



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

**THE PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC  
ASSETS AUTHORITY**

**PROCUREMENT AND DISPOSAL AUDIT REPORT FOR  
FINANCIAL YEAR 2021/22**

**AMOLATOR DISTRICT LOCAL GOVERNMENT**

**MAY 2023**

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## ACRONYMS

AO	Accounting Officer
Ltd	Limited
FY	Financial Year
LPO	Local Purchase Order
BEB	Best Evaluated Bidder
UGX	Uganda Shillings
VAT	Value Added Tax
BoQ	Bills of Quantities
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority

## EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Amolatar District Local Government that covered a sample of 19 procurement transactions under Financial Year 2021/2022.

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Amolatar District Local Government's procurement system and processes with the provisions of the PPDA Act, 2003 and Local Governments (PPDA) Regulations, 2006 and assess the level of procurement performance over the audit period.

From the findings of the procurement audit exercise, the performance of Amolatar District Local Government for the Financial Year 2021/22 was **moderately satisfactory** with overall weighted average risk rating of **67.5%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the Audit Report.

The following key exceptions were noted:

1. Performing functions of the Accounting Officer without delegated Authority in seven procurement transactions worth UGX 415,798,339. The Entity was exposed to the risk of committing to less vital priorities and detrimental market prices without the knowledge of the Accounting Officer;
2. The previous audit recommendations for Financial Year 2019/20 were not fully implemented. Out of eleven recommendations made, four recommendations representing 37% were not implemented, five representing 45% were partially implemented and two representing 18% were implemented. This affects performance of the procurement function and is an indicator of a weak implementation mechanism of recommendations made to the Entity;
3. The Authority found that the Entity's Internal Auditor did not audit procurement and disposal procedures in the financial year under review contrary to Regulation 28 of the Local Governments (PPDA) Regulations, 2006, this could result into fraud going unnoticed. Furthermore, the Entity is denied a chance to identify early in time areas of noncompliance;
4. The Authority observed that the Entity issued bidding documents that had inadequate statements of requirements, evaluation criteria or instructions to the bidders in twelve sampled procurements worth UGX 957,132,596. This leaves doubt and assumptions to the bidder on the requirements of the Entity and exposes the Entity to the risk of potential disagreements and conflict during the implementation of the contracts;
5. The Authority found irregularities in the bidding processes such as delay to invite the shortlisted bidders and failure by the chairperson of the bid opening session to sign key pages of the submitted bids in six procurements worth UGX 550,139,793, such irregularities potentially discourage competition and lead to award of contracts to non-responsive bidders;
6. The Authority found irregularities in the evaluation of bids such as passing non-compliant bidders, failure to correct arithmetic errors and introduction of new evaluation criteria in ten procurement transaction worth UGX 802,392,550, contrary to Regulation 73 (1) (2)

and (3) of the Local Governments (PPDA) Regulations, 2006. This exposes the Entity to the risk of award of contracts to non-compliant bidders and failure to attain value for money;

7. There were anomalies at contracting such as contradicting clauses in the contract, change of contract terms at contract signing and incomplete contract documents in nine procurements worth UGX 735,605,730. This exposes the Entity to the risk of contract disputes between the Entity and the contractors and ineffective execution;
8. Delays were found in two procurement transactions worth UGX 76,383,662 such as delays in submissions by PDU to Contracts Committee for approval and invitation to bidders. This puts the Entity at a risk of budgetary cuts due to non-performance hence failure in service delivery to the public;
9. There was failure to maintain complete procurement action files. There were ten procurement transactions with missing records, contrary to Regulation 46 of the Local Governments (PPDA) Regulations, 2006; and
10. The Authority found anomalies in contract management such as failure to enforce performance security, paying of VAT to firms that were not VAT registered and delayed delivery in eight procurements worth UGX 461,852,497 which casts doubt on effectiveness of the Entity in supervision of contracts and contravenes Regulation 119 of the Local Governments (PPDA) Regulations, 2006.

In summary, the Authority notes that irregularities at evaluation, quality of the bidding document and anomalies in contract management largely contributed to the performance of the Entity.

In light of the above, the Authority recommends as follows:

1. The Accounting Officer should delegate his functions when needed, formally in writing in accordance with Section 39 of the PPDA Act, 2003. The delegation should state in specific terms the function delegated, the period, and the person to whom delegation has been granted;
2. The Accounting Officer should implement all the Authority's procurement audit recommendations in accordance with Regulation 14 (k) of the Local Governments (PPDA) Regulations, 2006. Where management finds challenges in implementation of any recommendation, this should be brought to the attention of the Authority;
3. The Head of the Internal Audit department of the Procuring and Disposing Entity should ensure that procurement and disposal procedures and payments by the Entity are audited regularly;
4. The Contracts Committee should approve a bidding document for each procurement with specific and appropriate bidding terms and criteria tailored to the subject of procurement;
5. The Chair Persons of the bid opening sessions should sign and stamp on the key pages of the opened bids that are unique to the bids and those that contain financial information in accordance with Regulation 71(10) of the Local Governments (PPDA) Regulations, 2006;

6. The Evaluation Committees should evaluate the bids following the criteria set in the bidding document and waive any non-material deviations following Regulation 75 of the Local Governments (PPDA) Regulations, 2006;
7. The Head, Procurement and Disposal Unit and Contracts Committee should quality assure all contract documents before the contracts are signed;
8. The Accounting Officer should task the Head Procurement and Disposal Unit, and the Contract Supervisors to avoid delays in the procurement process so that the Entity achieves efficiency and value for money in accordance with Section 48 of the PPDA Act, 2003;
9. The Accounting Officer should prevail over contract supervisors to ensure that reports on contract implementation are prepared and forwarded to the Procurement and Disposal Unit in accordance to Regulation 119 (10) (f) of the Local Governments (PPDA) Regulations, 2006; and
10. Contract supervisors should strictly supervise contracted firms to fulfil all contractual obligations specified within the terms and conditions in accordance to Regulation 119 (9) of the Local Governments (PPDA) Regulations, 2006.

Amolatar District Local Government should implement the recommended action plan on **pages 45-47**.

## CHAPTER 1: INTRODUCTION

### 1.1 Structure of the Entity

According to Section 26 of the PPDA Act, 2003 the Accounting Officer has the overall responsibility for the execution of the procurement and disposal process in the Procuring and Disposing Entity. Section 26 (1) (a) and (c) 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 Accounting Officer of Amolatar District Local Government during the Financial Year under review was Mr. Bruno Nawoya.

The Contracts Committee and composition of the Procurement and Disposal Unit are detailed under Annex D.

### 1.2 Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Amolatar District Local Government that covered a sample of 19 procurement transactions under Financial Year 2021/22. The audit 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 2003 and Local Governments (PPDA) Regulations, 2006.

### 1.3 Main Audit Objectives

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Amolatar District Local Government procurement system and processes with the provisions of the PPDA Act, 2003 and Local Governments (PPDA) Regulations, 2006 and assess the level of procurement performance over the audit period.

The specific objectives were to:

- i. Establish the level of compliance by the PDE with the general provisions of the PPDA Act and Regulations;
- ii. Establish the level of compliance with the PPDA Act, 2003 in the conduct of procurement and disposal activities; and
- iii. Assess the level of efficiency and effectiveness in contract implementation.

### 1.4 Audit Scope

The audit involved a review of the procurement processes, disposal, general compliance issues and contract implementation on sample basis. The audit covered a sample of 19 procurement transactions under Financial Year 2021/22. The list of sampled transactions is contained in **Appendix 1**. The distribution of the transaction population and sample is in Table 1 below:

**Table 1: Analysis of Population and Sample Selected for audit of FY 2021/2022**

Procurement Method	Population Value (UGX)	Population Number	Sample Count	Sample Value (UGX)	%Value
Open Domestic Bidding	3,518,014,979	13	13	3,518,014,979	100
Selective Bidding	311,601,844	29	6	184,351,407	59
<b>Total</b>	<b>3,829,616,823</b>	<b>42</b>	<b>19</b>	<b>3,702,366,386</b>	<b>96.7</b>

### **1.5 Audit Methodology**

The auditors examined records and documents for each sampled procurement transaction and obtained relevant and sufficient evidence to derive audit conclusions. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and management. At the end of the document review, a physical verification was undertaken to ascertain the level of contractual delivery and fitness for purpose.

During the audit, the auditors met with the staff from the Procurement and Disposal Unit (PDU), Contracts Committee, Internal Audit, and User Departments where necessary, to obtain crucial qualitative information about the internal control system and processes in place.

A debrief meeting to discuss preliminary findings that arose during the audit was held with the Entity management and staff on **7<sup>th</sup> December 2022** before the auditors could embark on preparation of the management letter. The management letter was sent to the Entity on **23<sup>rd</sup> January 2023** with a requirement to submit a management response by **30<sup>th</sup> January 2023**, which was submitted on **31<sup>st</sup> January 2023**. The exit meeting was held on **31<sup>st</sup> January 2023** at PPDA Northern Regional Office in Gulu City.

This report presents the key findings and conclusions arising from the procurement and disposal audit exercise.

## CHAPTER 2: AUDIT FINDINGS AND RECOMMENDATIONS

### 2.1 LEVEL OF COMPLIANCE WITH THE GENERAL PROVISIONS OF THE PPDA ACT, 2003 AND LOCAL GOVERNMENTS (PPDA) REGULATIONS, 2006

#### 2.1.1 Performing functions of the Accounting Officer without delegated Authority

Mr. Abdallah Awinye and Ms. Juliet Ayo Okwik confirmed availability of funding on behalf of the Accounting Officer in seven procurements worth UGX 395,798,339 listed in table 2 below without formal delegated authority from the Accounting Officer.

**Table 2: Market price not confirmed by the Accounting Officer**

No.	Subject of Procurement	Contract Value (UGX)	Exception
1.	Renovation of classroom blocks at Abeja Primary School	66,786,820	Mr. Abdallah Awinye confirmed funding on 27 <sup>th</sup> July 2021 without the delegated authority.
2.	Construction of Maternity Ward at Amolatar HC IV	115,055,424	Ms. Juliet Ayo Okwik confirmed funding on 12 <sup>th</sup> July 2021 without the delegated authority.
3.	Construction of twin staff house at Nakatiti Health Centre III	126,988,350	Ms. Juliet Ayo Okwir confirmed funding on 22 <sup>nd</sup> July 2021 without the delegated authority.
4.	Fencing of Amolatar HC IV (Phase Three)	38,393,778	Ms. Juliet Ayo Okwir confirmed funding on 12 <sup>th</sup> July 2021 without the delegated authority.
5.	Construction of 5 Stance Drainable VIP latrine with one urinal at Abwong Primary School	3,800,000	Mr. Abdallah Awinye confirmed funding on 27 <sup>th</sup> July 2021 without the delegated authority.
6.	Construction of 5 Stance Drainable VIP latrine with one urinal at Olyaka Primary School	22,845,695	Mr. Abdallah Awinye confirmed funding on 27 <sup>th</sup> July 2021 without the delegated authority.
7.	Construction of placenta pits at Etam HCII. Namasale HCIII and Nakatiti HCII	21,928,272	Ms. Juliet Ayo Okwir confirmed funding on 12 <sup>th</sup> July 2021 without the delegated authority.
<b>Total</b>		<b>395,798,339</b>	

#### Implication

The Entity was exposed to the risk of committing to less vital priorities and detrimental market prices without the knowledge of the Accounting Officer.

### Recommendations

The Accounting Officer should delegate his functions when need arises, formally in writing in accordance with Section 39 of the PPDA Act, 2003. The delegation should state in specific terms the function delegated, the period, and the person to whom delegation has been granted.

### Management Response

*Mr Awuye Abdallah and Ms Ayo Juliet Okwir were Deputy Chief Administrative Officers and Principal Assistant Secretaries (Acting Deputy CAO FY 2021-2022) respectively. Both were officially delegated duties by Accounting Officer (See attached letter of delegation).*

**Authority's comment:** *The evidence for delegation submitted for verification was from 2<sup>nd</sup> August 2021 yet the procurements mentioned above were approved between 12<sup>th</sup> -27<sup>th</sup> July 2021.*

### 2.1.2 Failure to implement the previous audit recommendations

The previous audit recommendations for Financial Year 2019/20 were not fully implemented. Out of eleven recommendations made, four recommendations representing 37% were not implemented, five representing 45% were partially implemented and two representing 18% were implemented as detailed in table 3 below:

**Table 3: Implementation of Previous Audit Recommendations**

Origin	Recommended Action	Status
Accounting Officer	1. The Accounting Officer should caution the contract supervisor for the sitting, drilling and installation of four boreholes at Amolatar to recover the money, within six months from issue of this report, paid towards engraving the boreholes on a telescopic stand worth UGX 320,000 and implementing environmental measures totaling to UGX 700,000 given the retention was settled on 26 <sup>th</sup> June 2020; and	Not implemented
	2. The Accounting Officer should closely follow up with the implementation of the Authority's recommendations made in section 2 of this report as required in Regulation 14 (k) of the Local Governments (PPDA) Regulations, 2006.	Partially implemented
Procurement and Disposal Unit	1. The PDU should maintain and archive all records including the contract management records on the respective procurement and disposal action files as required in Regulation 25 (1) (n) of the Local Governments (PPDA) Regulations, 2006.	Partially implemented
	2. The PDU should vigilantly request the Users to attach clear and detailed Statements of Requirements when initiating procurement and disposal requirements as required in Regulation 65 (1) (a) of the Local Governments (PPDA) Regulations, 2006.	Partially implemented

Origin	Recommended Action	Status
	3. The Procurement Officer should define favourable statement of requirements and evaluation criteria to afford many more potential bidders the opportunity to bid for procurement and disposal requirements in order to boost bidder participation.	Partially implemented
Contracts Committee	The Contracts Committee should quality assure and conduct due diligence on all solicitation documents with emphasis on instructions to bidders, evaluation criteria and methodology, statement of requirements and the special conditions of the contract.	Not implemented
Evaluation Committee	The Evaluation Committee should conduct evaluation in accordance with the provisions of Section 71 of the PPDA, Act 2003.	Partially implemented
User Departments	1. The User Departments should submit all contract management records to the PDU and CC for purposes of project monitoring and decision making as required in Regulation 119 (10) of the Local Governments (PPDA) Regulation, 2006.	Not implemented
	2. The responsible officers should recover the money for unimplemented works as recommended in section 2 of this audit report within the specified time period.	Not implemented

### **Implication**

Implementation of audit recommendations strengthens internal controls within the Entity and where recommendations are not implemented, it implies that there is little or no willingness within the Entity to improve the performance of the procurement and disposal function.

### **Recommendation**

The Accounting Officer should implement all the Authority's procurement audit recommendations in accordance with Regulation 14 (k) of the Local Governments (PPDA) Regulations, 2006. Where management finds challenges in implementation of any recommendation, this should be brought to the attention of the Authority.

### **Management Response**

*This is noted and the Entity will ensure that the recommendations are fully implemented in the subsequent Financial Year.*

### **2.2.3 Failure by the Internal Auditor to audit the procurement function**

The Authority found that the Entity's Internal Auditor did not audit procurement and disposal procedures in the financial year under review contrary to Regulation 28 of the Local Governments (PPDA) Regulations, 2006.

**Implication**

Failure by the Internal Auditor to audit the procurement and disposal procedures may result into fraud going unnoticed. Furthermore, the Entity is denied a chance to identify early in time areas for improvement.

**Recommendation**

The Internal Auditor of the Procuring and Disposing Entity should ensure that procurement and disposal procedures and payments by the Entity are audited regularly in accordance with Regulation 28 of the Local Governments (PPDA) Regulations, 2006.

**Management Response**

*This is noted and will be implemented. Accounting Officer to instruct the Internal Auditor to always sample procurement files and carry out audit.*

**2.1.4 Procurement Implementation Rate**

Table 4 below summarizes information about the procurement plan, approved budget and utilization of funds. The procurement plan implementation rate was at 99% by value with a budget variance of UGX 44,220,128:

**Table 4: Procurement plan implementation rate**

Total procurement plan value (UGX)	5,044,545,828
Actual procurement spend (UGX)	5,000,325,697
Variance (UGX)	44,220,131
Percentage implementation rate (%)	99%

**Implication**

The Entity to a large extent utilized its procurement budget hence an indicator of delivery of public services.

**Recommendation**

To address variances, the Accounting Officer and Management should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance.

**Management Response**

*Noted by the Accounting officer. The regular review and update of the procurement plan has been adopted in this FY 2022-2023 for better performance.*

**2.2 LEVEL OF COMPLIANCE WITH THE PPDA ACT, 2003 IN THE CONDUCT OF PROCUREMENT AND DISPOSAL ACTIVITIES; AND LOCAL GOVERNMENTS (PPDA) REGULATIONS, 2006****2.2.1 Irregularities during initiation**

The Authority found irregularities during initiation of two procurements worth UGX 151,754,464, contrary to Regulation 65 of the Local Governments (PPDA) Regulations, 2006 as indicated in the table 5 below:

**Table 5: Procurement transactions with irregularities during initiation**

No	Subject of Procurement	Contract Value (UGX)	PPDA Findings
1.	Construction of Maternity Ward at Amolatar HC IV	115,055,424	Delay to confirm funding by the Accounting Officer. The procurement was initiated on 27 <sup>th</sup> May 2021, however the Accounting Officer confirmed availability of funding on 12 <sup>th</sup> July 2021.
2.	Engineering, Design and plan consultancy for piped water	36,699,040	The statement of requirements were not proposed by the User Department
	<b>Total</b>	<b>151,754,464</b>	

**Implications**

- Failure to recommend statement of requirements by the User Department makes it difficult for the Procurement and Disposal Unit to prepare appropriate solicitation documents and may also lead to procurement of items which do not meet the intended objectives.
- Delays in the procurement process create a lengthy lead time which consequently impedes service delivery.

**Recommendations**

- The Accounting Officer should endeavour to eliminate delays in the Entity to ensure timely service delivery in accordance with Section 48 of the PPDA Act, 2003.
- The user departments should attach statement of requirements and terms of reference at initiation according to Regulation 26 (1) (c) and 65 (1) (a) of the Local Governments (PPDA) Regulations, 2006.

**Management Response**

*No management response*

**2.2.2 Inconsistencies in the solicitation documents**

In 12 procurements worth UGX 957,132,596 the solicitation documents issued to bidders had inconsistencies, contrary to Regulation 48 of the Local Governments (PPDA) Regulations, 2006 as detailed in table 6 below:

**Table 6: Bidding documents with inconsistencies**

No	Subject of Procurement	Contract Value (UGX)	Findings
1.	Construction of Maternity Ward at Amolatar HC IV by Bygon Enterprises Limited	115,055,424	<ul style="list-style-type: none"> <li>• The Authority noted that ITB 17.1 of the bidding document stated that the bid validity period shall be 120 working days without stating the actual date of bid validity contrary to PPDA circular No. 1/2013.</li> <li>• Section 3 (Evaluation methodology and Criteria) 3.2 (g) required a bidder's valid income tax clearance certificate but did</li> </ul>

No	Subject of Procurement	Contract Value (UGX)	Findings
			not specify the period required.
2.	Renovation of classroom blocks at Abeja Primary School	66,786,820	<ul style="list-style-type: none"> <li>The Procurement and Disposal Unit did not state the exact date of the expiry of the bid validity period in the solicitation document contrary to PPDA Circular No.1/2013.</li> <li>Unclear evaluation criteria; Section 3 (Evaluation methodology and Criteria) 3.2 (g) required a bidder's valid income tax clearance certificate but did not specify the period required.</li> </ul>
3.	Engineering, Design and plan consultancy for piped water	36,699,040	<ul style="list-style-type: none"> <li>The Procurement and Disposal Unit did not state the exact date of the expiry of the bid validity period in the solicitation document contrary to PPDA Circular No.1/2013.</li> <li>Unclear evaluation criteria; Section 3 (Evaluation methodology and Criteria) 3.2 (g) required a bidder's valid income tax clearance certificate but did not specify the period required.</li> </ul>
4.	Low Cost Sealing of Corner Bangladesh to Bangladesh Landing Site (0.4Km)-RTI by CME Enterprises Limited	186,449,505	The date of expiry of the bid validity was not stated in the bidding document. The bidding document required a bid validity period of 90 working days
5.	Low Cost Sealing of 0.26Km Corner Bangladesh to Bangladesh Landing Site Road by CME Enterprises Limited	118,983,970	The date of expiry of the bid validity was not stated in the bidding document. The bidding document required a bid validity period of 90 working day
6.	Sitting, drilling and installation of eight (8) boreholes at Amolatar District by KLR Uganda	159,517,120	<ul style="list-style-type: none"> <li>Contradicting information on bid validity period; ITB 17.1 stated that the bid validity period shall be 120 working days however 3.2 (n) under the evaluation methodology and criteria stated a bid validity period of 120 days.</li> </ul>

No	Subject of Procurement	Contract Value (UGX)	Findings
	Ltd worth UGX 159,517,120		<ul style="list-style-type: none"> <li>The date of expiry of the bid validity was not stated in the bidding document.</li> </ul>
7.	Construction of twin staff house at Nakatiti Health Centre III	126,988,350	<ul style="list-style-type: none"> <li>The bidding document required a copy of the bidder's valid income tax clearance certificate addressed to Amolatar DLG but did not specify the transaction period.</li> <li>Contradicting information of bid validity period; ITB 17.1 stated that the bid validity period shall be 120 working days however 3.2 (n) under the evaluation methodology and criteria stated a bid validity period of 120 days.</li> <li>The date of expiry of the bid validity was not stated in the bidding document.</li> <li>Use of brand name (Crestank) in the BoQs. The BoQs required 5,000 L PVC Crestank</li> </ul>
8.	Fencing of Amolatar HC IV (Phase Three)	38,393,778	<ul style="list-style-type: none"> <li>The bidding document required a copy of the bidder's valid income tax clearance certificate addressed to Amolatar DLG but did not specify the period.</li> <li>The date of expiry of the bid validity was not stated in the bidding document.</li> </ul>
9.	Construction of 5 Stance Drainable VIP latrine with one urinal at Olyaka Primary School	22,845,695	<ul style="list-style-type: none"> <li>The bidding document required a copy of the bidder's valid income tax clearance certificate addressed to Amolatar DLG but did not specify the period</li> <li>The date of expiry of the bid validity was not stated in the bidding document. The bidding document required a bid validity period of 90 working days</li> </ul>
10.	Construction of 5 Stance Drainable VIP latrine with one urinal at Abwong Primary School	23,800,000	<ul style="list-style-type: none"> <li>The bidding document required a copy of the bidder's valid income tax clearance certificate addressed to Amolatar DLG but did not specify the period.</li> <li>The date of expiry of the bid validity was not stated in the bidding document.</li> </ul>
11.	Construction of placenta pits at Etam HCII, Namasale HCIII and Nakatiti HCII	21,928,272	<ul style="list-style-type: none"> <li>The bidding document required a copy of the bidder's valid income tax clearance certificate addressed to Amolatar DLG but did not specify the period.</li> <li>The date of expiry of the bid validity was not stated in the bidding document. The bidding document required a bid validity period of 90 working days</li> </ul>

No	Subject of Procurement	Contract Value (UGX)	Findings
12.	Construction of District Store	39,684,622	<ul style="list-style-type: none"> <li>The bidding document required a copy of the bidder's valid income tax clearance certificate addressed to Amolatar DLG but did not specify the period</li> <li>The date of expiry of the bid validity was not stated in the bidding document.</li> </ul>
	<b>Total</b>	<b>957,132,596</b>	

### Implications

- This leaves doubt and assumptions to the bidder on the requirements of the Entity and exposes the Entity to the risk of potential disagreements and conflict during the implementation of the contracts.
- Inappropriate requirements discourage competition and lead to award of contracts to non-responsive bidders.

### Recommendations

- The Contracts Committee should reject solicitation documents that do not define requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity in accordance with Regulation 48(2) of the Local Governments (PPDA) Regulations, 2006.
- The Head Procurement and Disposal Unit should set the most appropriate evaluation criteria that suits the purpose of the procurement in accordance with Regulation 48(4) of the Local Governments (PPDA) Regulations, 2006.
- The Procurement and Disposal Unit should state exact dates of expiry of bid validity periods when preparing solicitation documents as provided in the PPDA Circular No.1/2013.

### Management Response

- The Entity has noted that only indicating 120 days as bid validity isn't enough, a date has to be indicated. This has been adopted for implementation in the subsequent FYs.
- The Entity asked for valid income tax clearance addressed to Amolatar DLG which were provided by the bidders. Validity period of tax clearance certificates are determined by URA which is dependent on the date of tax returns clearance. All income tax clearance certificates issued within the advert period and bid validity period was considered valid and their authenticity were verified from URA website.

### 2.2.3 Irregularities during the bidding process

The Authority found irregularities in the bidding process in four procurements worth UGX 509,654,015 as indicated in table 7 below:

**Table 7: Procurements with irregularities in the bidding process**

No	Subject of Procurement	Contract Value (UGX)	Findings
1.	Engineering, Design and plan consultancy	36,699,040	Failure by the best evaluated bidder Real Irrigation Engineering Co. Ltd to submit general receipt acknowledging payment of bid fee

No	Subject of Procurement	Contract Value (UGX)	Findings
	for piped water		
2.	Low Cost Sealing of Corner Bangladesh to Bangladesh Landing Site (0.4Km)-RTI by CME Enterprises Limited	186,449,505	Failure by the chairperson of the bid opening to sign key pages of the submitted bids. The LG Regulations 71 (9) and (10) requires the chairperson of the bid opening to stamp and initial key pages of the bids, including the bid submission sheet and all pages containing financial information such as bills of quantities.
3.	Sitting, drilling and installation of eight (8) boreholes at Amolatar District by KLR Uganda Ltd	159,517,120	Failure by the chairperson of the bid opening session to sign key pages of the submitted bids. The LG Regulations 71 (9) and (10) requires the chairperson of the bid opening to stamp and initial key pages of the bids, including the bid submission sheet and all pages containing financial information such as bills of quantities
4.	Construction of twin staff house at Nakatiti Health Centre III	126,988,350	Failure by the chairperson of the bid opening session to sign key pages of the submitted bids. The LG Regulations 71 (9) and (10) requires the chairperson of the bid opening session to stamp and initial key pages of the bids, including the bid submission sheet and all pages containing financial information such as bills of quantities
	<b>Total</b>	<b>509,654,015</b>	

### Implications

- Lack of transparency in the procurements undertaken potentially discourages competition and may lead to award of contracts to non-responsive bidders.
- The Entity may not obtain competitive bid offers thus failure to achieve value for money.

### Recommendations

- The Procurement and Disposal Unit should properly manage the bidding process within the Entity because such irregularities as raised in table 7 above negatively impact on the reputation of the Entity and may lead to low bidder participation thus impeding achievement of value for money.
- The Head Procurement and Disposal Unit should develop shortlists that have sufficient providers that are expected to participate and meet the eligibility requirements of the Entity and have them approved by the Contracts Committee in accordance with Regulation 38 of the Local Governments (PPDA) Regulations, 2006.

### Management response

Low bidder participation can be attributed to many other factors like distance, unattractive contract prices, bad economic period but all the procurement processes were followed to call for bids from bidders, that is, adverts were run etc.

#### **2.2.4 Irregularities during evaluation of bids**

The Authority found irregularities in the evaluation of ten procurement transactions worth UGX 802,392,550 contrary to Regulation 73 of the Local Governments (PPDA) Regulations, 2006.as indicated in table 8 below:

**Table 8: Procurement transactions with irregularities in their evaluation process**

No	Subject of Procurement	Contract Value (UGX)	Findings
1.	Renovation of classroom blocks at Abeja Primary School	66,786,820	<ul style="list-style-type: none"><li>• The Entity required the bidders to submit bank statements for the last 6 months with a minimum of UGX 20,000,000, more so the Entity required the bidders to give authority to the Entity to seek reference from their bankers. The best evaluated bidder Bleek Uganda Company Limited submitted a bank statement from Centenary Bank for account number 3100077487, the letter giving authority to seek reference from their bank was for KCB bank account number 2296662269.</li><li>• Bleek Uganda Company Limited charged VAT of UGX 10,187,820 yet it was not VAT registered as indicated on its TIN No. 1015415973.</li></ul>
2.	Engineering, Design and plan consultancy for piped water	36,699,040	<ul style="list-style-type: none"><li>• Whereas the Entity required bidders to submit the specific Powers of Attorney, the best evaluated bidder Real Irrigation Engineering Co. Ltd submitted the general Powers of Attorney and it was evaluated compliant against this criteria.</li><li>• The Entity required a bid validity period of 90 working days, however the BEB - Real Irrigation Engineering Co. Ltd offered a bid validity period of 70 working days and it was evaluated compliant. (From 18<sup>th</sup>/3/2022 to 30<sup>th</sup>/6/2022)</li><li>• Whereas Real Irrigation Engineering Co. Ltd was incorporated on 15<sup>th</sup> July 2020, it submitted the following completion certificates that were issued to it before its existence hence suspected forgery.<ul style="list-style-type: none"><li>○ Rehabilitation of seven deep boreholes Reference number: DOKO 575/WRKS/2018-19/00005 Contract Value: UGX 44,356,000 Employer: Dokolo DLG</li></ul></li></ul>

No	Subject of Procurement	Contract Value (UGX)	Findings
			<p>Completion date: 31<sup>st</sup> May 2019</p> <ul style="list-style-type: none"> <li>○ Borehole assessment, repairs and rehabilitation including construction of cattle troughs. Contract Value: UGX 66,937,000 Employer: Lamwo DLG Completion date: 13<sup>th</sup> February 2020</li> <li>○ Test pumping of four boreholes for 72 hrs each. Reference number: KATA 575/WRKS/2019-20/0068 Contract Value: UGX 36,000,000 Employer: BSL Water Services Completion date: 12<sup>th</sup> April 2020</li> </ul> <ul style="list-style-type: none"> <li>• Real Irrigation Engineering Company Limited charged VAT of UGX 2,663,640 yet it was not VAT registered as indicated on its TIN No. 1016827599. Furthermore, the bidder charged withholding tax of UGX 887,880.</li> <li>• Unfair evaluation. Balbert Water Solutions Ltd was eliminated for not accepting the bid validity period of 90 working days, however the Authority found that the bidder had offered a bid validity period of 120 working days as indicted on its bid submission sheet.</li> </ul>
3.	Low Cost Sealing of Corner Bangladesh to Bangladesh Landing Site (0.4Km)-RTI by CME Enterprises Limited worth UGX 186,449,505	186,449,505	<ul style="list-style-type: none"> <li>i) The EC corrected UGX 186,676,065 to UGX 186,449,505, however there was no evidence of communication of the above Arithmetic correction to CME Enterprises Ltd.</li> <li>ii) Post qualification was not conducted yet it was a requirement in the bidding document.</li> </ul>
4.	Low Cost Sealing of 0.26Km Corner Bangladesh to Bangladesh Landing Site Road by CME Enterprises Limited worth UGX 118,983,970	118,983,970	Post qualification was not conducted yet it was a requirement in the bidding document.

No	Subject of Procurement	Contract Value (UGX)	Findings
5.	Sitting, drilling and installation of eight (8) boreholes at Amolatar District by KLR Uganda Ltd worth UGX 159,517,120	159,517,120	<ul style="list-style-type: none"> <li>The bidding document required a bid validity period of 120 working days however the EC changed the criteria at evaluation to bid validity period of 120 days.</li> <li>The EC evaluated the criteria of Equipment Operators/Drivers (1) UCE, driving permit however this criteria was not stated in the bidding document</li> <li>The EC evaluated the criteria of Ordinary Labourers (minimum 10) however this criteria was not stated in the bidding document</li> <li>Post qualification was not conducted yet it was requirement in the bidding document.</li> </ul>
6.	Fencing of Amolatar HC IV (Phase Three by Amuway Investment Company- SMC Ltd worth 38,393,778	38,393,778	<ul style="list-style-type: none"> <li>The bidding document required the bid validity period of 90 working days however the EC changed the bid validity period to 90 calendar days.</li> <li>The Evaluation Committee evaluated the criteria of Site Engineer (1) Degree in Civil &amp; Building Engineering, experience of not less than three years and a certificate of training from MELTEC however the criteria was not stated in the bidding document</li> </ul>
7.	Construction of 5 Stance Drainable VIP latrine with one urinal at Abwong Primary School by Alfayo General company Ltd	23,800,000	<ul style="list-style-type: none"> <li>The Evaluation Committee evaluated the criteria of Assistant Site Foreman (2) trained in Low Cost Sealing with ordinary Diploma in Civil &amp; Building Engineering; experience of not less than two years however the criteria was not stated in the bidding document.</li> </ul>
8.	Construction of placenta pits at Etam HCII. Namasale HCIII and Nakatiti HCII by Broad Base Engineering Ltd	21,928,272	<ul style="list-style-type: none"> <li>The Evaluation Committee evaluated the criteria of Site Foreman (1) trained in Low Cost Sealing with Higher Diploma in Civil and Building Engineering experience of not less than two years and a certificate of training from MELTEC however the criteria was not stated in the bidding document.</li> <li>The Evaluation Committee evaluated the criteria of Pedestrian roller compactor minimum 5 tonnes however the criteria was not stated in the bidding document.</li> </ul>
9.	Construction of 5 Stance Drainable VIP latrine with one urinal at Olyaka Primary School by	22,845,695	<ul style="list-style-type: none"> <li>The Evaluation Committee evaluated the criteria of cumulative low cost volume for the past three years of approximately Ugx 600 million and above however the criteria</li> </ul>

No	Subject of Procurement	Contract Value (UGX)	Findings
	Lengkoo- SMC Ltd		<p>was not stated in the bidding document.</p> <ul style="list-style-type: none"> <li>• The Evaluation Committee evaluated the criteria of Bitumen distributor however the criteria was not stated in the bidding document.</li> <li>• The Evaluation Committee evaluated the criteria of minimum bank balance of Ugx 50 million and above however the criteria was not stated in the bidding document.</li> <li>• The Evaluation Committee evaluated the criteria of working capital of Ugx 200 million and above however the criteria was not stated in the bidding document.</li> <li>• The bidding document required complete statement of three months with bank balance of 5 million however the EC changed the criteria to minimum bank balance of UGX 50 million and above</li> <li>• The bidding document required laid down strategy for environmental protection by the bidder before and after commencement of work (e.g. Company/firm shall plant 50 trees as Corporate Social Responsibility) however the Evaluation Committee changed the criteria to strategy on environmental protection (e.g. company will plant minimum of 100 trees seedlings)</li> <li>• The bidding document required complete statement of working capital (audited books of accounts for the last 3 years with minimum of UGX 10 million and above however the EC changed the criteria to working capital of UGX 200 million and above</li> <li>• The bidding document required volume of work handled in the last three years with UGX 5 million however the EC changed the criteria to cumulative low cost volume for the past three years of approximately 600 million and above</li> <li>• The bidding document required the bidders to attach evidence of experience in similar works (certificate of completion) of similar nature for at least two years however this criteria was not evaluated.</li> <li>• Alfayo General Company Ltd the BEB did not state the bid validity period in their bid</li> </ul>

No	Subject of Procurement	Contract Value (UGX)	Findings
			<p>however they were rated compliant to the evaluation criteria of bid validity period of 90 working days</p> <ul style="list-style-type: none"> <li>• Failure by Lengkoo- SMC Ltd the BEB to state the required bid validity period. Lengkoo- SMC Ltd stated a bid validity period of 90 days however the bidding document required a bid validity period of 90 working days. The Evaluation Committee rated the company compliant to this criteria</li> </ul>
10.	Construction of twin staff house at Nakatiti Health Centre III	126,988,350	<ul style="list-style-type: none"> <li>• Post qualification was not conducted yet it was requirement in the bidding document.</li> <li>• Inflated cost of rain water tank. The contractor quoted 5,000 L PVC Crestank with 25mm ball valve, 25mm washout and 50mm overflow pipe at UGX 4,000,000.</li> </ul>
	<b>Total</b>	<b>802,392,550</b>	

### **Implications**

This implies that contracts were awarded to firms that were not eligible and technically compliant to undertake contracts with the Government of Uganda.

### **Recommendations**

- The Evaluation Committees should evaluate the bids following the criteria set in the bidding document and waive any non-material deviations following Regulation 75 of the Local Governments (PPDA) Regulations, 2006.
- The Evaluation Committees should be vigilant while reviewing the information submitted by the bidders for conformity with the set criteria before passing bidders in accordance with Section 71 (3) of the PPDA Act, 2003.
- The Evaluation Committee should strictly adhere to the criteria set out in the solicitation document in accordance with Regulation 48 (4) of the Local Governments (PPDA) Regulations, 2006.

### **Management Response**

- *Evidence of VAT registration Certificate was not an evaluation criteria so it was hard for the Evaluation Committee to ascertain whether Bleek Uganda LTD was VAT registered or not hence awarding the contract VAT inclusive, However the Entity has made it a point for VAT registrations of all companies bidding with entity and all non VAT registered Companies have been awarded VAT exclusive FY2022-2023.*
- *About the finding of Alfayo General Company Ltd Inflated cost of rain water tank. The contractor quoted 5,000 L PVC Crestank with 25mm ball valve, 25mm washout and 50mm overflow pipe at UGX 4,000,000, it was noted that the country was coming out of COVID 19 and there was high inflation and price instability for most construction materials*

### 2.2.5 Irregularities during contracting

The Authority found irregularities during contracting in nine procurements worth UGX 735,605,730 indicated in table 9 below:

**Table 9: Procurements with irregularities during contracting**

No	Subject of Procurement	Contract Value (UGX)	Findings
1.	Engineering, Design and plan consultancy for piped water	36,699,040	<ul style="list-style-type: none"> <li>• Idle/incomplete clauses in the contract.               <ul style="list-style-type: none"> <li>➤ GCC 8.1: The period within which the services shall have commenced is.</li> <li>➤ GCC 18.1: The period within which the services shall have been completed following commencement of the services is.</li> <li>➤ GCC 24.1: The following documentation shall be required to support invoices requesting payments.</li> <li>➤ GCC 43.1: Restrictions on the use of deliverables: The future use of deliverables are restricted as follows.</li> <li>➤ GCC 45.1: Performance Security shall be required, the amount and currency of the performance security is.</li> </ul> </li> </ul>
2.	Low Cost Sealing of Corner Bangaladesh to Bangaladesh Landing Site (0.4Km)-RTI by CME Enterprises Limited worth UGX 186,449,505	186,449,505	<ul style="list-style-type: none"> <li>• GCC 17.1 of the SCC was misleading; it stated that the site possession date shall be 14 days upon completion</li> <li>• GCC 52.1 of the Special Conditions of Contract stated that a performance security shall not be required however the performance security protects the Entity against non- performance by the contractor especially for a high value contract worth UGX 186,449,505</li> <li>• The contract did not require an ES performance security however this security helps the Entity to promote the Environment, Safety, Health and Social safeguards.</li> </ul>
3.	Low Cost Sealing of 0.26Km Corner Bangaladesh to Bangaladesh Landing Site Road by CME Enterprises Limited worth UGX 118,983,970	118,983,970	<ul style="list-style-type: none"> <li>• GCC17.1 to the SCC stated that the intended completion period for the whole of the works shall be 90 working days however the same contract stated that the works must be completed by 30<sup>th</sup> June 2022. The contract start date was 15<sup>th</sup> April 2022 with a contract duration of 90 working days.</li> <li>• GCC 52.1 to the Special Conditions of Contract stated that a performance security shall not be required however the performance security protects the Entity</li> </ul>

No	Subject of Procurement	Contract Value (UGX)	Findings
			<p>against non-performance by the contractor especially for a high value contract worth UGX 118,983,970</p> <ul style="list-style-type: none"> <li>• The contract did not require an ES performance security however this security helps the Entity to promote the Environment, Safety, Health and Social safeguards</li> <li>• GCC1.1 (bb) to the SCC stated that the site is located at District Headquarters in Amolatar District however the low cost sealing was on Corner Bangladesh to Bangladesh Landing Site Road</li> </ul>
4.	Sitting, drilling and installation of eight (8) boreholes at Amolatar District by KLR Uganda Ltd worth UGX 159,517,120	159,517,120	<ul style="list-style-type: none"> <li>• GCC 17.1 to the SCC was contradicting. The Entity stated in GCC 17.1 that the site possession date shall be 7 working days upon completion as indicated in the commencement order</li> <li>• GCC 52.1 to the Special Conditions of Contract stated that a performance security shall not be required however the performance security protects the Entity against non-performance by the contractor especially for a high value contract.</li> <li>• The contract did not require an ES performance security however this security helps the Entity to promote the Environment, Safety, Health and Social safeguards.</li> </ul>
5.	Construction of twin staff house at Nakatiti Health Centre III	126,988,350	<ul style="list-style-type: none"> <li>• GCC 17.1 to the SCC was contradicting. The Entity stated that the site possession date shall be 14 days upon completion</li> <li>• The contract did not require an ES performance security however this security helps the Entity to promote the Environment, Safety, Health and Social safeguards.</li> <li>• Irregularly awarding and signing the contract at a price exclusive of VAT. The contracts Committee on 27<sup>th</sup> October 2021 awarded the contract at UGX 126,988,350 VAT exclusive and the contract was signed at UGX 126,988,350 VAT exclusive. This was irregularly done since the bid price was 18% VAT inclusive. The 18% VAT worth UGX</li> </ul>

No	Subject of Procurement	Contract Value (UGX)	Findings
			22,857,903 should have been deducted from UGX 126,988,350 and the contract should have been signed at UGX 104,130,447 VAT exclusive.
6.	Fencing of Amolatar HC IV (Phase Three)	38,393,778	Irregularly awarding the contract at a price exclusive of VAT. The Contracts Committee on 15 <sup>th</sup> March 2022 awarded the contract at UGX 38,393,778 VAT exclusive however the BEB quoted price of UGX 38,393,778 was VAT inclusive
7.	Construction of 5 Stance Drainable VIP latrine with one urinal at Abwong Primary School	23,800,000	Irregularly awarding the contract at a price exclusive of VAT. The Contracts Committee on 15 <sup>th</sup> March 2022 awarded the contract at UGX 23,800,000 VAT exclusive however the BEB quoted price of UGX 23,800,000 was VAT inclusive
8.	Construction of 5 Stance Drainable VIP latrine with one urinal at Olyaka Primary School	22,845,695	Irregularly awarding the contract at a price exclusive of VAT. The Contracts Committee on 15 <sup>th</sup> March 2022 awarded the contract at UGX 22,845,695 VAT exclusive however the BEB quoted price of UGX 22,845,695 was VAT inclusive
9.	Construction of placenta pits at Etam HCII. Namasale HCIII and Nakatiti HCII	21,928,272	Irregularly awarding the contract at a price exclusive of VAT. The Contracts Committee on 15 <sup>th</sup> March 2022 awarded the contract at UGX 21,928,272 VAT exclusive however the BEB quoted price of UGX 21,928,272 was VAT inclusive
	<b>Total</b>	<b>735,605,730</b>	

### Implication

- Altering contract terms at contract signing is unfair and deters bidders from participating in procurements with the Entity.
- Irregularities in the signed contracts exposes the Entity to the risk of contract disputes between the Entity and the contractors and ineffective execution.
- There is a potential risk of financial loss to the Government of Uganda through miscalculation of VAT exclusive contract sums.

### Recommendations

- The Accounting Officer should task the Procurement and Disposal Unit to desist from making changes to the contract terms at contract signing, and where need arises, hold negotiations in accordance with Regulation 83 of the Local Governments (PPDA) Regulations, 2006.
- The Contracts Committee and Head Procurement and Disposal Unit should quality assure all contract documents before the contracts are signed.

## **Management Response**

- *The award at VAT exclusive meant that during certification and payment the district remits the 18% to URA and the contractor receives what is due to them exclusive of VAT. However, the Entity learnt that this was a wrong way of awarding VAT exclusive contracts and this 18% component will be taken out of the contract sum before signing as advised.*
- *The GCC 17.1 of SCC meant that the Entity will take possession of the project after 14 days upon completion of works*

## **2.3 LEVEL OF EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION.**

### **2.3.1 Delay in the procurement process**

The Authority found delays in the procurement of consultancy services for design of pipe water system at Etam Town Council and Odyiak Trading Centre in Amolatar worth UGX 36,699,040. The Accounting Officer confirmed availability of funding on 22<sup>nd</sup> July 2021, however PDU made submissions to Contracts Committee on 8<sup>th</sup> February 2022, hence causing a delay of six months.

### **Implication**

The Entity runs a risk of failure to absorb funds due to non-performance hence failure in service delivery to the community.

### **Recommendation**

The Accounting Officer should task the Head Procurement and Disposal Unit, and the Contract Supervisors to avoid delays in the procurement process so that the Entity achieves efficiency and value for money in accordance with Section 48 of the PPDA Act, 2003.

### **2.3.2 Incomplete procurement files**

In ten procurements action files reviewed, there were missing records relating to procurement transactions' worth UGX 742,551,312 contrary to Regulation 46 of the Local Governments (PPDA) Regulations, 2006. The procurements with missing records are listed in table 10 below.

**Table 10: Procurements missing records**

No	Subject of Procurement	Contract Value (UGX)	Missing records
1.	Low Cost Sealing of Corner Bangladesh to Bangladesh Landing Site (0.4Km)-RTI by CME Enterprises Limited worth UGX 186,449,505	186,449,505	<ul style="list-style-type: none"><li>• No contract management plan.</li><li>• No contract management reports.</li><li>• No contract completion certificate in the file</li></ul>
2.	Low Cost Sealing of 0.26Km Corner Bangladesh to Bangladesh Landing	118,983,970	<ul style="list-style-type: none"><li>• No contract management plan.</li><li>• No contract management reports.</li><li>• No contract completion certificate in the file</li></ul>

No	Subject of Procurement	Contract Value (UGX)	Missing records
	Site Road by CME Enterprises Limited worth UGX 118,983,970		
3.	Sitting, drilling and installation of eight (8) boreholes at Amolatar District by KLR Uganda Ltd worth UGX 159,517,120	159,517,120	<ul style="list-style-type: none"> <li>• No contract management reports.</li> <li>• No contract completion certificate in the file</li> </ul>
4.	Construction of twin staff house at Nakatiti Health Centre III	126,988,350	<ul style="list-style-type: none"> <li>• No contract management plan.</li> <li>• No contract management reports.</li> <li>• No contract completion certificate in the file</li> </ul>
5.	Fencing of Amolatar HC IV (Phase Three)	38,393,778	<ul style="list-style-type: none"> <li>• No contract management plan.</li> <li>• No contract management reports.</li> <li>• No contract completion certificate in the file</li> </ul>
6.	Construction of 5 Stance Drainable VIP latrine with one urinal at Abwong Primary School	23,800,000	<ul style="list-style-type: none"> <li>• No contract management plan.</li> <li>• No contract management reports.</li> <li>• No contract completion certificate in the file</li> </ul>
7.	Construction of 5 Stance Drainable VIP latrine with one urinal at Olyaka Primary School	22,845,695	<ul style="list-style-type: none"> <li>• No contract management plan.</li> <li>• No contract management reports.</li> <li>• No contract completion certificate in the file</li> </ul>
8.	Construction of placenta pits at Etam HCII. Namasale HCIII and Nakatiti HCII	21,928,272	<ul style="list-style-type: none"> <li>• No contract management plan.</li> <li>• No contract management reports.</li> <li>• No contract completion certificate in the file</li> </ul>
9.	Construction of District Store	39,684,622	<ul style="list-style-type: none"> <li>• No contract management plan.</li> <li>• No contract management reports.</li> <li>• No contract completion certificate in the file</li> </ul>
10.	Revenue management at Omor Sunday Market – Muntu Sub County	3,960,000	<ul style="list-style-type: none"> <li>• No contract management plan.</li> <li>• No contract management reports</li> <li>• No contract completion certificate in the file.</li> </ul>
	<b>TOTAL</b>	<b>742,551,312</b>	

### Implication

Failure to maintain contract management records hinders accountability and service delivery cannot be tracked.

### Recommendation

- The Accounting Officer should prevail over contract supervisors to ensure that reports on contract implementation are prepared and forwarded to the Procurement and Disposal Unit in accordance to Regulation 119 (10) (f) of the Local Governments (PPDA) Regulations, 2006.
- Heads of User Departments should prevail over contract supervisors to provide contract management records to the Procurement and Disposal Unit for monitoring purposes and maintenance on the respective procurement action files in accordance with Regulation 119 (10) (Viii) of the Local Governments (PPDA) Regulations, 2006.

### Management Response

*No management response*

### .3.3 Irregularities during contract management

The Authority found irregularities in contract management for eight procurements worth UGX 461,852,497 as indicated in table 11 below;

**Table 11: Transactions with irregularities at contract management**

No	Subject of Procurement	Findings	Management Response
1.	Engineering, Design and plan consultancy for piped water Contract value UGX 36,699,040	<ul style="list-style-type: none"><li>• No engineering drawings and the final analysis report.</li><li>• Whereas the Entity signed the lump sum contract with the provider at UGX 36,699,040, the District Engineer issued an interim payment certificate of UGX 42,459,040 which was consequently paid by the Entity without any contract amendment or any additional responsibility that was undertaken by the consultant.</li></ul>	<p><i>The consultant produced the design and the drawing which were approved by Ministry of Water &amp; Environment. The contractor was again charged with additional responsibility to undertake the pump testing of two boreholes to be motorized which resulted to additional cost.</i></p> <p><b>Authority's comment:</b> The evidence of giving the contractor additional responsibility to undertake the pump testing of two boreholes was not submitted for verification.</p>
2.	Low Cost Sealing of 0.26Km Corner Bangladesh to Bangladesh Landing Site Road by CME	<ul style="list-style-type: none"><li>• No reports in the file to show that the contractor put in place social safeguarding measures</li><li>• Failure to prepare monthly progress reports. Though</li></ul>	<p><i>The contractor put in place social safe guarding measures and reports were prepared by the Entity and are available.</i></p> <p><i>Monthly progress reports were prepared by the contract</i></p>

No	Subject of Procurement	Findings	Management Response
	Enterprises Limited Contract value UGX 118,983,970	<p>the contract start date was 15<sup>th</sup> April 2022 ending 30<sup>th</sup> June 2022, the progress reports were not prepared by the Contract Supervisor.</p> <ul style="list-style-type: none"> <li>• GCC 27.1 to the SCC provided that the contractor shall submit the program for the works within 14 working days of delivery of the letter of acceptance however there was no evidence to show that the contractor complied with this requirement.</li> <li>• GCC 27.3 stated that the period between program updates is 7 working days. The amount to be withheld for late submission of an updated program is UGX 300,000 There was no evidence to show that the contractor complied with this requirement and no evidence that the Entity withheld UGX 300,000 for late submission.</li> <li>• No evidence in terms of reports to show that that the following activities under preliminaries in the BoQs were implemented; UGX 1,700,000 for supervision, monitoring and reporting by the Administrative, Engineering, Environmental and Social Safeguards Officers, UGX 450,000 for provision of full set signs for diversion and traffic control, UGX 600,000 for</li> </ul>	<p><i>supervisor and are available</i></p> <p><i>The Entity received the work program in time from the contractor and it is available</i></p> <p><i>The entity did not with hold the 300,000, it was an over sight.</i></p> <p><i>All those were done only that the records were not kept with the PDU.</i></p>

No	Subject of Procurement	Findings	Management Response
		<p>quality Safety Officer to deal with OHS, HIV/AIDS and gender management including transport, and UGX 420,000 for two Standard Road Signs, UGX 1,200,000 for a Standard Bill Board and UGX 2,500,000 for testing of materials.</p> <ul style="list-style-type: none"> <li>• Failure to account for funds allocated under contingencies. The BoQs provided for contingencies worth UGX 2,459,363 however there was no evidence to show which activities were implemented using the funds allocated under contingencies</li> <li>• Failure by the CFO and Internal Auditor to verify and approved the interim payment certificate. The only officials that signed the interim payment certificate No.2 were the District Engineer and Accounting Officer.</li> <li>• Retention worth UGX 5,949,198 was not yet paid yet the DLP ended on 30th September 2022.</li> <li>• Failure to charge the contractor UGX 261,765 per day for delay to complete the works by 30<sup>th</sup> June 2022. The contract stated that the liquidated damages for failure to complete works</li> </ul>	<p><i>The fund was used to pay for an extra work executed.</i></p> <p><i>It has been the practice that, the District Engineer, the Head of Departments and Accounting Officer sign the payment certificates but, Internal Audit does pre - payment audit and CFO visits the site and approves before payment is effected.</i></p> <p><i>Retention was released to the contractor.</i></p> <p><i>There was an over sight from our side to charge the contractor</i></p>

No	Subject of Procurement	Findings	Management Response
		<p>in time (30<sup>th</sup> June 2022) shall be charged at 0.22% of the contract sum per day for every day delayed. There was no evidence to show that the works were completed by 30<sup>th</sup> June 2022</p>	<p><b>Authority's comment:</b> No documentary evidence was submitted for verification.</p>
3.	<p>Sitting, drilling and installation of eight (8) boreholes at Amolatar District by KLR Uganda Ltd Contract value UGX 159,517,120</p>	<ul style="list-style-type: none"> <li>• The contract implementation plan was not prepared.</li> <li>• The Contract Supervisor was appointed by Ms. Ayo Juliet Okwir who did not have any delegated authority from the Accounting Officer</li> <li>• District Community Development Officer and Environment Officer were not appointed to take part in the supervision of the construction activities.</li> <li>• There was no contract management reports on file to show that the works were completed.</li> <li>• No reports in the file to show that the contractor put in place social safeguarding measure.</li> <li>• Failure to prepare monthly progress reports. Though the contract start date was 18th November 2021 ending</li> </ul>	<p><i>The implementation plan was prepared.</i></p> <p><i>She was delegated to work on behalf of CAO since CAO was out of office.</i></p> <p><i>District community Development officer and Environment Officer were appointed and they took part in the supervision of the construction activities</i></p> <p><i>Contract management reports are there and in engineer's office.</i></p> <p><i>The contractor put in place social safe guard measures and reports were prepared by the Entity and are available on file</i></p> <p><i>Progress reports were prepared by the supervising engineer.</i></p>

No	Subject of Procurement	Findings	Management Response
		<p>8th March 2022, the progress reports were not prepared by the Contract Supervisor.</p> <ul style="list-style-type: none"> <li>• GCC 27.1 to the SCC provided that the contractor shall submit the program for the works within 14 working days of delivery of the letter of acceptance however there was no evidence to show that the contractor complied with this requirement.</li> <li>• GCC 27.3 provided that the period between program updates is 7 working days. The amount to be withheld for late submission of an updated program was UGX 300,000. There was no evidence to show that the contractor complied to this requirement and no evidence that the Entity withheld UGX 300,000 for late submission.</li> <li>• The contract required site meetings however there were no reports or meeting minutes to show that site meetings were held.</li> <li>• No evidence in terms of reports to show that that the following activities under preliminaries in the BoQs were implemented; UGX 2,800,000 for Engineer's supervision, UGX 800,000 for HIV/AIDS sensitization UGX 1,600,000 for</li> </ul>	<p><i>This provision was not strictly observed but the contractor submitted</i></p> <p><i>The Entity did not withhold the 300,000, it was an oversight for a correction in future.</i></p> <p><i>Site meetings were held and minutes were written and kept in file.</i></p> <p><i>All the activities under preliminaries were implemented only that the records were not kept.</i></p>

No	Subject of Procurement	Findings	Management Response
		<p>environmental mitigation, UGX 3,200,000 for environmental screening, monitoring and certification of works, UGX 1,200,000 for provision of temporary facilities for use during work.</p> <ul style="list-style-type: none"> <li>No evidence to show the completed project was commissioned and handed over</li> </ul>	<p><i>The project was handed over and being used.</i></p> <p><b>Authority's comment:</b> No documentary evidence was provided for verification.</p>
4.	<p>Fencing of Amolatar HC IV (Phase Three by Amuway Investment Company- SMC Ltd Contract value UGX 38,393,778</p>	<ul style="list-style-type: none"> <li>Progress report dated 23<sup>rd</sup> April 2022 prepared by Ongora Leonard the Ag. DWO was not sufficiently detailed i.e. no detail of % physical progress, financial progress, time progress, materials at the site, personnel, equipment, ESHS safeguards issues etc.</li> <li>District Community Development Officer and Environment Officer were not appointed to take part in the supervision of the construction activities.</li> <li>Computation made in the interim payment certificate. As a result the contractor was paid UGX 36,592,784 instead of UGX 31,064,660 Irregularly adding 18% VAT on an amount that was VAT inclusive. The interim payment certificate No. 1 indicated the net amount</li> </ul>	<p><i>Contract management reports are there and in engineer's office.</i></p> <p><i>It is their mandate to take part in project supervision during project implementation</i></p> <p><b><u>Management response</u></b> No management response</p>

No	Subject of Procurement	Findings	Management Response
		<p>payable of UGX 32,672,129 inclusive of 18% VAT. However the Entity added 18% VAT worth UGX 5,880,983 on UGX 32,672,129 which already included the 18% VAT. The Entity should have added the VAT amount worth UGX 5,880,983 on UGX 25,183,677 giving a net amount payable of UGX 31,064,660 instead of UGX 36,592,784 that was paid to the contractor. Therefore this meant the Entity over paid the contractor UGX 5,528,124 and this was a potential fraud &amp; financial loss to the Government.No reports in the file to show that the contractor put in place social safeguarding measures</p> <ul style="list-style-type: none"> <li>• Retention worth UGX 1,719,586 was not yet paid yet the DLP ended on 30<sup>th</sup> September 2022.</li> </ul> <p>No evidence to show the completed project was commissioned and handed over</p>	<p><i>The money was taken back to the central treasury and not yet revoted.</i></p> <p><b><u>Management response</u></b> No management response</p> <p><b><i>Authority's comment:</i></b> <i>No documentary evidence was provided for verification.</i></p>
5.	Construction of District Store by Omia Holdings Ltd Contract value UGX 39,684,622	<ul style="list-style-type: none"> <li>• Progress report dated 20<sup>th</sup> April 2022 prepared by Ongora Leonard the Ag. DWO was not sufficiently detailed i.e. no detail of % physical progress, financial progress, time progress, materials at the site,</li> </ul>	<p><i>The project reports were prepared and kept.</i></p>

No	Subject of Procurement	Findings	Management Response
		<p>personnel, equipment, ESHS safeguards issues etc. This cast doubts on whether the Entity effectively supervised the contract implementation.</p> <ul style="list-style-type: none"> <li>• Irregularly adding 18% VAT on an amount that was VAT inclusive. The interim payment certificate No. 1 dated 25<sup>th</sup> April 2022 indicated the net amount payable of UGX 32,029,284 inclusive of 18% VAT. However the Entity added 18% VAT worth UGX 5,765,271 on UGX 32,029,284 which already included the 18% VAT. The Entity should have added the VAT amount worth UGX 5,765,271 on UGX 24,670,172 giving a net amount payable of UGX 30,435,443 instead of UGX 35,872,798 that was paid to the contractor. Therefore this meant the Entity over paid the contractor UGX 5,419,355 and this was a potential financial loss to the Government.</li> <li>• Payment of VAT worth UGX 5,765,271 to the contractor yet their company was not VAT registered.</li> <li>• Retention worth UGX 1,984,231 was not yet paid yet the DLP ended on 27<sup>th</sup> June 2022.</li> <li>• No reports in the file to</li> </ul>	<p><b><u>Management response</u></b> No management response</p> <p><b><u>Management response</u></b> No management response</p> <p><i>The retention was paid</i></p> <p><i>All social safeguards issues were addressed during project implementation.</i></p> <p><i>The completion certificate was issued to the contractor.</i></p> <p><b>Authority's comment:</b> No</p>

No	Subject of Procurement	Findings	Management Response
		<p>show that the contractor put in place social safeguarding measures.</p> <p>Failure to issue certificate of completion.</p>	<p><i>documentary evidence was submitted for verification.</i></p>
6.	<p>Construction of 5 Stance Drainable VIP latrine with one urinal at Abwong Primary School by Alfayo General company Ltd Contract value UGX 23,800,000</p>	<ul style="list-style-type: none"> <li>• The contract implementation plan was not prepared</li> <li>• Failure to prepare progress reports.</li> <li>• District Community Development Officer and Environment Officer were not appointed to take part in the supervision of the construction activities</li> <li>• Irregularly adding 18% VAT on an amount that was VAT inclusive. The interim payment certificate No. 1 dated 24<sup>th</sup> May 2022 indicated the net amount payable of UGX 14,364,000 inclusive of 18% VAT. However, the Entity added 18% VAT worth UGX 2,585,520 on UGX 14,364,000 which already included the 18% VAT. The Entity should have added the VAT amount worth UGX 2,585,520 on UGX 11,071,771 giving a net amount payable of UGX 13,657,291 instead of UGX 16,087,680 that was paid to the contractor. Therefore, this meant the Entity over paid the contractor UGX 2,430,389 and this was a potential financial loss to the Government.</li> </ul>	<p><i>All the implementation plans were prepared and approved.</i></p> <p><i>Reports were prepared by the supervising engineer.</i></p> <p><i>It is mandatory that they are supposed to be involved in the project implementation as evidenced in the site meeting attendance.</i></p> <p><b><u>Management response</u></b> No management response</p>

No	Subject of Procurement	Findings	Management Response
		<ul style="list-style-type: none"> <li>• Failure to fully pay the contractor. The contractor was only paid UGX 14,364,000 out of the contract price of UGX 23,800,000</li> <li>• No reports in the file to show that the contractor put in place social safeguarding measures</li> <li>• Retention worth UGX 1,190,000 was not yet paid yet the DLP ended on 30<sup>th</sup> September 2022</li> <li>• Failure to charge the contractor UGX 52,360 per day for delay to complete the works by 30th June 2022. The contract provided that the liquidated damages for failure to complete works in time (30th June 2022) shall be charged at 0.22% of the contract sum per day for every day delayed.</li> <li>• No evidence to show the completed project was commissioned and handed over</li> </ul>	<p><i>By the time of measurement of works, the work was worth that pay.</i></p> <p><i>Social and safeguard issues were all addressed during the implementation and on site meetings.</i></p> <p><i>The contractor submitted their requisition to seek for payment when it was late now the Entity is looking forward to their payment as soon as possible.</i></p> <p><i>It was an oversight but the entity looks forward to correct it in the future</i></p> <p><i>The project was handed over and now in operation.</i></p> <p><b>Authority's comment:</b> No evidence was submitted for consideration.</p>
7.	Construction of 5 Stance Drainable VIP latrine with one urinal at Olyaka Primary School by	<ul style="list-style-type: none"> <li>• District Community Development Officer and Environment Officer were not appointed to take part in the supervision of the construction activities.</li> <li>• Irregularly paying VAT to a</li> </ul>	<p><i>They all participated actively during project implementation since they were appointed by the Deputy CAO as evidenced by appointment letters issued</i></p> <p><i>It was an oversight that the VAT</i></p>

No	Subject of Procurement	Findings	Management Response
	Lengkoo-SMC Ltd Contract value UGX 22,845,695	<p>company that was not VAT registered. The Entity paid Lengkoo-SMC Ltd 18% VAT worth UGX 3,389,562 yet the company was not VAT registered. There was a potential financial loss of UGX 3,389,562 caused to the Government</p> <ul style="list-style-type: none"> <li>• There was no evidence that the interim payment certificate was prepared for payment voucher dated 29<sup>th</sup> June 2022</li> <li>• No reports in the file to show that the contractor put in place social safeguarding measures.</li> <li>• Retention worth UGX 1,142,285 was not yet paid yet the DLP ended on 30<sup>th</sup> September 2022.</li> <li>• Failure to charge the contractor UGX 50,260 per day for delay to complete the works by 30th June 2022. The contract stated that the liquidated damages for failure to complete works in time (30th June 2022) shall be charged at 0.22% of the contract sum per day for every day delayed</li> </ul>	<p><i>element was included in the bills of quantity and hence prompting the entity to pay and we shall make a follow up on the contractor to prove if the money was paid to URA.</i></p> <p><i>The department of engineering initiates the payment process and its forwarded to other departments for processing.</i></p> <p><i>All social safeguard issues were all addressed during project implementation</i></p> <p><i>The contractor submitted his requisition for payment and the payment process is ongoing.</i></p> <p><i>It was an oversight but the Entity looks forward to correct in the future.</i></p> <p><b>Authority's comment:</b> No evidence was submitted for consideration.</p>
8.	Construction of placenta pits at Etam HCII, Namasale HCIII and Nakatiti HCII	<ul style="list-style-type: none"> <li>• The progress reports were not prepared hence casting doubt on whether the Entity effectively supervised the contract implementation</li> </ul>	<p><i>At commencement, the project reports were written by the project supervisor</i></p>

No	Subject of Procurement	Findings	Management Response
	by Broad Base Engineering Ltd Contract value UGX 21,928,272	<ul style="list-style-type: none"> <li>• Shoddy works at all the three sites; there was poor workmanship during the construction of the placenta pits i.e. the slabs of the placenta pits all collapsed inside the pits.</li> <li>• Abandonment of the site by the contractor. The team visited the three project sites and found that the works were not complete. It was noted that the contractor abandoned the sites.</li> <li>• District Community Development Officer and Environment Officer were not appointed to take part in the supervision of the construction activities.</li> <li>• No reports in the file to show that the contractor put in place social safeguarding measure.</li> <li>• Failure to charge the contractor UGX 48,242 per day for delay to complete the works by 30th June 2022. The contract stated that the liquidated damages for failure to complete works in time (30th June 2022) shall be charged at 0.22% of the contract sum per day for every day delayed. The works were not complete at the time of the audit in December 2022.</li> </ul>	<p><i>It is true that shoddy works were realized during project implementation hence forcing the Entity not to pay the contractor.</i></p> <p><i>The abandoning came as a result of failure by the contractor to execute the given task as per the requirements hence forcing the Entity to block the issue of releasing money to the contractor and hence abandoning the sites. The contractor has been called back and work is now in progress</i></p> <p><i>It is mandatory that they are supposed to be involved in the project implementation as evidenced in the site meeting attendance.</i></p> <p><b><u>Management response</u></b> No management response</p> <p><i>Sometimes the delay is in the payment processes and cannot prompt the Entity to invoke some of the contract clauses</i></p> <p><b>Authority's comment:</b> No evidence was submitted for</p>

No	Subject of Procurement	Findings	Management Response
			consideration.

### Implications

Poor contract management derails the objectives of undertaking a procurement and ultimately defeats budget objectives and the ability of the Government of Uganda to deliver quality public services.

### Recommendations

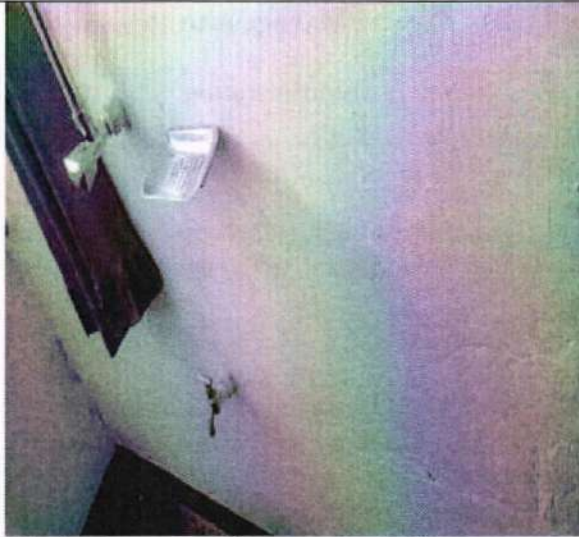
- The Accounting Officer should task Heads of User Departments to ensure that contract supervisors prepare contract implementation plans in accordance with Regulation 119 (3) of the Local Governments (PPDA) Regulations, 2006.
- The Accounting Officer should prevail over contract supervisors to prepare and submit all contract management records to Procurement and Disposal Unit or Accounting Officer in accordance with Regulation 119 (10) of the Local Governments (PPDA) Regulations, 2006.
- The Head of the Procurement and Disposal Unit should archive all documents pertaining to a particular procurement on their respective files in accordance with Section 31 (o) of the PPDA Act, 2003 as amended.

## 2.4 PHYSICAL VERIFICATION OF THE EXECUTED PROJECTS

PHYSICAL VERIFICATION OF TWIN STAFF HOUSE AT NAKATITI HC III  
 CONDUCTED ON 5<sup>TH</sup> DECEMBER 2022



*Trees and grass were not planted on the compound Doors were not fixed on two bedrooms and kitchen*



*The bathroom walls were not tiled*



*Visible cracks on the floor of the bathroom*



*Poor workmanship works around the ceiling hole*



*Poor workmanship on the outside skirting*

**Exceptions noted:**

- Visible cracks on the floor of the bathrooms
- The floor of the bathrooms was not tiled. The cement floor may not last long
- The walls of the bathrooms were not tiled. The walls are prone to dampness from splashing water
- Four internal doors were not installed in all the two u on the outside skirting
- Poor workmanship around the ceiling holes. The ceiling holes were not covered
- Compound landscaping was not done by the contractor. Broken pieces of the bricks were still on the compound
- The contractor did not plant trees and grass on the compound and backyard
- There was no water connection in the house

**Management Response**

*Most the defects came up after the defect liability period had elapsed and we advise that the school administration takes up the responsibilities of correcting these defects.*

Photographs showing incomplete construction works of maternity ward at Amolatar HC IV



*Construction of maternity ward at Amolatar HC IV*

**Project status**

The construction stopped at wall plate (Phase 1)

Phase 2 for roofing did not take place because the initial design did not have enough space and now the Entity is reviewing it to expand the building before roofing.

**Exceptions noted:**

- The project was not hoarded off to prevent access by unauthorised persons
- The project site was kept clean, bushy vegetation had over grown around the facility. The audit team could not access the facility due to the bush around it.
- Project sign board was not installed at the site
- Safety signages were not installed at the site

**Management response**

*The contract was partially done. It was not to successfully completed.*



The above picture shows incomplete district store that was constructed in the FY 2021-2022, however the district wants to construct another store stating that this new one is very small. This is a sign of poor planning.

**Exceptions noted:**

- The project was not hoarded off to prevent access by unauthorised persons
- The project site was kept clean, bushy vegetation had over grown around the facility. The audit team could not access the facility due to the bush around it.
- Project sign board was not installed at the site
- Safety signages were not installed at the site

**Management response**

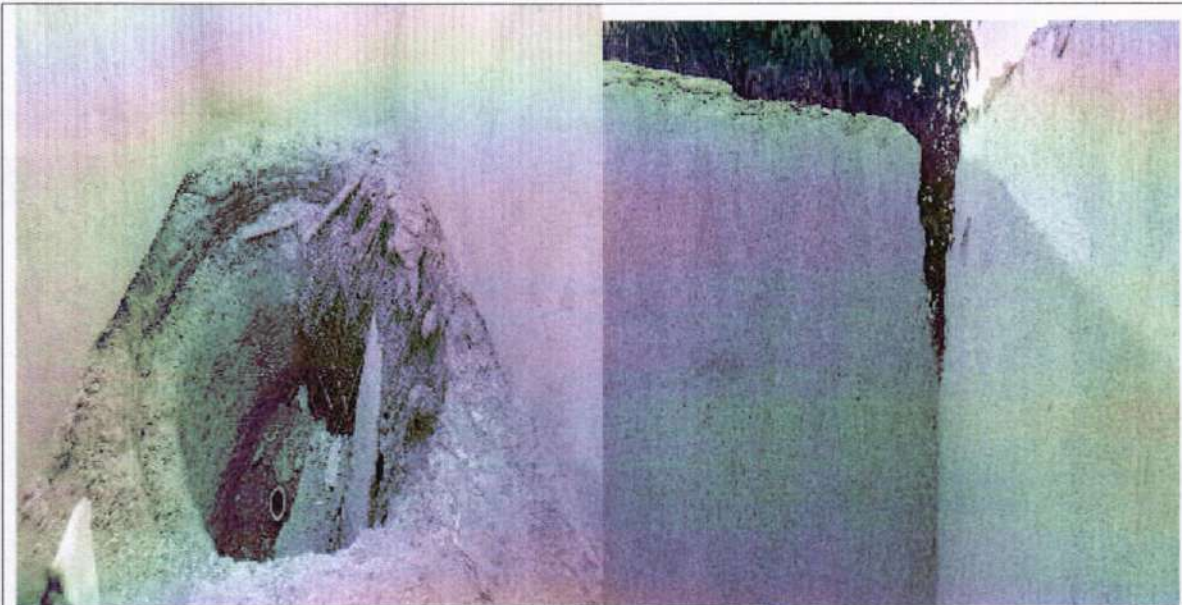
*The work was partially contracted but in this financial year, the contractor is due to complete the work.*

**Construction of Placenta Pit at Namasale HC III**



*Collapsed/sagged pit*

*Cracks below the wall around the pit*



*Collapsed/sagged pit*

*Cracks on the upper corner of the wall*



Huge crack at the wall foundation

**Project Status:**

The construction works for placenta pit at Namasale HC III was not completed

**Exceptions noted:**

- Delayed completion of the works. The contract completion date was 30<sup>th</sup> June 2022 however the project was not yet complete as of December 2022
- The contractor has since abandoned the construction site
- The project was not hoarded off and this can be a danger to children
- The project site was not kept clean, bushy vegetation had over grown around the facility.
- Project sign board was not installed at the site
- Safety signages were not installed at the site
- Shoddy works was noted on the placenta pit i.e. the pit collapsed, cracks on the wall. The contractor could have lacked the technical capacity to execute the works.

**Management response**

*The same contractor has resumed site and the work is in progress.*

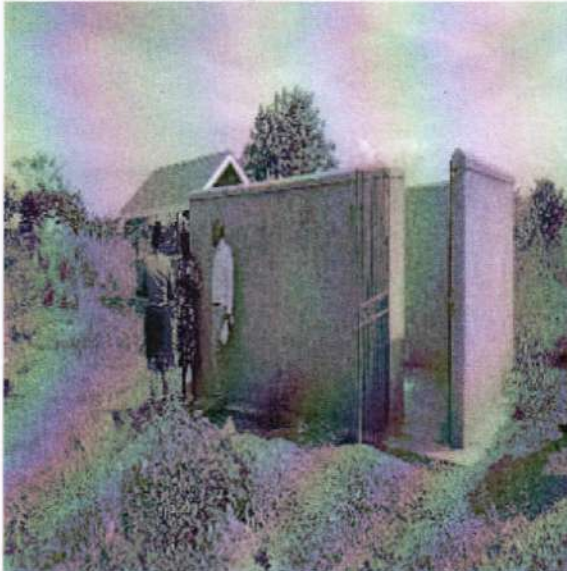
Construction of Placenta Pit at Nakatiti HC III



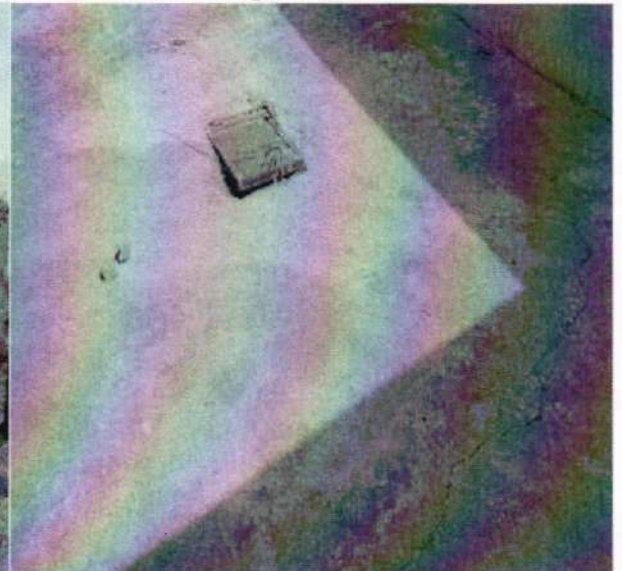
*Poorly installed burglar at the entrance*



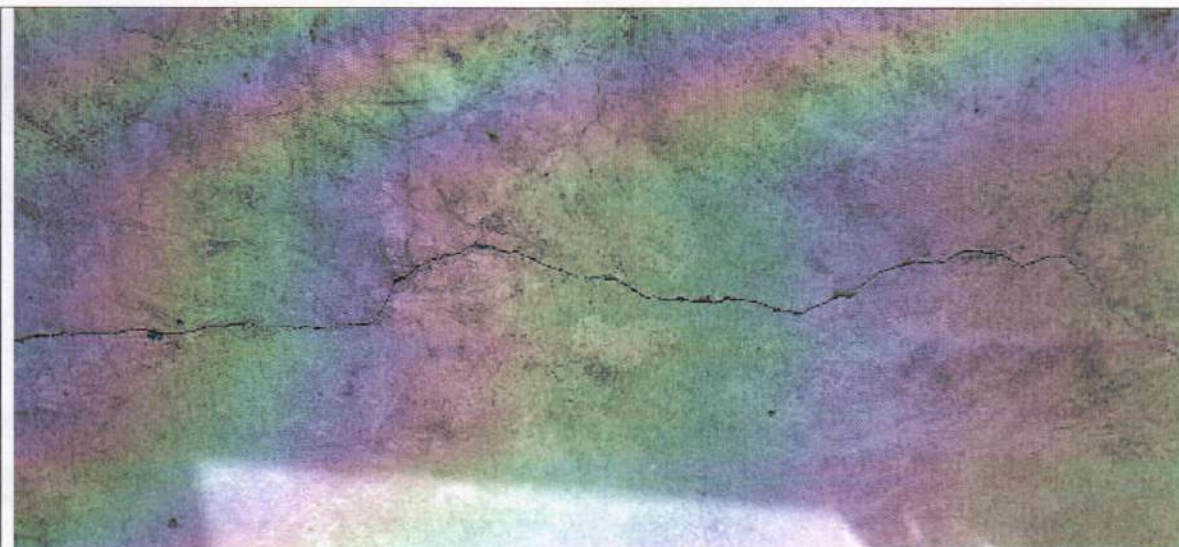
*Poorly installed burglar at the entrance*



*Incomplete Placenta pit*



*Sagging pit on the verge of collapse. Visible cracks*



*Sagging pit about to collapse. Visible cracks around the pit area*

**Project Status:**

The construction works for placenta pit at Nakatiti HC III was not completed

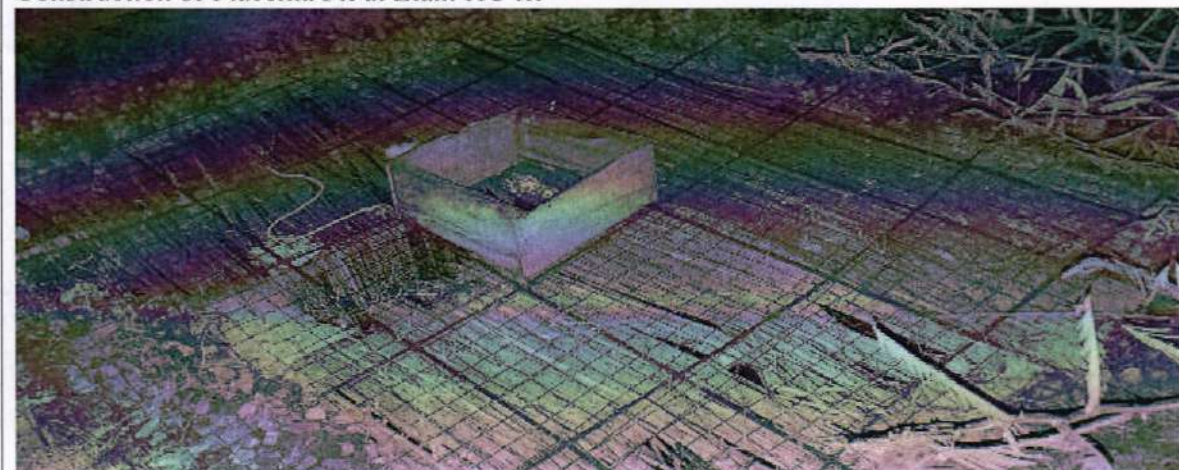
**Exceptions noted:**

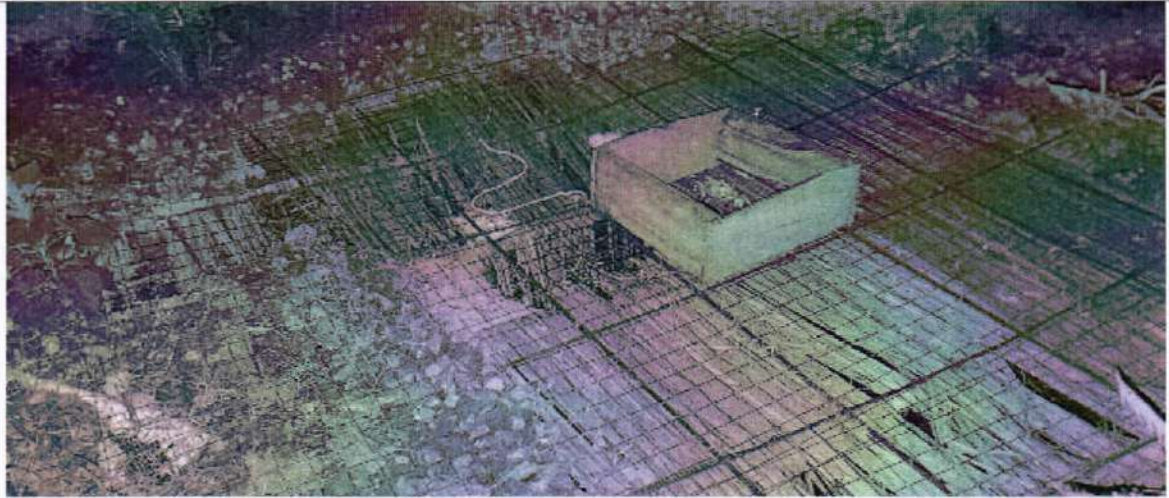
- Delayed completion of the works. The contract completion date was 30<sup>th</sup> June 2022 however the project was not yet complete as of December 2022
- The contractor has since abandoned the construction site
- The project was not hoarded off and this can be a danger to children since the pit could collapse anytime
- The burglar door installed at the entrance of the placenta pit was poorly installed
- Project sign board was not installed at the site
- Safety signages were not installed at the site
- Shoddy works was noted on the placenta pit i.e. the pit on the verge of collapsing, cracks on the wall. The contractor lacked the technical capacity to execute the works.

**Management response**

*The contractor has resumed site and the work is in progress.*

Construction of Placenta Pit at Etam HC III





*The works on the placenta pit at Etam HC III were abandoned. As seen in the photographs the used inadequate materials*

**Project Status:**

The construction works for placenta pit at Etam HC III was not completed

**Exceptions noted:**

- Delayed completion of the works. The contract completion date was 30<sup>th</sup> June 2022 however the project was not yet complete as of December 2022
- The contractor has since abandoned the construction site
- The project was not hoarded off and this can be a danger to both children and adults. They can easily fall inside the pit
- The project site was not kept clean i.e. bushy vegetation had over grown around the facility.
- Project sign board was not installed at the site
- Safety signages were not installed at the site
- Shoddy works was noted on the placenta pit i.e. use of inadequate materials to cast the slab. The contractor could have lacked the technical capacity to execute the works.

**Management response**

*The contractor has resumed site and work is in progress*



Low cost sealing of Corner Bangladesh to Bangladesh landing site 0.66km

**Project Status:**

The project was completed

**Exceptions noted:**

- Shoddy works noted i.e. the layer of the asphalt was too slim and this means the road may not last long before developing cracks and potholes.
- The edges of the asphalt was not done well i.e. the contractor did not make it straight
- The project was not commissioned and handed over

**Management response**

*The bad section is not for the previous contract. the entity will look forward come next financial year to correct the defect since it had been handed over and had been in use for quite long.*

**OBSOLETE ASSETS**



Photographs of obsolete assets due for disposal in Amolatar HC store

**Exceptions noted:**

The Entity failed to dispose of the obsolete assets

**Management Response**

*The PDU awaits approval from Council before going ahead with the disposal.*

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

This section graphically presents the scores per area assessed under the different audit questions.

#### 3.1 Overall Audit Conclusion

The performance of Amolatar District Local Government for the Financial Year 2021/22 was **moderately satisfactory** with overall weighted average risk rating of **67.5%**.

**Table 12 The risk rating is as follows:**

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

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

**Table 13: Summary of performance of Amolatar District Local Government**

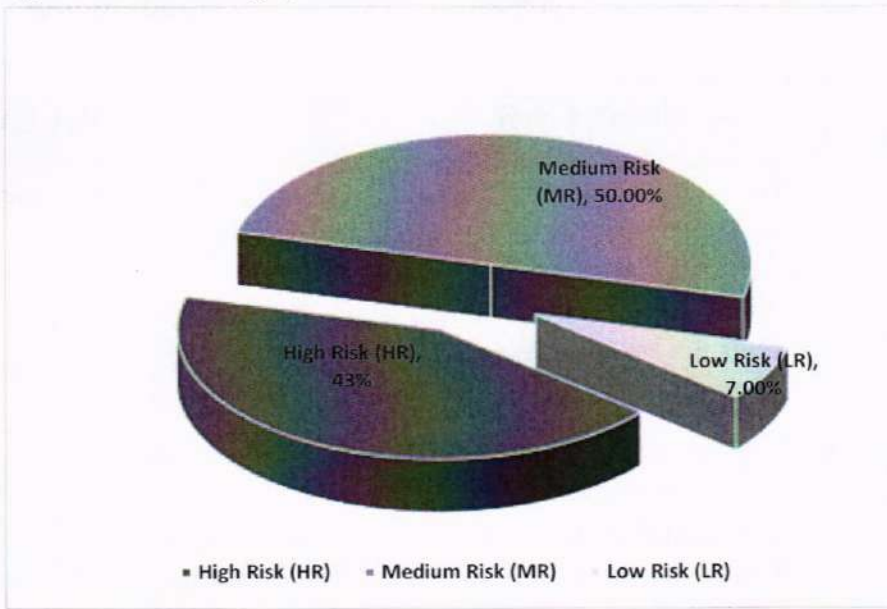
Risk Rating	NO	%No	Wei ghts	Weigh ted score by No.	Value	%Value	Wei ghts	Weighted score by value
High	6	43	0.6	25.8	263,941,599	31.5	0.6	18.9
Medium	7	50	0.3	15	572,254,647	68.3	0.3	20.5
Low	1	7	0.1	0.7	1,365,000	0.2	0.1	0.02
<b>Total</b>	<b>14</b>	<b>100</b>	<b>1</b>	<b>41.5</b>	<b>837,561,246</b>	<b>100</b>	<b>0</b>	<b>39.4</b>

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{41.5 \times 100}{60} = 69.2\%$$

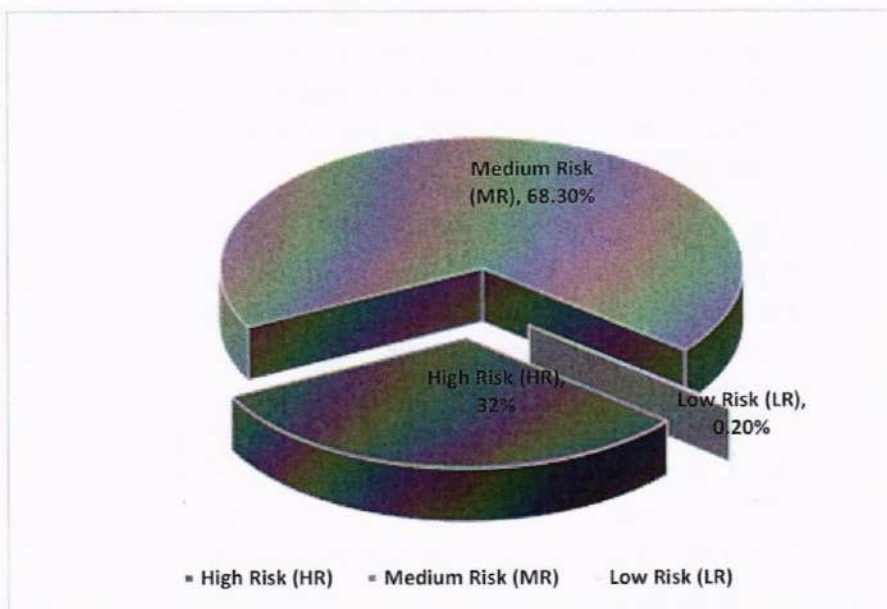
$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{39.7 \times 100}{60} = 65.7\%$$

$$\text{Combined Weighted Average} = \frac{69.2 + 65.7}{2} = 67.5\%$$

*Figure 1: Risk Rating by Number*



*Figure 2: Risk Rating by Value*



### 3.2 Recommended Action Plan

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

**Table 14: Recommended Action Plan**

Responsible Party	Recommendation	Action Date
Accounting Officer	<ul style="list-style-type: none"> <li>• The Accounting Officer should delegate his functions when needed, formally in writing in accordance with Section 39 of the PPDA Act 2003. The delegation should state in specific terms the function delegated, the period, and the person to whom delegation has been granted.</li> <li>• The Accounting Officer should implement all the Authority's procurement audit recommendations in accordance with Regulation 14 (k) of the Local Governments (PPDA) Regulations, 2006. Where management finds challenges in implementation of any recommendation, this should be brought to the attention of the Authority.</li> <li>• The Accounting Officer should endeavour to eliminate delays in the Entity to ensure timely service delivery in accordance with Section 48 of the PPDA Act 2003.</li> <li>• The Accounting Officer should task the Procurement and Disposal Unit to desist from making changes to the contract terms at contract signing, and where need arises, hold negotiations before contract signing or seek Contracts Committee approval for contract amendments with sufficient justification after contract signing in accordance with Regulation 120 (10) of the Local Governments (PPDA) Regulations, 2006.</li> <li>• The Accounting Officer should task the Head Procurement and Disposal Unit, and the Contract Supervisors to avoid delays in the procurement process so that the Entity achieves efficiency and value for money in accordance with Section 48 of the PPDA Act, 2003;</li> <li>• The Accounting Officer should prevail over contract supervisors to ensure that reports on</li> </ul>	Immediately

Responsible Party	Recommendation	Action Date
	<p>contract implementation are prepared and forwarded to the Procurement and Disposal Unit in accordance to Regulation 119 (10) (f) of the Local Governments (PPDA) Regulations, 2006.</p> <ul style="list-style-type: none"> <li>• The Accounting Officer should task Heads of User Departments to ensure that contract supervisors prepare contract implementation plans in accordance with Regulation 119 (3) of the Local Governments (PPDA) Regulations, 2006.</li> <li>• The Accounting Officer should prevail over contract supervisors to prepare and submit all contract management records in accordance with Regulation 119 (10) of the Local Governments (PPDA) Regulations, 2006.</li> </ul>	
Procurement and Disposal Unit	<ul style="list-style-type: none"> <li>• The Head Procurement and Disposal Unit should set the most appropriate evaluation criteria that suits the purpose of the procurement in accordance with Regulation 48(4) of the Local Governments (PPDA) Regulations, 2006.</li> <li>• The Procurement and Disposal Unit should state exact dates of expiry of bid validity periods when preparing solicitation documents as provided in the PPDA Circular No.1/2013.</li> <li>• The Head Procurement and Disposal Unit should develop shortlists that have sufficient providers that are expected to participate and meet the eligibility requirements of the Entity and have them approved by the Contracts Committee in accordance with Regulation 38 of the Local Governments (PPDA) Regulations, 2006.</li> <li>• The Chair Persons of the bid opening sessions should sign and stamp on the key pages of the opened bids that are unique to the bids and those that contain financial information in accordance with Regulation 71(10) of the Local Governments (PPDA) Regulations, 2006;</li> <li>• The Head of the Procurement and Disposal Unit</li> </ul>	Immediately

Responsible Party	Recommendation	Action Date
	<p>should archive all documents pertaining to a particular procurement on their respective files in accordance with Section 31 (o) of the PPDA Act, 2003 as amended.</p>	
Contracts Committee	<ul style="list-style-type: none"> <li>• The Contracts Committee should approve a bidding document for each procurement with specific and appropriate bidding terms and criteria tailored to the procurement subject</li> <li>• The Contracts Committee and Head Procurement and Disposal Unit should quality assure all contract documents before the contracts are signed</li> </ul>	Continuous
Evaluation Committee	<ul style="list-style-type: none"> <li>• The Evaluation Committees should evaluate the bids following the criteria set in the bidding document and waive any non-material deviations following Regulation 75 of the Local Governments (PPDA) Regulations, 2006..</li> <li>• The Evaluation Committee should strictly adhere to the criteria set out in the solicitation document in accordance with Regulation 48 (4) of the Local Governments (PPDA) Regulations, 2006.</li> </ul>	Continuous
User Departments	<ul style="list-style-type: none"> <li>• The Head of the internal audit department of the Procuring and Disposing Entity should ensure that procurement and disposal procedures and payments by the Entity are audited regularly.</li> <li>• User Departments should initiate procurement transactions together with clear description of the requirements according to Regulation 65 (1) (a) of the Local Governments (PPDA) Regulations, 2006.</li> <li>• Heads of User Departments should ensure that contract supervisors avail contract management records to the Procurement and Disposal Unit for monitoring purposes and maintenance on the respective procurement action files.</li> </ul>	Immediately

**Annex A: Findings and rating on the individual contracts reviewed**

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	<p>Consultancy services for design of pipe water system at Etam Town Council and Odyiak Trading Centre in Amolatar.</p> <p>UGX 36,699,040</p>	<ul style="list-style-type: none"> <li>• Delay by PDU to submit a request for approval of the procurement method, bidding document and the shortlist to Contracts Committee.</li> <li>• Failure to state the exact date of expiry of bid validity.</li> <li>• Unclear evaluation criteria.</li> <li>• Failure by the best evaluated bidder Real Irrigation Engineering Co. Ltd to submit general receipt acknowledging payment of bid fee</li> <li>• Failure by Real Irrigation Engineering Co. Ltd to accept the required bid validity period.</li> <li>• Forgery of experience by the best evaluated bidder Real Irrigation Engineering Co. Ltd.</li> <li>• Unfair evaluation.</li> <li>• Idle or incomplete clauses in the contract.</li> <li>• Failure to appoint contract supervisor.</li> <li>• No contract implementation plan.</li> <li>• No engineering drawings and the final analysis report.</li> </ul>
2.	<p>Low Cost Sealing of 0.26Km Corner Bangladesh to Bangladesh Landing Site Road</p> <p>Contract Amount: UGX 118,983,970</p> <p>Provider: CME Enterprises Limited</p> <p>Reference No: AMOL564/WRKS/20 21-2022/00020</p>	<ul style="list-style-type: none"> <li>• Column for procurement initiation date was not indicated in the plan</li> <li>• The date of expiry of the bid validity was not stated in the bidding document.</li> <li>i) Low bidder participation i.e. only one bidder participated</li> <li>iii) Change of evaluation criteria.</li> <li>iv) Post qualification was not conducted.</li> <li>• The NoBEB was not signed by the Accounting Officer.</li> <li>• Contradicting information in the contract document.</li> <li>• Failure to require a performance security.</li> <li>• Failure to provide for ES performance security in the contract.</li> <li>• There was no contract management reports on file.</li> <li>• Failure to prepare monthly progress reports.</li> <li>• Failure to hold site meetings.</li> <li>• Failure to account for funds allocated under contingencies.</li> <li>• Irregularly charging 6% WHT on the amount that included 18% VAT.</li> <li>• Irregularly adding 18% VAT on an amount that was VAT inclusive.</li> <li>• Retention worth UGX 5,949,198 was not yet paid yet the DLP ended on 30th September 2022</li> <li>• Failure to charge the contractor UGX 261,765 per day for delay to complete the works by 30th June 2022.</li> <li>• Failure to fully pay the contractor.</li> <li>• No evidence to show the completed project was commissioned and handed over.</li> </ul>

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
3.	<p>Construction of 5 Stance Drainable VIP latrine with one urinal at Abwong Primary School</p> <p>Contract Amount: 23,800,000</p> <p>Provider: Alfayo General company Ltd</p> <p>Ref. Number: AMOL564/WRKS/20 21-22/00022</p>	<ul style="list-style-type: none"> <li>• Column for procurement initiation date was not indicated in the plan</li> <li>• The balance remaining part in the funds availability section of the Form 1 was left blank</li> <li>• The statement of requirements were not attached.</li> <li>• The confirmation of funding was done by Awonye Abdallah .</li> <li>• Unclear bidding document.</li> <li>• The bills of quantities was not in the bidding document.</li> <li>ii) The date of expiry of the bid validity was not stated.</li> <li>iii) Delay to invite bidders.</li> <li>iv) Bid receipt and opening was not witnessed by a CC member or User member.</li> <li>• Okello Willy Agel conducted evaluation of bids however he was not approved by the CC to evaluate bids</li> <li>• Failure by Sister Catherine Angom to evaluate bids.</li> <li>• Alfayo General Company Ltd the BEB did not state the bid validity.</li> <li>• Evaluation of a criteria not stated in the bidding document.</li> <li>• Change of evaluation criteria.</li> <li>• Failure to evaluate all requirements.</li> <li>• Irregularly awarding the contract at a price exclusive of VAT.</li> <li>• No evidence that the NoBEB was sent to all bidders</li> <li>• The contract implementation plan was not prepared</li> <li>• Failure to prepare progress reports.</li> <li>• Irregularly charging 6% WHT before deducting 18% VAT</li> <li>• Irregularly paying more than the amount stated in the measurement sheet.</li> <li>• Irregularly adding 18% VAT on an amount that was VAT inclusive.</li> <li>• Failure to fully pay the contractor.</li> <li>• Retention worth UGX 1,190,000 was not yet paid yet the DLP ended on 30<sup>th</sup> September 2022</li> <li>• Failure to charge the contractor UGX 52,360 per day for delay to complete the works.</li> </ul>
4.	<p>Construction of 5 Stance Drainable VIP latrine with one urinal at Olyaka Primary School</p> <p>Contract Amount: 22,845,695</p> <p>Provider: Lengkoo-SMC Ltd</p>	<ul style="list-style-type: none"> <li>• The confirmation of funding without delegated authority.</li> <li>• Unclear evaluation criteria</li> <li>v) The date of expiry of the bid validity was not stated in the bidding document.</li> <li>• Failure by Lengkoo- SMC Ltd the BEB to state the required bid validity period.</li> <li>• Change of evaluation criteria. The bidding document required the bid validity period of 90 working days however the EC changed the bid validity period to 90 days</li> <li>• Evaluation of a criteria not stated in the bidding document.</li> <li>• Change of evaluation criteria.</li> </ul>

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
	Ref. Number: AMOL564/WRKS/20 21-22/00022	<ul style="list-style-type: none"> <li>• Failure to evaluate all requirements.</li> <li>• Irregularly awarding the contract at a price exclusive of VAT.</li> <li>• Irregularly paying VAT to a company that was not VAT registered.</li> <li>• There was no evidence that the interim payment certificate</li> <li>• No reports in the file to show that the contractor.</li> <li>• Failure to charge the contractor UGX 50,260 per day for delay to complete the works</li> <li>• No evidence to show the completed project was commissioned and handed over</li> <li>• No interim payment certificate</li> </ul>
5.	Construction of placenta pits at Etam HCII. Namasale HCIII and Nakatiti HCII  Contract Amount: 21,928,272  Provider: Broad Base Engineering Ltd  Ref. Number: AMOL564/WRKS/20 21-22/00027	Column for procurement initiation date was not indicated in the plan <ul style="list-style-type: none"> <li>• The balance remaining part in the funds availability section of the Form 1 was left blank</li> <li>• The statement of requirements were not attached at initiation.</li> <li>• The confirmation of funding was done by Ayo Juliet Okwir</li> <li>• Unclear evaluation criteria.</li> <li>• The bills of quantities was not in the bidding document</li> <li><b>vi)</b> The date of expiry of the bid validity was not stated in the bidding document.</li> <li><b>vii)</b> Delay to invite bidders.</li> <li><b>viii)</b> Low bidder participation.</li> <li>• Bid receipt and opening was witnessed by either CC UD member.</li> <li>• Okello Willy Agel conducted evaluation without CC approval.</li> <li>• Failure by Sister Catherine Angom to evaluate bids</li> <li>• Evaluation of a criteria not stated in the bidding document</li> <li>• Change of evaluation criteria.</li> <li>• Failure to evaluate all requirements. Irregularly awarding the contract at a price exclusive of VAT. The Contracts Committee on 15<sup>th</sup> March 2022 awarded the contract at UGX 21,928,272 VAT exclusive however the BEB quoted price of UGX 21,928,272 was VAT inclusive</li> <li>• No evidence that the NoBEB was sent to all bidders</li> <li>• No evidence of appointment of Contract Supervisor.</li> <li>• The contract implementation plan was not prepared</li> <li>• The progress reports were not prepared.</li> <li>• Shoddy works at all the three sites.</li> <li>• Abandonment of the site by the contractor.</li> <li>• No reports in the file to show that the contractor put in place social safeguarding measures</li> <li>• Failure to charge the contractor UGX 48,242 per day for delay to complete the.</li> <li>• No evidence on file to show that the Internal Audit reviewed the procurement procedures followed</li> </ul>
6.	Renovation of	Confirmation of funding without delegated authority.

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
	classroom blocks at Abeja Primary School  UGX 66,786,820	<ul style="list-style-type: none"> <li>• Failure to state the exact date of expiry of bid validity.</li> <li>• Unclear evaluation criteria.</li> <li>• Failure by Bleek Uganda Limited to submit the letter giving authority to seek reference from their bankers.</li> </ul> <p>Irregularities at evaluation. Bleek Uganda Company Limited charged VAT of UGX 10,187,820 yet it was not VAT registered as indicated on its TIN No. 1015415973, hence causing a financial loss to the Entity.</p>
7.	<p>Construction of District Store</p> <p>Contract Amount: 39,684,622</p> <p>Provider: Omia Holdings Ltd</p> <p>Ref. Number: AMOL564/WRKS/20 21-22/00014</p>	<ul style="list-style-type: none"> <li>• Column for procurement initiation date was not indicated in the plan</li> <li>• The balance remaining part in the funds availability section of the Form 1 was left blank</li> <li>• The statement of requirements were not attached at initiation.</li> <li>• Unclear evaluation criteria.</li> <li>• The date of expiry of the bid validity was not stated.</li> <li>• Low bidder participation. .</li> <li>• The contract implementation plan was not prepared</li> <li>• Delay to prepare the progress report.</li> <li>• Irregularly charging 6% WHT before deducting 18% VAT.</li> <li>• Irregularly paying more than the amount stated in the measurement sheet.</li> <li>• Irregularly adding 18% VAT on an amount that was VAT inclusive.</li> <li>• Payment of VAT worth UGX 5,765,271 to the contractor yet their company was not VAT registered</li> <li>• Retention worth UGX 1,984,231 was not yet paid yet the DLP ended on 27<sup>th</sup> June 2022</li> <li>• No reports in the file to show that the contractor put in place social safeguarding measures</li> <li>• Failure to charge the contractor UGX 87,306 per day for delay to complete the works.</li> <li>• Failure to issue certificate of completion</li> <li>• No evidence on file to show that the Internal Audit reviewed the procurement procedures followed</li> </ul>

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	<p>Management services of Alemere Main Market</p> <p>Provider Sam Ayo</p>	<ul style="list-style-type: none"> <li>• No initiation form</li> <li>• Failure by the Entity to state the reserve price.</li> <li>• Delay to invite bidders.</li> <li>• Unclear evaluation criteria in the bidding document.</li> <li>• Failure by either the User Department or Contracts</li> </ul>

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	Contract value: 2,092,000	<p>Committee members to witness bid opening.</p> <ul style="list-style-type: none"> <li>• Failure by the best evaluated bidder Sam Ayo to state the specific date of validity period.</li> <li>• Failure by Sam Ayo to submit letter giving the Entity authority to seek clarification from their bankers.</li> <li>• Failure by the Entity to evaluate bidders on all set criteria.</li> <li>• Failure to prepare NOBEB</li> <li>• Failure to prepare contract management plan.</li> <li>• No monthly reports</li> <li>• No record of remitting the revenue</li> </ul>
2.	<p>Revenue management at Omor Sunday Market – Muntu Sub County</p> <p>Contract Amount: 3,960,000 (from 1<sup>st</sup> April 2022 to 30<sup>th</sup> June 2022)</p> <p>Provider: Edil Joel</p> <p>Ref. Number: AMOL564/SRVCS/2021-22/00031</p>	<ul style="list-style-type: none"> <li>• Low bidder participation i.e. only one bidder participated</li> <li>• Failure by either CC member or User Department to witness bid opening.</li> <li>• The contract implementation plan was not prepared</li> <li>• The progress reports were not prepared</li> <li>• No evidence of remittances of the revenue to the Entity</li> <li>• Failure to issue certificate of completion</li> <li>• No evidence on file to show that the Internal Audit reviewed the procurement procedures followed</li> <li>• No contract completion certificate in the file.</li> </ul>
3.	<p>Low Cost Sealing of Corner Bangaladesh to Bangaladesh Landing Site (0.4Km)-RTI</p> <p>Contract Amount: UGX 186,449,505</p> <p>Provider: CME Enterprises Limited</p> <p>Reference No: AMOL564/WRKS/2021-2022/00003</p>	<ul style="list-style-type: none"> <li>• Column for procurement initiation date was not indicated in the plan</li> <li>• The date of expiry of the bid validity was not stated in the bidding document..</li> <li>v) Change of evaluation criteria. From 90 days to 120 days.</li> <li>vi) Failure to communicate arithmetic corrections.</li> <li>vii) Post qualification was not conducted yet it was requirement.</li> <li>• Failure to require a performance security.</li> <li>• Failure to provide for ES performance security in the contract.</li> <li>• The contract implementation plan was not prepared</li> <li>• Irregular appointment of Contract Supervisor.</li> <li>• There was no contract management reports on.</li> <li>• Failure to prepare monthly progress reports.</li> <li>• Failure to hold site meetings.</li> <li>• Failure to account for funds allocated under contingencies. .</li> <li>• Irregular deducting retention contrary to GCC 48.1 to the SCC.</li> <li>• Retention worth UGX 5,693,490 was not yet paid yet the DLP ended on 1st June 2022</li> <li>• Failure to charge the contractor UGX 50,000 per day for delay to complete the works</li> </ul>

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
		<ul style="list-style-type: none"> <li>• No evidence to show the completed project was commissioned and handed over</li> <li>• No copies of bid securities yet the bidding document required bid securities worth UGX 2,000,000</li> </ul>
4.	<p>Sitting, drilling and installation of eight (8) boreholes at Amolatar District</p> <p>Contract Amount: UGX 159,517,120</p> <p>Provider: KLR Uganda Ltd</p> <p>Reference No: AMOL564/WRKS/2021-22/00002</p>	<ul style="list-style-type: none"> <li>• Column for procurement initiation date was not indicated in the plan</li> <li>• Contradicting information of bid validity period. 120 days and 120 working days.</li> <li>ix) The date of expiry of the bid validity was not stated.</li> <li>x) Pre-bid meeting was not conducted</li> <li>xi) Low bidder participation i.e. only 2 bidders participate.</li> <li>viii) Change of evaluation criteria.</li> <li>ix) Evaluation of criteria not stated in the bidding document.</li> <li>x) Evaluation of criteria not stated in the bidding document.</li> <li>xi) Post qualification was not conducted.</li> <li>xii). Contradicting clauses in the contract. <ul style="list-style-type: none"> <li>• Failure to require a performance security.</li> <li>• Failure to provide for ES performance security in the contract</li> <li>• The contract implementation plan was not prepared.</li> <li>• There was no contract management reports.</li> <li>• Failure to prepare monthly progress reports.</li> <li>• Failure to hold site meetings.</li> </ul> </li> </ul>
5.	<p>Fencing of Amolatar HC IV (Phase Three)</p> <p>Contract Amount: 38,393,778</p> <p>Provider: Amuway Investment Company- SMC Ltd</p> <p>Ref. Number: AMOL564/WRKS/2021-22/00006</p>	<ul style="list-style-type: none"> <li>xii) The date of expiry of the bid validity was not stated.</li> <li>xiii) Delay to invite bidders</li> <li>xiv) Low bidder participation</li> <li>xv) Bid receipt and opening was not witnessed by either CC or UD member <ul style="list-style-type: none"> <li>• Okello Willy Agel conducted evaluation of bids however he was not approved by the CC to evaluate bids</li> <li>• Failure by Sister Catherine Angom to evaluate bids.</li> <li>• Change of evaluation criteria.</li> <li>• Evaluation of a criteria not stated in the bidding document.</li> <li>• Change of evaluation criteria.</li> <li>• Failure to evaluate all requirements.</li> <li>• Irregularly awarding the contract at a price exclusive of VAT.</li> <li>• No evidence that the NoBEB was sent to all bidders</li> <li>• No evidence of appointment of Contract Supervisor.</li> <li>• The contract implementation plan was not prepared</li> <li>• Retention worth UGX 1,719,586 was not yet paid.</li> <li>• Failure to charge the contractor UGX 84,466 per day for delay to complete the works.</li> <li>• No evidence to show the completed project was commissioned and handed over</li> <li>• No evidence on file to show that the Internal Audit reviewed the procurement procedures followed</li> </ul> </li> </ul>

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
6.	Construction of Maternity Ward at Amolatar HC IV  UGX 115,055,424	Delay to confirm funding by the Accounting Officer. <ul style="list-style-type: none"> <li>• Confirmation of funding without delegated authority.</li> <li>• Delay to prepare bidding document.</li> </ul> <ul style="list-style-type: none"> <li>• Failure to state the exact date of expiry of bid validity.</li> <li>• Irregularities during bid issuance.</li> </ul> Failure to communicate arithmetic corrections. <ul style="list-style-type: none"> <li>• Failure to furnish performance security by the contractor.</li> </ul> <b>xvi)</b> No contract management plan

No.	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	Management services of kayago Landing Site.  Amount: UGX 1,365,000  Emuny Dickens	<ul style="list-style-type: none"> <li>• No contract management plan prepared</li> <li>• No contract management reports prepared</li> </ul>

**Appendix 1: Audit Sample List for the audit of Amolatar DLG for FY 2021/22**

No.	Procurement Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk Rating
1.	Amol564/wrks/2021-2022/00003	Low cost sealing of corner Bangladesh to Bangladesh landing (0.4km)	Open Bidding	CME Enterprises Ltd	186,449,505	Medium
2.	Amol564/wrks/2021-2022/00002	Sting, drilling and installation of eight (8) boreholes at Amolatar	Open Bidding	KLR-Uganda Ltd	159,517,120	Medium
3.	Amol564/wrks/2021-2022/00004	Construction of maternity ward at Amolatar HC IV	Open Bidding	Bygon Enterprises Ltd	115,055,424	Medium
4.	Amol564/wrks/2021-2022/00001	Renovation of 4 classroom blocks at Abeja Primary School	Open Bidding	Bleek Uganda Company Ltd	66,786,820	High
5.	Amol564/wrks/2021-2022/00014	Construction of district store under Administration Department	Selective bidding	Omia Holdings Limited	39,684,622	High
6.	Amol564/wrks/2021-2022/00021	Construction of 5 stance VIP latrine with one urinal at Olyaka Primary School	Selective bidding	Lengkoo-SMC Limited	23,845,695	High
7.	Amol564/wrks/2021-2022/00024	Construction of placenta pits at Etam HC III, Namasale HC III and Nakatiti HC III	Selective Bidding	Broad base Engineering Ltd	21,928,272	High
8.	Amol564/wrks/2021-2022/00022	Construction of 5 stance VIP latrine with one urinal at Abwong Primary School	Selective bidding	Alfayo General Company Ltd	23,800,000	High
9.	Amol564/srvs/2021-2022/00003	Consultancy for design of pipe water system at Etam Town Council and Odyiak Trading	Selective Bidding	Real Irrigation Engineering Company Ltd	36,699,040	High

No.	Procurement Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk Rating
		Centre in Amulator				
10.	Amol564/wrks/2021-2022/00026	Fencing of Amolatar HCIV (Phase Three)	Selective Bidding	Amuway Investment Ltd-SMC	38,393,778	Medium
11.	AMOL564/WRKS/2021-2022/00020	Low Cost Sealing of 0.26Km Corner Bangladesh to Bangladesh Landing Site Road	Open Bidding	CME Enterprises Limited	118,983,970	High
12.	Amol564/wrks/2021-2022/00005	Construction of twin staff house at Nakatiti HC III	Open Bidding	Alfayo General Company Ltd	127,125,600	Midium
13.	Amol564/srvs/2021-2022/00021	Revenue management at Omor Sunday Cattle market	Open Domestic Bidding	Edii Joel	1,850,000	Medium
14.	Amol564/srvs/2021-2022/00025	Revenue management at Kayago landing site	Open Domestic Bidding	Emuny Dickens	1,500,000	Low
15.	Amol564/srvs/2021-2022/00029	Revenue management at Alemere Main Market	Open Domestic Bidding	Ayo Sam	2,092,000	Medium

**Contracts for follow up and review of current status**

No.	Procurement Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Value (UGX)
16.	Amol 564/Supls/2020-2021/00005	Supply and delivery of ICT equipment to Muntu Seed Secondary School under UGFIT Supplementary	Open Bidding	MFI Document Solutions Ltd	126,138,050
17.	Amol564/WRKS/2018-2021/00119	Construction of Muntu Seed Secondary School	Open Bidding	Gobs Investment Ltd	1,754,645,500
18.	MOH/WRKS/2020-2021/00007/1-18 (LOT 6)	Upgrade of Biko and Awonangiro HC 11 to HC III	Open Domestic Bidding	Power and Water Bay Ltd	350,000,00
19.	MoH/wrks/2020-2021/00007-18	Upgrade of Biko and Awonangiro HC II to HC III	Open Bidding	Bygon Enterprises Ltd	798,854,960
20.	MoH/SUPLS/21-22/00220	Supply and Installation of medical equipment	Open Bidding	Rodrisa Supplies	178,000,000

No.	Procurement Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Value (UGX)
		for HC IIIs in Northern Uganda (Lot 1)- Amolatar District (Arwoceek HC III)		Ltd	

**Annex C: Risk Rating Criteria**

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

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	
		<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.  Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	

RISK	DESCRIPTION	AREA	IMPLICATION
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.	<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.

### Annex E: Contracts Committee and Procurement and Disposal Unit Composition

#### Contracts Committee Composition

No.	Name	Committee Position	Substantive Position
1.	Acio Susan	Chairperson	Senior Assistant- CAO
2.	Rapa Calvin	Member	Town Clerk
3.	Ogwang George	Member	Physical Planner
4.	Mbabali Sophania	Member	Senior Agricultural Engineer
5.	Ogwang Patrick	Member	Senior Inspector of Schools

#### Procurement and Disposal Unit Composition

No.	Name	Title
1.	Auma Harriet	Head Procurement and Disposal Unit