	4,000,000
29.	Payment of house rent for division offices	4,200,000
30.	Utilities	2,000,000
31.	Procurement of protective tools	750,000
32.	Rehabilitation of water sources	1,000,000
STATUTORY BODIES		
33.	Repair and servicing of council computers and its accessories	800,000
34.	Provision of break tea and one time lunch	8,240,000
35.	Office stationery (Papers, Envelopes)	1,470,000
INFORMATION COMMUNICATON TECHNOLOGY		
36.	Data projector and its projection screen	4,000,000
37.	Laptop computer for Deputy Town Clerk	2,500,000

No.	Procurement subject	Planned value (UGX)
38.	Replacement of batteries for IFMIS computers	6,720,000
39.	Maintenance and servicing of IFMIS computers	4,480,000
40.	Repair of IFMIS printer	3,000,000
41.	Maintenance and service of computers and accessories in Administration and Council	3,840,000
42.	Purchase of ICT accessories (Printer, toner, cartridges, mouse, keyboards, VGA & Power cables among others)	400,000
	COMMUNITY BASED SERVICES	
43.	Purchase of office stationery	800,000
44.	Repair and maintenance of computers and printers	800,000
45.	Printer cartridge refill	800,000
46.	Uniforms	200,000
47.	Cupboards	400,000
48.	Motorcycle repair	120,000
49.	Radio announcement	400,000
	AUDIT	
50.	Stationery	700,000
51.	Office Equipment	500,000
52.	Motorcycle maintenance	700,000
	FINANCE	
53.	Retooling purchase of 2 computers and their accessories	7,000,000
	ENGINEERING	
54.	Steel bars 12mm	57,750,000
55.	Steel bars 16mm	19,964,000
56.	Rings R8	2,250,000
57.	Binding wire	3,750,000

No.	Procurement subject	Planned value (UGX)
58.	Tonner/Stationery/Minor repairs	4,723,000
TRADE, INDUSTRY AND LOCAL ECONOMIC DEVELOPMENT		
59.	Multi-function printer	2,000,000
60.	Office shelves	2,000,000
61.	Reams of printing papers	1,200,000
62.	Box files	500,000
	Total	248,443,000

NB: Three procurements were dropped from the above table since the Entity provided evidence of their implementation. These were construction of an Administration block (Phase III) at UGX. 300,000,000, Completion of general maternity ward at Rukungiri Health Centre IV at UGX. 213,000,000 and Procurement of medical equipment for Kitimba Health Centre. These three procurements added up to UGX. 663,000,000 which reduced the unimplemented procurement figure from UGX. 911,443,000 to UGX. 248,443,000.

Appendix 5: Funds advanced to staff to irregularly purchase common user items

No.	Payment Date	Name of staff	Amount (UGX)	Activity/Description
1.	11-JUN-2025	Musiimenta Juliet	833,000	For purchase of sports shoes for national ball games for Girl's net ball team
2.	30-APR-2025	Nuwasiima Mercy	1,000,000	Refund for purchase of color printer for works department
3.	04-MAR-2025	Hilda Nassazi	100,000	Purchase of stationery for PCDO office
4.	11-MAR-2025	Shallot Asiimwe	186,000	Purchase of welfare items for TILED section
5.	22-OCT-2024	Boonabaana Irene	995,000	purchase of office stationery
6.	22-MAY-2025	Philimon Ndyamuhaki	309,000	purchase of veterinary demonstration equipment
7.	10-DEC-2024	Cosmas Mugabiirwe	862,000	Funds for purchase of payroll printing accessories Q1
8.	11-JUN-2025	Tayebwa Grace	106,000	Purchase of office equipment (box files and staple wires)
9.	26-NOV-2024	Nuwasiima Mercy	400,000	purchase and repairs of a laptop computer
10.	11-JUN-2025	Musiimenta Juliet	990,000	For purchase of sports shoes for national ball games

No.	Payment Date	Name of staff	Amount (UGX)	Activity/Description
11.	11-JUN-2025	Cosmas Mugabiirwe	328,000	SHRO for purchase of stationery
12.	22-MAY-2025	Twesigomwe Johnbosco	100,000	Purchase of small office equipment Q4 FY2024/2025
13.	16-SEP-2024	Tibigambwa Dickson	100,000	Small office equipment purchase
14.	22-MAY-2025	Tumuhimbise Annet	560,000	Purchase of small office equipment for Engineering dept
15.	01-AUG-2024	Nuwasiima Mercy	900,000	purchase of toner cartridges
16.	29-MAY-2025	Tayebwa Grace	420,000	purchase of office furniture for trade dept
17.	22-MAY-2025	Michael Kamugabirwe	116,000	Purchase of office small equipment/tools
18.	25-JUN-2025	Katabazi Alfred Mutuza	900,000	Purchase of Dustbins for facilitation sanitation and hygiene in schools
19.	09-JAN-2025	Owoyesigire Perry	100,000	purchase of office stationery
20.	07-OCT-2024	Kanyesigye Boaz	240,000	Purchase of stationery
21.	29-AUG-2024	Alex Ahimbisibwe	900,000	purchase of stationery
22.	10-DEC-2024	David Saasi	230,000	Rare bakes purchase and fitting UG 7132M
23.	04-SEP-2024	Kanyesigye Boaz	80,000	purchase of stamp for health educator
24.	17-OCT-2024	Owoyesigire Perry	100,000	purchase of office stationery
25.	15-MAY-2025	Tayebwa Grace	88,000	purchase of office equipment for trade dept
26.	26-NOV-2024	Nuwasiima Mercy	400,000	Purchase of a toner cartridge HP LaserJet pro m404 dn printer for Health dept
27.	19-AUG-2024	Karugaba Alex	375,000	purchase of padlocks for revenue mobilization
28.	10-DEC-2024	Batabire Mary	300,000	Purchase of cleaning materials
29.	17-DEC-2024	Boonabaana Irene	750,000	purchase of cartridges for Engineering Dept
30.	11-MAR-2025	Nuwasiima Mercy	1,000,000	Purchase of a multifunction LaserJet Printer for TILED dep
31.	04-MAR-2025	Mbabazi Florence	70,000	purchase of office cleaning equipment
32.	22-MAY-2025	Tumuhimbise Annet	300,000	Purchase of small office Equipment for Engineering dept

No.	Payment Date	Name of staff	Amount (UGX)	Activity/Description
33.	04-MAR-2025	Tibigambwa Dickson	100,000	Purchase of small office equipment CDO office
34.	26-FEB-2025	Tumuhimbise Annet	730,000	Purchase of small office equipment for Engineering dept
35.	26-FEB-2025	Tumuhimbise Annet	566,000	Purchase of stationery for Engineering dept
36.	07-OCT-2024	Saphirah Akankunda	140,000	Purchase of electric cables, socket and plug
37.	01-AUG-2024	Nuwasiima Mercy	400,000	purchase of toner cartridge for Admin. Dept
38.	16-SEP-2024	Tibigambwa Dickson	100,000	purchase of stationery
39.	20-JUN-2025	Tumuhimbise Annet	990,000	Purchase of small office equipment for Works dept
40.	09-JAN-2025	Owoyesigire Perry	100,000	purchase of office stationery
41.	10-APR-2025	Tayebwa Grace	100,000	Purchase of stationery
42.	19-AUG-2024	Muwonge Paul	500,000	Purchase of office stationery
43.	26-FEB-2025	Muwonge Paul	495,000	Purchase of stationery (customized files)
44.	22-MAY-2025	Muwonge Paul	500,000	purchase of stationery for records office
TOTAL			18,859,000	