



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

**COMPLIANCE INSPECTION REPORT FOR RWAMPARA DISTRICT LOCAL  
GOVERNMENT FOR THE FINANCIAL YEAR 2024/2025**

**MARCH 2026**

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## **ACRONYMS**

ESHS	Environmental, Social, Health and Safety
Ltd	Limited
PDU	Procurement and Disposal Unit
PPDA Act, Cap 205	Public Procurement and Disposal of Public Assets Act Chapter 205
SIG	Special Interest Group
UGX	Uganda Shillings
PSST	Permanent Secretary/ Secretary to the Treasury
MoWT	Ministry of Works and Transport
CC	Contracts Committee
FY	Financial Year
PDE	Procuring and Disposing Entity

## EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (Authority) carried out a compliance inspection on the procurement and disposal activities of Rwampara District Local Government (Entity) that covered a representative sample of 10 procurement transactions worth Uganda Shillings (UGX) 1,063,109,068 in the Financial Year (FY) 2024/2025.

The overall objective of the compliance inspection was to assess and establish the degree of compliance of the Entity's procurement and disposal system and processes with the provisions of the PPDA Act, Cap. 205 and attendant Regulations, and to assess the level of procurement performance over the inspection period.

The assessment revealed that the performance of the Entity for the Financial Year 2024/2025 was **Moderately satisfactory** with an overall weighted average risk rating of **36.9%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the report.

Despite this moderately satisfactory performance, the Entity had the following key exceptions:

1. Section 26 of the PPDA Act, Cap. 205 designates different functions for an Accounting Officer, a Contracts Committee, a Procurement and Disposal Unit, a User Department, and an Evaluation Committee. However, the Entity delegated two procurements worth UGX 85,357,660 to schools without these procurement structures and capacity to undertake the procurements. This was attributed to the late receipt of unplanned funds, which limited the time available to undertake the procurements in accordance with prescribed procedures. This led to non-compliance with the PPDA Act and Regulations, reduced transparency and efficiency, exposing the Entity to risks of legal challenges and not achieving value for money.
2. Contrary to Section 10(1)(a) of the PPDA Act, Cap. 205 that requires the Entity to take corrective action if there is a persistent breach of the Act, regulations, or guidelines as directed by the Authority, the Entity failed to implement 29% of the issued recommendations for the compliance inspection of FY 2022/2023. This compromises the effectiveness and efficiency of the procurement function in the Entity thus hindering continuous performance improvements.
3. Section 60(10) of the PPDA Act, Cap.205 states that "*A procurement shall not be carried out outside the procurement plan except in emergency situations.*" However, five procurements worth UGX. 445,357,660 which were not emergency procurements were conducted outside the consolidated procurement plan for the FY 2024/2025. This compromises the effectiveness of procurement planning and potentially diverts resources to non-essential activities and could result in to domestic arrears.
4. Guideline No. 11 of 2024 on Reservation Schemes to Promote the Participation of Associations of Women, Youth, and Persons with Disabilities requires PDEs to reserve at least 15% of its annual procurement budget and all procurements below UGX 10,000,000 to Special Interest Groups (SIGs) and indicate them in their monthly reports submitted to the Authority. The Entity failed to comply with this requirement in FY 2024/2025. This deprives SIGs of the opportunity to benefit from government spending which in turn increases inequality.

5. Section 49 of the PPDA Act, Cap. 205 requires all procurements and disposals to be conducted in a manner that maximizes competition and achieves value for money. However, the Entity failed to achieve adequate competition of at least three bids in three procurements worth UGX 295,497,371, with an average of two bids received. This deprives the Entity of the chance of achieving the best offers in the market in terms of price, quality and innovation.
6. Contrary to Regulation 3(1) of the PPDA (Disposal of Public Assets) Regulations, 2023 which requires a User Department or an appropriate department responsible for management of the Entity's assets to initiate the process of disposal of assets, the Entity failed to dispose of obsolete assets despite the recommendations from the Annual Board of Survey Report for FY 2023/2024 and having a disposal plan in place. This was attributed to a delay to acquire duplicate log books for the assets. The process of acquiring duplicate log books from the Chief Mechanical Engineer was underway. This deprives Government of the much-needed revenue, exposes the assets to vandalism, and further loss in value through deterioration.
7. Section 66 of the PPDA Act, Cap. 205 states that "*A PDE shall, for each procurement, take into account environmental protection, social inclusion, and stimulating innovation.*" The Entity failed to plan for, incorporate into the statements of requirements, implement, and adequately report on ESHS in three procurements worth UGX 358,703,536. This puts the site occupants, project beneficiaries and communities at a risk of harmful effects arising from those projects.
8. The PPDA (Force Account Mechanism) Regulations, 2014 require Entities to follow rates approved by a competent authority when costing work plans, maintain accountability for resources used and works executed, test materials, and make payments to the direct beneficiaries. The Entity however implemented road construction worth UGX 160,000,000 without meeting the stated provisions of the Regulations. This increases the risk of inflating work plans, executing poor quality works, and payments not reaching the actual beneficiaries.
9. Contrary to Regulation 52(1)(b) that requires the Contract Manager to make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract, the Authority noted that the implementation of Ngugo-Bituntu Road Rehabilitation contracted out to the Ministry of Works and Transport worth UGX 200,000,000 had significantly delayed despite the Entity making full payment to the Ministry. The intended completion date was 16<sup>th</sup> September 2025 but works had not been completed as of 27<sup>th</sup> January 2026. The Ministry of Works and Transport Regional Workshop attributed this to the busy schedules and increased commitment for the equipment on various projects. This has prolonged road access and connectivity to the intended areas.

In light of the above findings, the Entity is required to implement the following recommendations:

1. The Accounting Officer should:
  - i. Not delegate procurement functions of the Accounting Officer, Procurement and Disposal Unit or Contracts Committee without appropriate procurement structures and capacity. Delegation should only be upon confirmation of the capacity of the delegatee in terms of

- competence and structure to handle the delegated functions in accordance with Section 41 of the PPDA Act, Cap. 205;
- ii. In case of late funding for school rehabilitation grants, handle procurements through the Entity's procurement structures and stipulated procedures and make payments through the school accounts or use procedures for procuring under emergency situations stipulated under Regulation 7 of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations 2023;
  - iii. Implement all the recommendations issued by Authority to improve the procurement and disposal system within the Entity in accordance with Section 10 (2) of the PPDA Act, Cap. 205;
  - iv. Handle the disposal process of the assets identified in the disposal plan for the Financial Year 2025/2026 to its logical conclusion and submit a disposal report to the Authority in accordance with Regulation 46(3) of the PPDA (Disposal of Public Assets) Regulations, 2023;
  - v. Adopt the use of e-cash payment to the beneficiaries registered bank or mobile money to pay allowances for force account personnel on verification of payment claims in accordance with Clauses 10.9.4 and 10.9.5 of the Government of Uganda Treasury Accounting Instructions, 2017; and
  - vi. Engage the Permanent Secretary, Ministry of Works and Transport) to set a new project completion date for the Rehabilitation of Ngugo-Bituntu Road and ensure the works are completed within that timeframe, in accordance with the project implementation agreement.
2. The Contracts Committee should not approve any procurement that is not on the approved procurement plan, except in emergencies, in accordance with Section 30(d) of the PPDA Act, Cap. 205.
3. The Procurement and Disposal Unit Should:
- i. Reserve procurements worth at least 15% of the procurement budget and all procurements below UGX 10,000,000 on the procurement plan for participation of only enterprises (companies, firms or associations) owned by women, youth or persons with disabilities and subsequently include the awarded contracts in the monthly reports in accordance with the PPDA Guideline No. 11 of 2024 on Reservation Schemes to Promote the Participation of Associations of Women, Youth, and Persons with Disabilities; and
  - ii. Undertake due diligence before including a provider on the shortlist to determine their availability and willingness to bid at that particular time, and their ability to meet the eligibility and qualification requirements of the tender in accordance with Regulation 53(4) (b & c) of the PPDA (Rules and Method of the Procurement of Supplies, works and Non-Consultancy Services) Regulations 2023.
4. The Environmental Officer should develop specifications for the ESHS mitigation measures identified during screening and have them incorporated in projects statement of requirements to enable their implementation and monitoring in accordance with Regulation 34(5) of PPDA (Rules and Methods for the Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023.

5. The District Community Development Officer should mobilize the communities to form Community Based Organizations and have them registered with the District and the Authority in order to benefit from the reservations for Special Interest Groups.
6. The appointed Force Account Managers should:
  - i. Undertake all material tests as stated in Section 1205 (b) Workmanship and Quality Control (Samples and Tests) of the Ministry of Works General Specifications for Roads and Bridges 2005;
  - ii. Use standard rates set by the Ministry of Works and Transport and the Ministry of Public Service as competent Authorities on public service allowances, equipment consumption, material mixes, and work output computations in Force Account planning and budgeting in accordance with Regulation 3(1) of the PPDA (Use of Force Account Mechanism) Regulations, 2014. Any necessary deviations due to challenges should be documented and approved by the relevant authority; and
  - iii. Prepare and submit daily works sheets for work executed, schedules for materials used, daily attendance sheets for labour, equipment mileage logs, and fuel consumption schedules as accountability for implemented works on a daily basis in accordance with Regulation 6(5)(a) of the PPDA (Force Account Mechanism) Regulations, 2014 and Annex 4b of the Ministry of Works and Transport Road Maintenance Grant Implementation Guidelines 2024-2025.
7. The User Departments should conduct regular reviews and update their procurement plans quarterly, or as needed, and submit them to the Procurement and Disposal Unit for consolidation and approval before implementing any changes in accordance with Section 60 (7) of the PPDA Act, Cap. 205.

## 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 Rwampara District Local Government that covered a representative sample of 10 procurement transactions worth UGX 1,063,109,068 in 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 PPDA Act, Cap. 205 and 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 of the Entity with the provisions of the PPDA Act, Cap. 205 and the attendant PPDA Regulations.

The specific objectives of the inspection 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 procurement processes;
2. Compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap. 205 and attendant PPDA Regulations; and
3. Efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process.

### 1.3 Structure of the Entity

Section 28(1) of the PPDA Act Cap. 205 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. Mr. Willy Bataringaya, the Chief Administrative Officer was designated as the Accounting Officer of the entity during the FY 2024/2025.

#### a) Procurement and Disposal Unit

The composition of the PDU is shown in Table 1 below:

**Table 1: Composition of the PDU**

Name	Academic & Professional qualifications & certifications	Job Title	Date of Appointment
Ms. Sylvia Nareba	Post Graduate Diploma in Procurement. Bachelor of Business Administration	Senior Procurement Officer	7 <sup>th</sup> March 2024
Ms. Moreen Ashaba	Bachelor of Procurement and Logistics Management	Procurement Officer	22 <sup>nd</sup> March 2022

#### b) Contracts Committee composition.

The Contracts Committee (CC) was composed of four members whose terms of office were still valid as of 5<sup>th</sup> December 2025 as shown in Table 2 below:

**Table 2: List of the Contracts Committee members**

No	Name	Job Title	Position on CC	Appointment Date	Tenure
1.	Mr. Micheal Monday	Senior Labour Officer	Member	1 <sup>st</sup> March 2023	2 <sup>nd</sup>
2.	Ms. Evaline Kyomugisha	Senior Land Management Officer	Chairperson	1 <sup>st</sup> March 2023	1 <sup>st</sup>
3.	Ms. Edith Kankunda	Senior Nursing Officer	Member	1 <sup>st</sup> February 2023	1 <sup>st</sup>
4.	Ms. Norah Atuheire	Senior Agriculture Officer	Secretary	1 <sup>st</sup> February 2025	1 <sup>st</sup>

**1.4 Scope of the Compliance Inspection**

The Authority carried out the procurement and disposal compliance inspection from 2<sup>nd</sup> to 5<sup>th</sup> December 2025. The exercise covered a sample of 10 procurement transactions worth UGX 1,063,109,068 conducted during the Financial Year 2024/2025, and a review of procurement structures and the procurement plan performance. The list of sampled transactions is contained under Appendix 2.

**1.5 Methodology**

The Entity was notified about the exercise on 17<sup>th</sup> November 2025. A sample of 10 procurement transactions was selected based on stratified random sampling using the Contracts Committee minutes, the contracts register, and quarterly procurement and disposal reports.

The exercise was conducted under the supervision of the Regional Manager. During the exercise, the team reviewed the procurement plan for the FY 2024/2025, examined records and documents for each of the sampled procurement transaction.

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 issued a management letter to the Entity on 23<sup>rd</sup> January 2026 with a request to submit a management response by 5<sup>th</sup> February 2026, which was submitted on 3<sup>rd</sup> February 2026.

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 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 1.

## CHAPTER TWO: FINDINGS AND RECOMMENDATIONS OF THE AUTHORITY

### 2.1 Compliance with the PPDA Act, Cap. 205, and Attendant Regulations regarding the performance of the Procurement structures and the conduct of the procurement processes.

#### 2.1.1 Procurement Structures

The following anomalies were found:

##### a) Failure to fully constitute the Contracts Committee

Schedule 4 of the PPDA Act, Cap. 205 requires the Accounting Officer to establish a Contracts Committee comprising of five members. The Contracts Committee was composed of four members as of 5<sup>th</sup> December 2025.

##### **Implication**

This compromises the raising of quorum for meetings in case of unavailability of some of the members, conflict of interest or in case of ties during decision making.

##### **Management Response**

*The Entity submitted a request for approval of the fifth member of the Contracts Committee to the Permanent Secretary/ Secretary to Treasury (PS/ST) on 16<sup>th</sup> September 2025 following the transfer of service by the CC chairperson and subsequent re-designation of some members as an initiative to have the district contracts committee fully constituted. However, no response has been received to date with regard to that effect.*

##### **Recommendation**

The Accounting Officer should follow up with the PS/ST to secure approval for the appointment of the fifth member to establish a fully constituted Contracts Committee in accordance with Section 28(1)(a) of the PPDA Act, Cap. 205.

##### b) Delegation of procurements to a sub division of the Entity without the requisite capacity

Section 26 of the PPDA Act, Cap. 205 provides for different functions of an Accounting Officer, a Contracts Committee, a Procurement and Disposal Unit, a User Department, and an Evaluation Committee while undertaking procurement processes. Two procurements worth UGX 85,357,660 were delegated to schools without adequate capacity and procurement structures to handle the procurement processes. The schools did not have appropriate and competent structures to perform the role of the Accounting Officer, Procurement and Disposal Unit, Contracts Committee and Evaluation Committee. Management attributed this action to the late receipt of unplanned funds during the financial year, which limited the time available to undertake the procurements in accordance with prescribed procedures and decided to transfer the funds to the respective schools to conduct the procurements and effect payments. This subsequently led to the anomalies identified below in these two procurements:

- (i). The procurements were conducted outside the plan;
- (ii). They were not reported to the Authority in the monthly report submissions on procurement and disposal;
- (iii). There was no evidence of formal initiation of the procurements using a PP Form 5;

- (iv). A notice of best evaluated bidder was not issued to the unsuccessful candidates; and
- (v). The contracts were signed on 8<sup>th</sup> August 2025 after expiry of the bids on 17<sup>th</sup> July 2025.

Table 3 below shows the procurement that were delegated to divisions without capacity:

**Table 3: Delegated procurements to sub divisions without capacity**

No	Subject of procurement	Amount (UGX)
1.	Completion of seven classrooms (shuttering) and an office at Ngoma Primary School.	36,663,190
2.	Renovation of four classrooms at Rushanje Primary School.	48,694,470
	<b>Totals</b>	<b>85,357,660</b>

**Implication**

This led to non-compliance with the PPDA Act and Regulations, reduced transparency and efficiency, exposing the Entity to risks of legal challenges and not achieving value for money.

**Management Response**

*The Entity received funds late towards the closure of the financial year which was difficult for the entity to run the procurement process in such a short time. This delegation was done on the recommendation of the District Contracts Committee basing on Regulation 16 of the PPDA (PDEs) Regulations, 2023. Management appreciates the recommendation and advice from the Authority on this note.*

**Authority Comment**

The Authority reviewed the management response and noted that delegating procurements to schools that did not have the appropriate capacity and structures was not the most suitable option. The Entity still had an option of retaining the funds on the school accounts to provide ample time to hold the procurement processes while following the stipulated procedures.

**Recommendations**

The Authority noted the management response and recommended as follows:

1. The Accounting Officer should not delegate procurement functions of the Accounting Officer, Procurement and Disposal Unit or Contracts Committee without assessing that the delegate has appropriate procurement structures and capacity. Delegation should only be upon confirmation of the capacity of the delegatee in terms of competence and structure to handle the delegated functions in accordance with Section 41 of the PPDA Act, Cap. 205; and
2. In case of late funding for school rehabilitation grants, handle procurements through the Entity’s procurement structures and stipulated procedures and make payments through the school accounts or use procedures for procuring under emergency situations stipulated under Regulation 7 of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations 2023;

**2.1.2 Failure to implement 29% of the Authority’s previous audit recommendations**

Section 10(1)(a) of the PPDA Act, Cap. 205 requires a Procuring and Disposing Entity to take corrective action if there is a persistent breach of the Act, regulations, or guidelines as directed by the Authority.

Seven recommendations for the compliance inspection of FY 2022/2023 were issued in July 2024 to be implemented by September 2024. Two recommendations representing 29% of those issued were not implemented as shown in Table 4 below:

**Table 4: Unimplemented previous recommendations**

No.	Recommended Action	Status	Management Response
	The Accounting Officer should:		
1.	Task the appropriate user departments responsible for the management of all obsolete assets that were valued and earmarked for disposal to initiate the disposal processes for them in accordance with Regulation 3 (1) of the PPDA (Disposal of Public Assets) 2023.	Not implemented	<i>The Entity planned for disposal of obsolete assets in the District Disposal plan for FY 2025/26 and interventions are being undertaken to have these obsolete assets disposed of among which include obtaining evidence of ownership for the assets due for disposal</i>
2.	Ensure that all procurement transactions conducted are within the procurement plan except in cases of emergencies in accordance with Section 58 (7) of the PPDA Act 2003	Partially Implemented	<i>Management appreciates the importance of this and moving forward the entity shall ensure thorough needs assessment to be able to plan appropriately and in case of any changes in the plan ensure regular update of the procurement plan by user departments. Management shall ensure that recommendations by the Authority are fully implemented.</i>

### **Implication**

Failure to implement audit recommendations compromises the effectiveness and efficiency of the procurement function in the Entity thus hindering continuous performance improvements.

### **Recommendation**

The Accounting Officer should implement all the recommendations issued by Authority to improve the procurement and disposal system within the Entity in accordance with Section 10 (2) of the PPDA Act, Cap. 205.

### **2.1.3 Procurement planning and implementation**

From the review of the Entity's procurement plan for FY 2024/2025, the Authority made the following findings:

#### **a) Failure to implement 7% of the procurement plan**

Section 60 provides Entities with the mandate to plan and implement procurements based on their approved budgets. A review of the Entity's procurement plan and monthly reports for the FY 2024/2025 revealed that the Entity failed to implement 7% of their planned procurements. The total procurement plan value was UGX 4,203,650,377 and procurements worth UGX

3,927,157,478 representing 97% were implemented leaving a variance of UGX 276,492,899. The implementation rate is shown in Table 5 below:

**Table 5: Procurement plan implementation rate**

Total procurement plan value inclusive VAT (UGX)	4,203,650,377
Total procurement spend value inclusive VAT (UGX)	3,927,157,478
Procurement Plan Implementation Variance (UGX)	276,492,899
Procurement Plan Implementation Rate	93%

The Authority further noted that eight procurements worth UGX. 143,853,254 were not implemented and this affected the performance of the procurement plan. Table 6 below shows the procurements not implemented.

**Table 6: Procurements not implemented**

No.	Subject of procurement	Planned Value (UGX)
1.	Fencing of three Health Centres	45,000,000
2.	Mechanized Maintenance of Kanyangongi Road	8,368,009
3.	Mechanized Maintenance of Kitojo TC	10,808,913
4.	Opening and Grading of Akashabo Road	18,398,100
5.	Opening and Grading of Kabayaba-Mwiteraniso CAR (4.8km)	10,500,000
6.	Opening and Grading of Karuhiira-Kisirira Rd, Kyatoko-Rwenyanga and Bugarika-Kyatoko Rd	30,015,700
7.	Purchase of a Motorcycle	12,762,532
8.	Road Grading	8,000,000
	<b>Total</b>	<b>143,853,254</b>

### **Implication**

Failure to fully implement all planned procurements compromises the achievement of the annual service targets set by the district and increases the risk of future budget cuts.

### **Management Response**

*The Entity did not fully implement all planned procurements up to 100% due to inadequate funding that was expected to be received from the Central Government and also changes in the workplans where some procurements were replaced with those outside the plan. Moving forward the Entity shall incorporate unimplemented projects in the subsequent financial year (s).*

### **Recommendation**

The User Departments should regularly review and update the procurement plan quarterly or whenever necessary in accordance with Section 60 (7) of the PPDA Act, Cap. 205.

### **b) Conducting procurements outside the approved procurement plan**

Section 60(10) of the PPDA Act, Cap.205 states that “A procurement shall not be carried out outside the procurement plan except in emergency situations.” However, five procurements worth

UGX. 445,357,660 were conducted outside the consolidated procurement plan for the FY 2024/2025. The procurements are listed in Table 7 below:

**Table 7: Procurements outside the plan**

No	Subject of Procurement	Contract value (UGX)
1.	Rehabilitation of 5.5km on Ngugo-bituntu rd	200,000,000
2.	Grading of 4km of Kinoni Ngoma Road	100,000,000
3.	Mechanized maintenance Bujaga-Kyehunde road	60,000,000
4.	Completion of seven classrooms (shuttering) and an office at Ngoma Primary School.	36,663,190
5.	Renovation of four classrooms at Rushanje Primary School.	48,694,470
	<b>Total</b>	<b>445,357,660</b>

### **Implications**

- Procuring outside the plan compromises the effectiveness of procurement planning and potentially diverts resources to non-essential activities and could result to in to domestic arrears.
- Failure to procure according to the procurement plan undermines planning as such treating the process as a mere compliance requirement, rather than a strategic tool for delivering timely and essential services to the community.

### **Management Response**

*The Entity shall ensure that User Departments regularly review and update their procurement plans and submit to PDU for consolidation. Going forward, the PDU shall present to Contracts Committee the Entity's Procurement plan before approval of any procurement to avoid procurements outside the plan except for emergency cases.*

### **Recommendations**

1. The User Departments should conduct regular reviews and update their procurement plans quarterly, or as needed, and submit them to the PDU for consolidation and approval before implementing any changes in accordance with Section 60 (7) of the PPDA Act, Cap. 205.
2. The Contracts Committee should not approve any procurement that is not on the approved procurement plan, except in emergencies, in accordance with Section 30(d) of the PPDA Act, Cap. 205.

### **c) Failure to plan and implement reservation schemes for Special Interest Groups (SIGs)**

Guideline No. 11 of 2024 on Reservation Schemes to Promote the Participation of Associations of Women, Youth, and Persons with Disabilities requires PDEs to reserve at least 15% of its annual procurement budget and all procurements below UGX 10,000,000 for bidding among SIGs and indicate them in their monthly reports submitted to the Authority. The Entity failed to comply with this requirement in FY 2024/2025.

### **Implication**

Failure to reserve procurements for SIGs deprives them of the opportunity to benefit from government spending which in turn increases income inequality.

### **Management Response**

The Entity had no prequalified service providers under the SIGs category. Management acknowledges the anomaly and pledges that, in future even if SIGs fail to apply, the entity shall invite those registered with the Authority and subsequently submit monthly reports to the Authority in line with the Regulations and Guidelines.

### **Authority Comment**

The Authority noted the management response. However, the Entity should profile its prequalification list and also engage the communities to register Community Based Organizations in order to come up with a pool of providers that qualify for the reservations before resorting to the Authority's list.

### **Recommendations**

1. The Accounting Officer should reserve procurements worth at least 15% of the procurement budget and all procurements below UGX 10,000,000 on the procurement plan for participation of only enterprises (companies, firms or associations) owned by women, youth or persons with disabilities and subsequently include the awarded contracts in the monthly reports in accordance with the PPDA Guideline No. 11 of 2024 on Reservation Schemes to Promote the Participation of Associations of Women, Youth, and Persons with Disabilities.
2. The Procurement and Disposal Unit should profile the providers in the Entity's prequalification list and those on the PPDA list of Special Interest Groups to identify suitable bidders that qualify for the reservation to facilitate the shortlisting of providers for procurement of items under the reservation for Special Interest Groups.
3. The District Community Development Officer should mobilize the communities to form Community Based Organizations and have them registered with the District and the Authority in order to benefit from the reservations for Special Interest Groups.

#### **2.1.4 Delay to make submissions to the Contracts Committee**

Section 51 of the PPDA Act, Cap. 205 states that “*all procurements and disposal shall be conducted in a manner which promotes economy, efficiency, and value for money.*” Five procurements worth UGX 651,990,767 had an average delay of 15 working days between initiation and approval by the Contracts Committee, and 17 working days between completion of evaluation and the contract award decision, hence compromising efficiency. The Authority further noted that the PDU was not making formal written submissions to the Contracts Committee contrary to Regulation 11(1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023. The details on the delays are shown in Table 8 below:

**Table 8: Procurement Delays**

No.	Subject of Procurement	Contract value	Initiation date	CC approval Date	Delay to approve Form 5 Part 2 (WDs)	Evaluation Date	Contract Award Date	Delay to award Contract (WDs)
1.	Construction of Kabatanagi Mini Solar Powered	215,710,546	16 Aug 2024	29 Aug 2024	10	30 Sep 2024	22 Oct 2024	17

No.	Subject of Procurement	Contract value	Initiation date	CC approval Date	Delay to approve Form 5 Part 2 (WDs)	Evaluation Date	Contract Award Date	Delay to award Contract (WDs)
	Piped Water System in Mwizi Sub County Phase 1.							
2.	Construction of a three in one staff house and completion of two class room block at Kigaaga Primary School.	151,890,781	8 Aug 2024	29 Aug 2024	16	30 Sep 2024	22 Oct 2024	17
3.	Construction of a classroom block at Kibumba Primary School.	95,178,800	8 Aug 2024	29 Aug 2024	16	30 Sep 2024	22 Oct 2024	17
4.	Rehabilitation of classrooms and office at Kagongi Primary School.	94,912,120	8 Aug 2024	29 Aug 2024	16	30 Sep 2024	22 Oct 2024	17
5.	Construction of a two-class room block at Omunkiri Primary School.	94,298,520	8 Aug 2024	29 Aug 2024	16	30 Sep 2024	22 Oct 2024	17
	<b>Total</b>	<b>651,990,767</b>		<b>Average</b>	<b>15</b>		<b>Average</b>	<b>17</b>

### **Implication**

Delayed procurement processes delay service delivery and addressing of challenges in the communities that the procurements are meant to address thus compromising the achievement of value for money.

### **Management Response**

*PDU delay to submit procurements to Contracts Committee for approval was attributed to procurements submitted without detailed requirements especially those relating to environmental and social safeguards being incorporated in the BOQs and unclear specifications. This prompted PDU to first seek clarity from the user departments in order to come up with harmonized and clear statement of requirements. Furthermore, departments submit their requisitions shortly after CC meetings yet the meetings are scheduled periodically. However, management will take measures to prevent the delays.*

### Recommendations

1. The Accounting Officer should not approve initiation forms that do not have clear specifications to safe guard against delays that arise out of PDU seeking clarifications from the User Departments on specifications in accordance with Section 61 (1) and 66 of the PPDA Act, Cap. 205.
2. The Chairperson Contracts Committee should establish a calendar for the contracts committee meetings, communicate timelines to the stake holders to align their submissions with the committee sittings in order to improve efficiency in accordance with Section 51 of the PPDA Act, Cap.205.

#### 2.1.5 Low bidder Participation

Section 49 of the PPDA Act, Cap. 205 requires all procurements and disposals to be conducted in a manner that maximizes competition and achieves value for money. However, there was low bidder participation as the Entity failed to achieve adequate competition of at least three bids in three procurements worth UGX 295,497,371, with an average of two bids received as shown in Table 9 below:

**Table 9: Low Bidder Participation**

No.	Subject of Procurement	Amount (UGX)	Method of Procurement	Number of bidders invited	Number of bids received
1.	Renovation of four classrooms at Rushanje Primary School.	48,694,470	Quotation Method	6	2
2.	Construction of a three in one staff house and completion of two class room block at kigaaga Primary School.	151,890,781	Quotation Method	6	1
3.	Rehabilitation of classrooms and office at Kagongi Primary School.	94,912,120	Quotation Method	6	2
<b>Total</b>		<b>295,497,371</b>			<b>2</b>

#### Implication

Low competition deprives the Entity of the chance of achieving the best offers in the market in terms of price, quality, and innovation.

#### Management response

*A number of factors led to low bidder turn up among which the entity has noted include, late submission of bids which are rejected as per the regulations, lack of interest by some bidders due to projects that are in hard-to-reach areas and communication breakdown especially caused by inaccurate contacts submitted by bidders. Management pledges to rectify the issue through enhanced communication through use of e-mail, early supplier involvement and development, increasing budget for projects that are in hard-to-reach areas to make them more attractive and also improving road network to make projects easily accessible.*

### **Recommendation**

The Procurement and Disposal Unit should undertake due diligence before including a provider on the shortlist to determine their availability and willingness to bid at that particular time, and their ability to meet the eligibility and qualification requirements of the tender in accordance with Regulation 53(4) (b & c) of the PPDA (Rules and Method of the Procurement of Supplies, works and Non consultancy Services) Regulations, 2023.

## **2.2 Compliance of the Entity's Disposal processes with the provisions of the PPDA Act, Cap. 205 and PPDA (Disposal) Regulations, 2023**

### **2.2.1 Failure to dispose of obsolete assets**

Regulation 3(1) of the PPDA (Disposal of Public Assets) Regulations, 2023 requires User Departments or departments responsible for assets to initiate the process of disposal in line with the approved disposal plan. However, the Entity did not dispose of obsolete assets despite the recommendations from the Annual Board of Survey Report for FY 2023/2024 and having a disposal plan in place. The Assets recommended for disposal are listed in Table 10 below:

**Table 10: Items recommended for disposal**

<b>No</b>	<b>Item</b>	<b>Registration Number</b>	<b>Book Value (UGX)</b>
1.	Jialing motorcycle	UG3301M	600,000
2.	Yamaha AG100	UG0946M	300,000
3.	Yamaha DT	UBA454Z	1,500,000
4.	Yamaha motorcycle	LG019931	1,000,000
5.	Yamaha motorcycle	LG022531	700,000
6.	Honda motorcycle	LG022431	800,000
7.	Tata lorry	UG0535E	8,000,000
8.	Mitsubishi-Single cabin	UG04565	30,000,000
9.	Yamaha DT	UBS AA54Z	300,000
10.	Faw Dump Truck	LG0002-077	35000000
11.	Drums of Bitumen-32		38,000
12.	Empty Drums-102		20,000

**Figure 1: Obsolete assets lying in the District Compound as of 3<sup>rd</sup> December 2025**



**Implication**

Failure to timely dispose of obsolete assets deprives Government of the much-needed revenue, exposes the assets to vandalism, and further loss in value through deterioration.

**Management response**

*The Entity planned for disposal of obsolete assets in the District Disposal plan for FY 2025/2026 and interventions are being undertaken to have them disposed of among which include obtaining evidence of ownership for the assets due for disposal by engaging the Chief Mechanical Engineer to get duplicate logbooks.*

**Recommendation**


The Authority commends management for the efforts and therefore recommends that the Accounting Officer should handle the disposal process of the assets identified in the disposal plan for the Financial Year 2025/2026 to its logical conclusion and submit a disposal report to the Authority in accordance with Regulation 46(3) of the PPDA (Disposal of Public Assets) Regulations, 2023.

## 2.3 Efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements in the Procurement Process

### 2.3.1 Failure to plan, incorporate in the requirements and implement Environmental Social, Health and Safety Safeguards (ESHS)

Section 66 of the PPDA Act, Cap. 205 states that “A PDE shall, for each procurement, take into account environmental protection, social inclusion, and stimulating innovation.” The Entity failed to plan for, incorporate into the statements of requirements, implement, and adequately report on ESHS in three procurements worth UGX 358,703,536 as shown in Table 11 below:

**Table 11: Procurements with ESHS compliance gaps**

No	Subject of Procurement	Amount (UGX)	PPDA Findings
1.	Renovation of four classrooms at Rushanje Primary School.	48,694,470	Environmental and social safeguard requirements were not included in the Bill of Quantities.
2.	Construction of Kabatanagi mini solar powered piped water system in Mwizi Sub County Phase 1.	215,710,546	Photos extracted from the supervision report dated 13 <sup>th</sup> March 2025 show workers onsite without protective gears on site yet UGX 300,000 was allocated for safety equipment. 
3.	Construction of a two-class room block at Omunkiri p/s in Rugando s/c	94,298,520	UGX 3,470,000 was allocated for environmental restoration. The Environment Certification report dated 20 <sup>th</sup> May 2025 indicated that mitigation measures were affected by drought, however there is no evidence that they were implemented before.
<b>Total</b>		<b>358,703,536</b>	

#### Implication

Failure to put in place Environment and Social mitigation measures puts the site occupants, project beneficiaries, and communities where the projects are located at risk of harmful effects arising

from the projects such as environmental degradation, climate change, destruction of eco systems, air pollution, depletion of natural resources, diseases such as HIV and Aids and accidents among others.

### **Management Response**

- *A report on implementation of ESHS dated 22<sup>nd</sup> May, 2025 was jointly compiled by key officers that included the Ag. Civil Engineer Water, Environment Officer and the District Community Development Officer.*
- *The environmental and social screening was conducted prior to the beginning of the project and was jointly made by the Environment Officer and the District Community Development Officer.*

### **Authority comment**

The Authority reviewed the management response and the related evidence and noted that the evidence did not address the findings. Much as the Entity claimed undertaking environmental screening, these were not implemented in the statement of requirements.

### **Recommendations**

1. The Environmental Officer should develop specifications for the ESHS mitigation measures identified during screening and have them incorporated in projects statement of requirements to enable their implementation and monitoring in accordance with Regulation 34(5) of PPDA (Rules and methods for the Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
2. The Contract Managers should implement and report ESHSs implemented in the progress reports to achieve sustainability in accordance with Section 66 of the PPDA Act, Cap 205.

### **2.3.2 Irregularities in the use of Force Account Mechanism**

The Authority reviewed two road works worth UGX 160,000,000 implemented using the Force Account Mechanism shown in Table 12 below:

**Table 12: Road works under Force Account mechanism**

No	Road Name	Distance (Kms)	Amount (UGX)
1.	Grading of 4km of Kinoni Ngoma Road	4	100,000,000
2.	Mechanized maintenance of Bujaga-Kyehunde road	3.8	60,000,000
	<b>Total</b>		<b>160,000,000</b>

The Authority found the following irregularities:

#### **a) Failure to undertake tests on materials used on the road works**

Section 1205 (b) Workmanship and Quality Control (Samples and Tests) of the Ministry of Works General Specifications for Roads and Bridges 2005 require all materials to be inspected, tested, and approved by the Engineer before incorporation in the works. The Authority did not find evidence of material test results for gravel and BRC used in graveling of the two roads worth UGX 160,000,000 mentioned in Table 12 above.

### **Implication**

This raises questions on the quality of materials used which would compromise the overall quality standard for the implemented works.

### **Management Response**

*Some material tests were done for materials used on the highlighted roads except BRC, moving forward the entity shall ensure that all road materials are fully tested.*

### **Authority's Comment**

Evidence of material test of BRC and gravel were not provided.

### **Recommendation**

The District Engineer should undertake all material tests as stated in Section 1205 (b) Workmanship and Quality Control (Samples and Tests) of the Ministry of Works General Specifications for Roads and Bridges 2005.

### **b) Failure to mainstream cross cutting issues in the Force Account activities**

Clause 6.0 of the Ministry of Works and Transport Road Maintenance Grant Implementation Guidelines 2024-2025 requires the benefiting Entities to mainstream cross cutting issues in the road grant activities. The Authority found that much as Force Account Managers included provisional sums worth UGX 400,000 and UGX 200,000 for environmental concerns, sensitization and grievances for Kinoni-Ngoma Road and Bujaga-kyehunde Road respectively, this budgeting and costing was not informed with an environmental screening and specifications for the activities that were to be undertaken and monitored.

### **Implication**

Failure to address these cross-cutting issues exposes the environment and community to safety and sustainability risks and may result in incorrect cost estimates and misallocation of resources.

### **Management Response**

*The Environment Officer, District Community Development Officer and the Chairperson Grievance and Redress Committee were engaged during the road implementation works especially on sensitizing and guiding on keeping environment safe, for example he visited the borrow pit sites before and after the road works were done to guide on its restoration. The Entity however takes note of the Authority's findings and shall ensure that ESHS measures including specifications and activities to be undertaken are incorporated in the work plan and Bills of Quantities.*

### **Authority Comment**

The Authority noted the management efforts on sensitizing and monitoring the implementation of ESHS. However, the activities to be implemented and monitored had not been specified in the statements of requirements.

### **Recommendation**

The Force Account Managers should engage the District Environment Officer to undertake the screening and planning for environmental and social mitigation measures and include the specifications and activities to be undertaken under ESHS on the work plan and bills of quantities

for implementation in accordance with Clause 6.0 of the Ministry of Works and Transport Road Maintenance Grant Implementation Guidelines 2024-2025.

**c) Failure to follow the rates provided by a Competent Authority to make cost estimations**

Contrary to Regulation 3(1) of the PPDA (Use of Force Account Mechanism) Regulations, 2014 require PDEs to use rates provided by a competent authority when costing indirect and overhead expenses under the force account. The Force Account Managers did not use rates approved by the Ministry of Works and Transport or the Public Service as competent authorities for the road equipment when undertaking the costing and planning for the reviewed force account activities. The equipment consumption rates used did not have a standard scientific source while the unit of measure for some vehicles was based on litres per hour instead of the standard kilometer per liter as shown in Table 13 below:

**Table 13: Failure to follow standard rates while undertaking force account planning**

No	Equipment	Rate	Comments
1.	Grader	20 l/hr	No standard source for the rate
2.	Excavator	30 l/hr	No standard source for the rate
3.	Wheel Loader	25 l/hr	No standard source for the rate
4.	Vibro Roller	12 l/hr	No standard source for the rate
5.	Tipper Truck 7 Cubic Meters	6 l/hr	Planned in Hours instead of kms
6.	Low Bed	15 l/hr	Planned in Hours instead of kms
7.	Toyota Hiace Pick Up	16km/hr	Planned in Hours instead of kms

**Implication**

This raises a risk of inflating the road budgets without cost control hence abetting fraud and corruption.

**Management Response**

*The actual rates established by Competent Authorities were not followed due to the actual challenges faced due to the nature of our District's terrain in Rwampara. These include machines being fueled to work for more than one day since the Works Department doesn't have a sound service van to distribute fuel. Working for extra hours especially where the road is far from the district and operators are staying in the field, using some of our machines for multiple purposes for example a wheel loader being used to do opening instead of just loading gravel due to lack of appropriate equipment.*

**Authority Comment**

The Authority noted the management response. However, the management response justifies an increase in scope of work which does not affect the consumption rate of the equipment. The Authority therefore maintained the query.

**Recommendation**

The Force Account Managers should use standard rates set by Ministry of Works and Transport and Ministry of Public Service as competent Authorities on public service allowances, equipment consumption, material mixes, and work output computations in Force Account planning and

budgeting, in accordance with Regulation 3(1) of the PPDA (Use of Force Account Mechanism) Regulations, 2014. Any necessary deviations due to challenges should be documented and approved by the relevant authority.

**d) Failure to make daily accountability of works executed and resources utilized**

Regulation 6(5)(a) of the PPDA (Force Account Mechanism) Regulations, 2014 and Annex 4b of the Ministry of Works and Transport Road Maintenance Grant Implementation Guidelines 2024-2025 require Entities to prepare a schedule for construction materials utilized for each road indicating the quantity, rate, and amount. The Entity did not keep daily records of work done, staff output, stock of trips undertaken by equipment and vehicles, and the fuel consumption schedule did not include a section for purpose or reason in the two-road works reviewed.

**Implication**

Failure to provide accountability for use of public funds increases the risk of abuse of public funds by the implementing officers.

**Management Response**

*The Entity followed the prepared work plans by the engineers which indicated quantity versus rates and amounts to be spent for the entire project and accountability done as per the entire works executed. The works are therefore going to be documented on a daily basis in the subsequent financial years to ease tracking of the works done per day.*

**Authority Comment**

The Authority noted the management response. However, the Entity did not provide evidence of daily work executed and resources utilized.

**Recommendation**

The Force Account Managers should prepare and submit daily works sheets for work executed, schedules for materials used, daily attendance sheets for labour, equipment mileage logs, and fuel consumption schedules as accountability for implemented works on a daily basis in accordance with Regulation 6(5)(a) of the PPDA (Force Account Mechanism) Regulations, 2014 and Annex 4b of the Ministry of Works and Transport Road Maintenance Grant Implementation Guidelines 2024-2025.

**e) Inadequate progress and completion reports**

Regulation 6(5)(c) of the PPDA (Force Account Mechanism) Regulations, 2014 requires Project Managers to submit a report on the assignment upon completion, including daily execution work sheets. The progress reports prepared for the reviewed road projects lacked important details to inform decision-makers that the works were satisfactorily executed within cost, time, and quality.

The identified gaps are listed here below:

- Status of the road before and after;
- List of equipment used and their deployment schedule;
- Personnel and materials used;
- Pictures of different stages and scope of work; and
- Implementation of ESHS requirements.

### **Implication**

Inadequate reports limit information to the decision makers to make timely interventions.

### **Management Response**

*The Force Account Managers, Supervisors and Environmental Officer have been advised to improve on the reporting and include more details in their subsequent reports. Pre inspection reports both from the Engineer and the Environmental officer have been adopted to include more details indicating status of works before and after completion.*

### **Recommendation**

The Force Account Managers should improve the quality of the progress and completion reports through including relevant details like the status of works before and after completion, the equipment, personnel and materials used, project work program, quality control measures like material tests conducted, implementation of environmental and social mitigation measures among others in accordance with Regulation 6(5)(c) of the PPDA (Force Account Mechanism) Regulations, 2014.

#### **f) Making payments to staff accounts who were not the final beneficiaries**

Clause 10.9.5 of the Treasury Accounting Instructions 2017 requires all supplier payments to be made by means of electronic funds transfer to the beneficiary bank accounts. However, in the procurement for mechanized maintenance of Bujaga-Kyehunde Road worth UGX 60,000,000, the Entity advanced funds worth UGX 10,352,800 to its staff to make payments to the ultimate beneficiaries. The payments are detailed in Table 14 below:

**Table 14: Payments made to staff instead of ultimate beneficiaries**

No.	PAYEE	Amount (UGX)
1.	Mr. Amon Ainamagara	2,352,800
2.	Ms Caroline Twinamatsiko	4,000,000
3.	Mr. Abert Bahaana	4,000,000
	<b>Total</b>	<b>10,352,800</b>

### **Implication**

This increases the risk of fraud and mismanagement of funds.

### **Management Response**

*This was due to the fact that at the end of the financial year, the entity had exceeded the recommended imprest amount of Ugx 40,000,000= (Forty million) per month in accordance with Bank of Uganda Cash limit. However, all the funds in issue were received in the Cashier's office and paid to the intended beneficiaries.*

### **Recommendation**

The Accounting Officer should adopt the use of e-cash payment to the beneficiaries registered bank or mobile money to pay allowances for force account personnel on verification of payment claims in accordance with Clauses 10.9.4 and 10.9.5 of the Government of Uganda Treasury Accounting Instructions, 2017.

### **2.3.3 Irregularities in the implementation of Ngugo-Bituntu Road Rehabilitation contracted out to the Ministry of Works and Transport**

On 16<sup>th</sup> June 2025, Rwampara District Local Government entered into a Memorandum of Understanding with the Ministry of Works and Transport (MOWT) to contract out works for rehabilitation of 5.5km of Ngugo-Bituntu Road at a cost of UGX 200,000,000. The Ministry was to implement the works using Force Account Mechanism through the Mbarara Mechanical Workshop. The works were to be executed within a period of three months.

The Accounting Officer stated that this was done due to the fact that the Entity did not have in-house capacity to undertake works of such nature and complexity and the time period could not allow running a procurement process to contract out the works since the same road had been under investigation that was cleared at the end of the financial year. MOWT had the obligation to undertake the works while Rwampara District Local Government had to supervise and undertake contract management. The Entity advanced funds worth 200,000,000 to MOWT to undertake the works on 26<sup>th</sup> June 2025. The following anomalies were found:

#### **(i). Failure to report the procurement to the Authority**

The procurement was not reported to the Authority contrary to Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

#### **Implication**

This is a sign of non-transparency.

#### **Management Response**

*It was an oversight that the procurement requirement contracted to MOWT was not reported to the Authority by the Entity due to the fact that the time period could not allow running a procurement process, and relevant reporting lines including clearance from the Solicitor General to contract out the works since the same road had been under investigation that was cleared at the end of the financial year.*

#### **Authority Comment**

The Authority notes that the Entity had a responsibility of reporting the procurement to the Authority upon contracting it out to the MOWT which was not done.

#### **Recommendation**

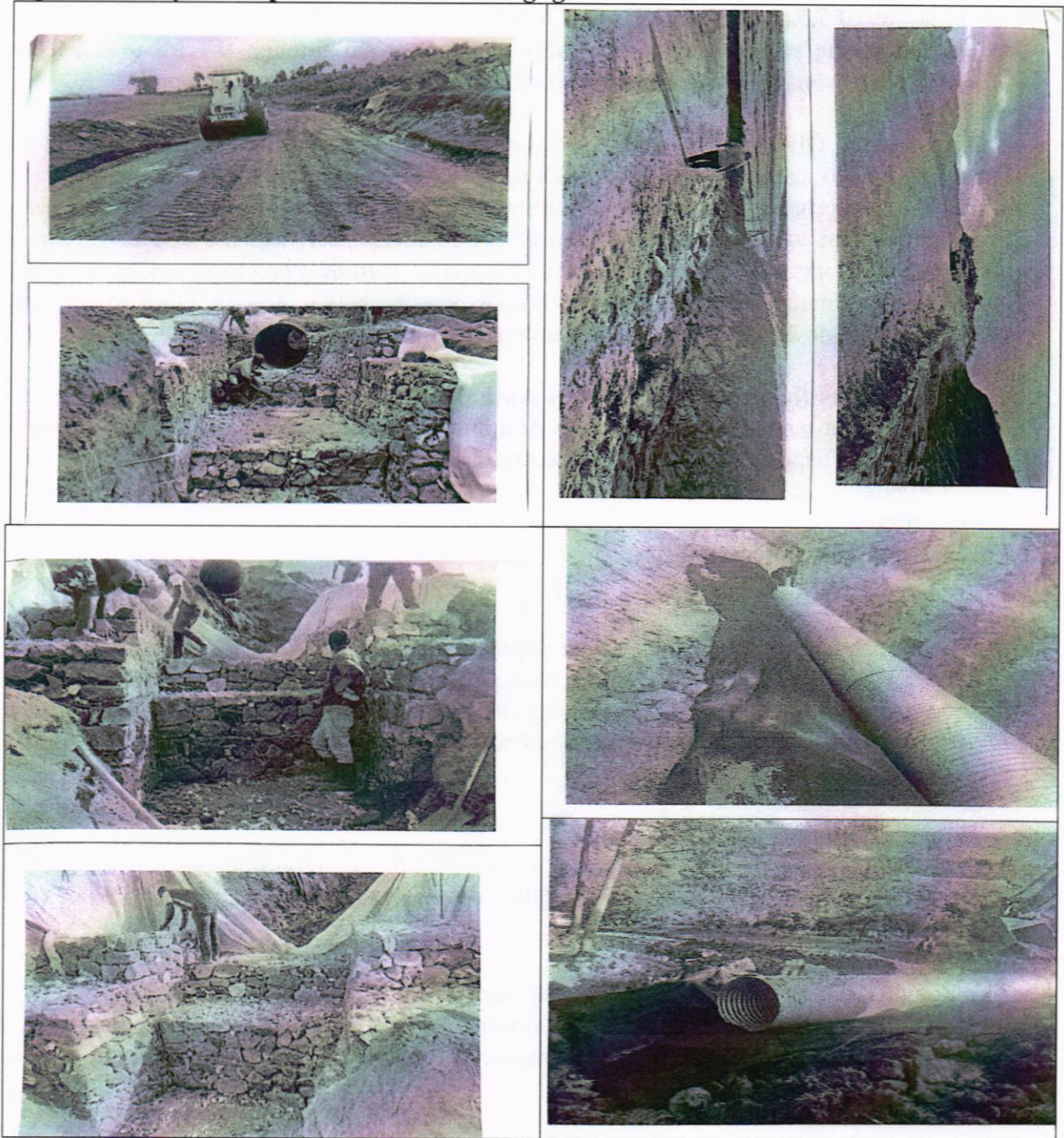
The Procurement and Disposal Unit should include all procurements undertaken by the Entity including those contracted out, implemented using Force Account and micro procurements in the monthly reports to the Authority in accordance with Regulation 15(1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

#### **(ii). Delayed completion of works**

Contrary Regulation 52(1)(b) that requires the Contract Manager to make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract. MOWT the contracted provider failed to complete the works within the contracted period. The contractual completion date was 16<sup>th</sup> September 2025. As of 27<sup>th</sup> January 2026, the works had

achieved a time progress of 245% against a physical progress of 80%. The Entity had made 100% financial payment to the Ministry. The Authority visited the site on 3<sup>rd</sup> December 2025 and the status is shown in Figure 1 below:

**Figure 2: Delayed completion of works for Ngugu Bituntu Road**



**Implication**

The delays have prolonged road access to the area hence crippling social and economic development.

### **Management Response**

*Delays were largely attributed to the complexity of the road but substantial work has been done and interventions made to ensure that works are executed and completed. The site visit conducted on 27<sup>th</sup> January 2026 indicated that the works had achieved substantial progress as shown in the tables 15 and 16 below.*

**Table 15: Ngugo-Bituntu Road Physical Progress**

No	Description of planned activity	Planned quantity	Cumm progress to date	% of Cumm progress	Remarks
1.	Excavation of fill materials	960	1,100	114	Completed
2.	Opening / widening of road	5.5	5.5	100	Completed
3.	Shaping/ Road formation	5.5	5.5	100	Completed
4.	Swamp filling	960	1100	100	Completed
5.	Installation of culverts 600m	69	8	23.2	Ongoing
6.	Installation of culverts 900m	56	62	110	Ongoing
7.	Installation of culverts 1200m	0	9	100	Completed
8.	Installation of gabion boxes	0	81	100	Completed
9.	Construction of culvert end structures	18	0	0	Ongoing

**Table 16: Ngugo-Bituntu Road Financial Progress**

No	Activity	Planned Amount	Expenditure	Remarks (Payment for)
1.	Construction material	40,590,009	13,876,800	Construction materials (concrete, culvert, cement, sand and hard core)
2.	Fuel and Lubricants	78,321,351	78,321,351	Fuel and lubricants (bush clearing, widening, fill, road formation and drainage works)
3.	Plant maintenance	26,648,640	26,648,640	Equipment maintenance and repairs
4.	Labour/ staff allowance	26,140,000	26,000,000	Unit staffs' allowances and wages for casual workers
5.	Administrative cost	20,550,000	20,550,000	Meals, rent, site, imprest, office supplies and stationery
6.	Quality control	7,750,000	7,750,000	Quality control costs, social and environmental screening costs
	<b>Total</b>	<b>200,000,000</b>	<b>173,146,791</b>	

### **Recommendation**

Since the Project Implementation Agreement expired on 16<sup>th</sup> September 2025, while the works were still incomplete, the Accounting Officer should engage the contractor (Ministry of Works and Transport) and sign another undertaking to ensure the works are completed, since payment had been made in accordance with the agreed terms and conditions.

#### **2.3.4 Delay to issue contract commencement order**

Contrary to Section 51 of the PPDA Act, Cap. 205 that requires conducting procurements in a manner that maximizes efficiency, the commencement order for the contract for the construction of the Kabatanagi Mini Solar Powered Piped Water System worth UGX 215,710,546 was issued 40 calendar days after contract signing. The contract was signed on 29<sup>th</sup> November 2024 and the order was issued on 8<sup>th</sup> January 2025.

#### **Implication**

This delays service delivery.

#### **Management Response**

*This delay was occasioned by many engagements by the key stakeholders required to launch the project. Management appreciates the recommendation and it shall be adopted in future contract agreements.*

#### **Authority Comment**

The Authority has taken note of the management response. However, the launch of a project should not delay or prevent commencement of works on the contractual start date, provided that the Contract Manager has formally handed over the site to the contractor in accordance with Clause 37 of the General Conditions of Contract of the PPDA Standard Bidding Document for Works.

#### **Recommendations**

Going forward:

1. The Procurement and Disposal Unit should clearly state the contract start date in the contract terms that is not subject to issuance of commencement orders to enable prompt contract commencement in accordance with Regulation 37 (1)(e) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
2. The Contract Managers should give site possession to the contractors on the stated contract start dates to safe guard against late commencement of works in accordance with Clause 37 of the General Conditions of Contract of the PPDA Standard Bidding Document for Works.

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

### 3.1 Overall compliance inspection conclusion

The performance of Rwampara District Local Government for the Financial Year 2024/2025 was moderately satisfactory with an overall weighted average risk rating of 36.9%

### 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 17 below:

**Table 17: Entity Performance**

Risk Rating	No.	% No.	Value (UGX)	% Value	Weights	Total Weighted Score	
						By No.	By Value
High	0	0	0	0	0.6	0	0
Medium	7	70	755,980,326	71.1	0.3	21	21.3
Low	1	10	94,298,520	8.9	0.1	1	0.9
Satisfactory	2	20	212,830,222	20	0.0		-
<b>Total</b>	<b>10</b>	<b>100</b>	<b>1,063,109,068</b>	<b>100</b>	<b>1</b>	<b>22</b>	<b>22.2</b>

$$\text{Weighted Average (By No.)} = \frac{\text{Sum of Weighted Score}}{60} \times 100 = \frac{22}{60} \times 100 = 36.6\%$$

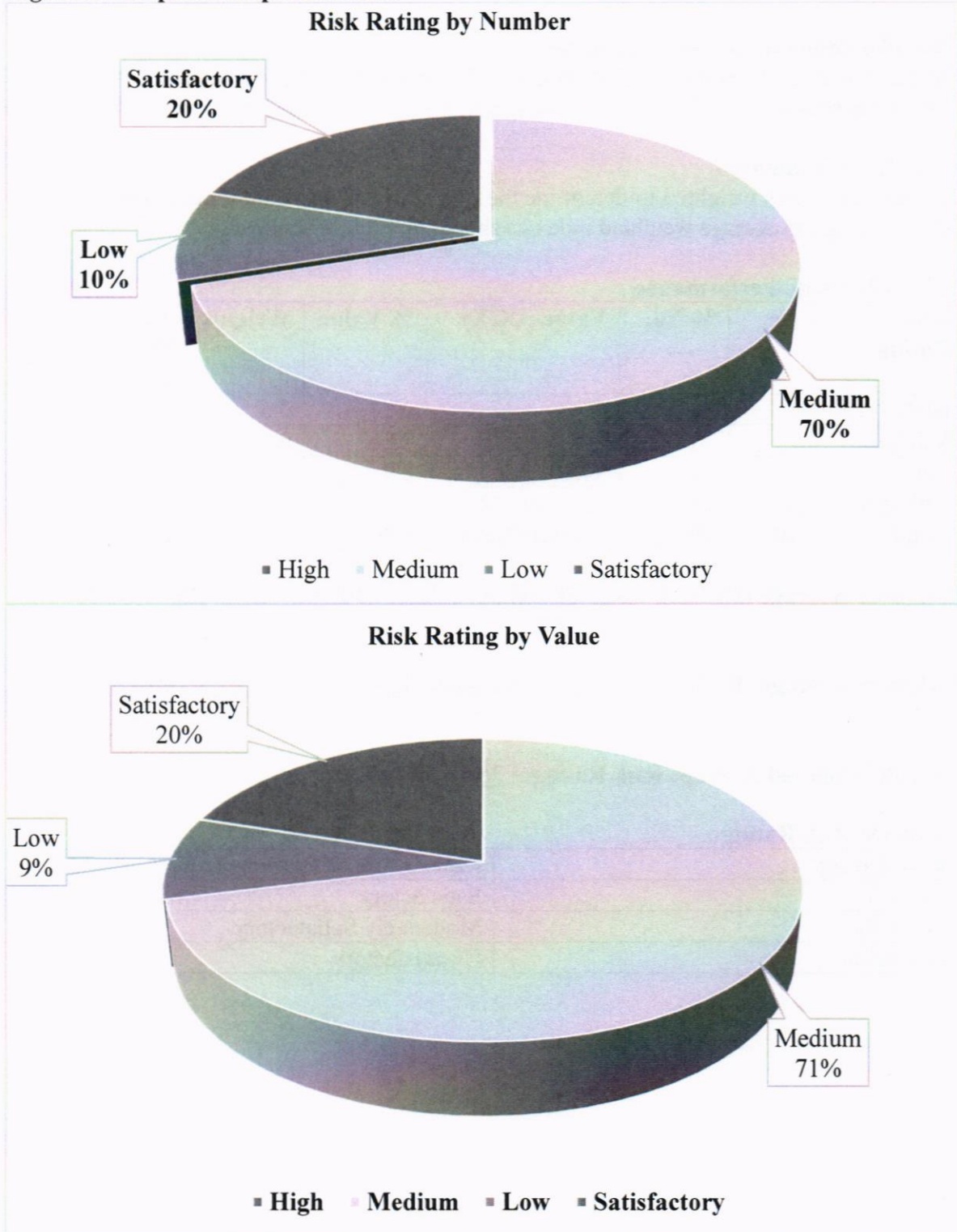
$$\text{Weighted Average (By Value)} = \frac{\text{Sum of Weighted Score}}{60} \times 100 = \frac{22.2}{60} \times 100 = 37\%$$

$$\text{Overall Weighted Average Risk Rating} = \frac{36.3 + 37}{2} = 36.9\%$$

**Table 18: Risk Rating**

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

Figure 3: Graphical Representation



### 3.3 Recommended Action Plan

The Entity should implement the following recommendations in Table 19 below within the timeframe given in order to improve its performance.

**Table 19: Recommended Action Plan**

No.	Recommendation	Target Date
	<b>The Accounting Officer Should:</b>	
1.	Not delegate procurement functions of the Accounting Officer, Procurement and Disposal Unit or Contracts Committee without appropriate procurement structures and capacity. Delegation should only be upon confirmation of the capacity of the delegated authority in terms of competence and structure to handle the delegated functions in accordance with Section 41 of the PPDA Act, Cap. 205.	August 2026
2.	In case of late funding for school rehabilitation grants, handle procurements through the Entity's procurement structures and stipulated procedures and make payments through the school accounts or use procedures for procuring under emergency situations stipulated under Regulation 7 of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations 2023.	August 2026
3.	Implement all the recommendations issued by Authority to improve the procurement and disposal system within the Entity in accordance with Section 10 (2) of the PPDA Act, Cap. 205.	August 2026
4.	Not approve initiation forms that do not have clear specifications to safe guard against delays that arise out of PDU seeking clarifications from the User Departments on specifications in accordance with Section 61 (1) and 66 of the PPDA Act, Cap. 205.	August 2026
5.	Reserve procurements worth at least 15% of the procurement budget and all procurements below UGX 10,000,000 on the procurement plan for participation of only enterprises (companies, firms or associations) owned by women, youth or persons with disabilities and subsequently include the awarded contracts in the monthly reports in accordance with the PPDA Guideline No. 11 of 2024 on Reservation Schemes to Promote the Participation of Associations of Women, Youth, and Persons with Disabilities.	August 2026
6.	Handle the disposal process of the assets identified in the disposal plan for the Financial Year 2025/2026 to its logical conclusion and submit a disposal report to the Authority in accordance with Regulation 46(3) of the PPDA (Disposal of Public Assets) Regulations, 2023.	August 2026
7.	Adopt the use of e-cash payment to the beneficiaries registered bank or mobile money to pay allowances for force account personnel on verification of payment claims in accordance with Clauses 10.9.4 and 10.9.5 of the Government of Uganda Treasury Accounting Instructions, 2017.	August 2026
8.	The Contracts Committee should not approve any procurement that is not on the approved procurement plan, except in emergencies, in accordance with Section 30(d) of the PPDA Act, Cap. 205.	August 2026

No.	Recommendation	Target Date
<b>The Procurement and Disposal Unit should:</b>		
9.	Profile the providers in the Entity's prequalification list and identify those that qualify for the reservation to facilitate the shortlisting of providers for procurement of items under the reservation for Special Interest Groups	August 2026
10.	Establish a calendar for the Contracts Committee meetings, communicate timelines to the stake holders to align their submissions with the committee sittings in order to improve efficiency in accordance with Section 51 of the PPDA Act, Cap.205	August 2026
11.	Undertake due diligence before including a provider on the shortlist to determine their availability and willingness to bid at that particular time, and their ability to meet the eligibility and qualification requirements of the tender in accordance with Regulation 53(4) (b & c) of the PPDA (Rules and Method of the Procurement of Supplies, works and Services) Regulations 2023	August 2026
12.	Include all procurements undertaken by the Entity including those contracted out, implemented using Force Account and micro procurements in the monthly reports to the Authority in accordance with Regulation 15(1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.	August 2026
13.	The Environmental Officer should develop specifications for the ESHS mitigation measures identified during screening and have them incorporated in projects statement of requirements to enable their implementation and monitoring in accordance with Regulation 34(5) of PPDA (Rules and methods for the Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023.	August 2026
<b>The Contract Managers should:</b>		
14.	Implement and report ESHSs implemented in the progress reports to achieve sustainability in accordance with Section 66 of the PPDA Act, Cap 205.	August 2026
15.	Give possession of site to the contractor on the stated contract start date to commence the works to safe guard against late commencement of works in accordance with Clause 37 of the General Conditions of Contract of the PPDA Standard Bidding Document for Works.	August 2026
16.	The District Community Development Officer should mobilize the communities to form Community Based Organizations and have them registered with the District and the Authority in order to benefit from the reservations for Special Interest Groups.	August 2026
<b>The Appointed Force Account Managers should:</b>		
17.	Use standard rates set by Ministry of Works and Transport and Ministry of Public Service as competent Authorities on public service allowances, equipment consumption, material mixes, and work output computations in Force Account planning and budgeting, in accordance with Regulation 3(1) of the PPDA (Use of Force Account Mechanism) Regulations, 2014. Any necessary deviations due to challenges should be documented and approved by the relevant authority.	August 2026

No.	Recommendation	Target Date
18.	Prepare and submit daily works sheets for work executed, schedules for materials used, daily attendance sheets for labour, equipment mileage logs, and fuel consumption schedules as accountability for implemented works on a daily basis in accordance with Regulation 6(5)(a) of the PPDA (Force Account Mechanism) Regulations, 2014 and Annex 4b of the Ministry of Works and Transport Road Maintenance Grant Implementation Guidelines 2024-2025.	August 2026
19.	Improve the quality of the progress and completion reports through including relevant details like the status of works before and after completion, the equipment, personnel and materials used, project work program, quality control measures like material tests conducted, implementation of environmental and social mitigation measures among others in accordance with Regulation 6(5)(c) of the PPDA (Force Account Mechanism) Regulations 2014.	August 2026
20.	The User Departments should conduct regular reviews and update their procurement plans quarterly, or as needed, and submit them to the Procurement and Disposal Unit for consolidation and approval before implementing any changes in accordance with Section 60 (7) of the PPDA Act, Cap. 205	August 2026
21.	The District Engineer should undertake all material tests as stated in Section 1205 (b) Workmanship and Quality Control (Samples and Tests) of the Ministry of Works General Specifications for Roads and Bridges 2005.	August 2026

**Appendix 1: Risk Rating Criteria**

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

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

RISK	DESCRIPTION	AREA	IMPLICATION
		Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
<b>LOW</b>	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.	<b>Planning:</b> Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		<b>Bidding Process:</b> Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

**SATISFACTORY**

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

## Appendix 2: Sample List and Risk Rating

No	Subject of procurement	Method Of Procurement	Provider	Contract value	Risk Rating	Basis for Risk Rating
1.	Rehabilitation of 5.5 km of Ngugo-Bituntu Road	Force Account	Ministry of Works and Transport Mbarara Regional Mechanical Workshop	200,000,000	Medium Risk	<ul style="list-style-type: none"> <li>• Works were incomplete</li> <li>• Procurement not reported to the Authority</li> <li>• Weak contract management.</li> </ul>
2.	Construction of Kabatanagi mini solar powered piped water system in Mwizi Sub County Phase 1.	Quotation	Daikam Technologies Limited	215,710,546	Medium Risk	<ul style="list-style-type: none"> <li>• 40 days delay to issue commencement order.</li> <li>• Workers on site without Personal Protective Gear.</li> </ul>
3.	Completion of seven classrooms (shuttering) and an office at Ngoma Primary School.	Quotation	Ndagajose Builders and engineering co ltd	36,663,190	Medium Risk	<ul style="list-style-type: none"> <li>• The procurements were conducted outside the plan;</li> <li>• They were not reported to the Authority in the monthly report submissions on procurement and disposal;</li> <li>• There was no evidence of formal initiation of the procurements using a PP Form 5;</li> <li>• A notice of Best Evaluated Bidder was not issued to the unsuccessful candidates;</li> <li>• The contracts were signed on 8<sup>th</sup> August 2025 after expiry of the bids on 17<sup>th</sup> July 2025.</li> </ul>
4.	Renovation of four classrooms at Rushanje Primary School.	Quotation	Zoora Uganda Safari Limited	48,694,470	Medium Risk	
5.	Mechanised maintenance of Bujaga-Kyehunde Road.	Force Account	Works Department	60,000,000	Medium Risk	<ul style="list-style-type: none"> <li>• Payment of allowances for labor through third parties instead of the direct beneficiaries.</li> </ul>

No	Subject procurement	Method Of Procurement	Provider	Contract value	Risk Rating	Basis for Risk Rating
6.	Grading of 4km of Kinoni Ngoma Road	Force Account	Works Department	100,000,000	Medium	<ul style="list-style-type: none"> <li>• Failure to undertake material testing yet the road involved graveling</li> <li>• Specifications for environmental and social safeguard requirements were not included on the work plan.</li> <li>• Failure to keep proper accountability for the outputs and resources utilized</li> <li>• Use of indicative planning figures without a standard source or empirical evidence</li> </ul>
7.	Rehabilitation of classrooms and office at Kagongi Primary School.	Quotation	Rdar Engineering (U) Limited	94,912,120	Medium Risk	<ul style="list-style-type: none"> <li>• Low bidder participation. Two bids were received</li> <li>• Delayed submission of procurement for Contracts Committee approval</li> </ul>
8.	Management of revenue collection from Nyeihanga Slaughter fees	Open bidding	Agumenaitwe Osbert	14,883,000	Satisfactory	<ul style="list-style-type: none"> <li>• No exceptions</li> </ul>
9.	Construction of a two-class room block at Omunkiri p/s in Rugando s/c	Quotation	Hillar Technical & Engineering services co ltd	94,298,520	Low Risk	<ul style="list-style-type: none"> <li>• 16 working days delay to submit the evaluation report to the Contracts Committee for approval.</li> </ul>
10.	Construction of an administration block at Rwampara District Head Quarter.	Direct	UPDF Engineering Brigade	197,947,222	Satisfactory	<ul style="list-style-type: none"> <li>• No exceptions</li> </ul>