



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

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

MAY 2026

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ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
BOQs	Bill of quantities
CC	Contracts Committee
EC	Evaluation Committee
ESHS	Environment, Social, Health, and Safety
FY	Financial Year
LPO	Local Purchase Order
LTD	Limited
ODB	Open Domestic Bidding
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
RFQ	Request for Quotation
SOR	Statement of requirements
TCC	Tax Clearance Certificate
UGX	Uganda Shillings
URF	Uganda Road Fund

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority conducted a compliance inspection of Amuria District Local Government's procurement and asset disposal activities, covering a representative sample of 10 procurement transactions valued at UGX 4,561,084,074 for the Financial Year 2024/2025.

The overall objective of the procurement and disposal inspection was to assess and establish the degree of compliance of the Amuria District Local Government's procurement system and processes with the provisions of the PPDA Act, Cap 205, and the PPDA Regulations 2023, and to assess the level of procurement performance over the inspection period.

Based on the findings of the compliance inspection exercise, the performance of the Amuria District Local Government for the Financial Year 2024/2025 was Moderately Satisfactory, with an overall weighted average risk rating of **37.2%**. The risk rating was weighted to determine the Entity's overall risk level, as detailed in Chapter 3 of the inspection report.

The moderately satisfactory performance was due to the following exceptions:

- 1. Failure to fully implement 45% of the previous audit recommendations.** Section 10 (1) (a) of the PPDA Act, Cap. 205, obligates Entities to take corrective action on the recommendations issued by the Authority. It was noted that the Entity had not adequately implemented the recommendations from the Financial Year 2022/2023 audit report issued in September 2024. Of the 20 recommendations, 11 (55%) were fully implemented, 3 (15%) were partially implemented, and 6 (30%) were not implemented. Failure to fully implement audit recommendations affects the performance of the procurement function and indicates a weak implementation mechanism by the Entity
- 2. Procurement plan implementation rate.** Section 60(7) of the PPDA Act, Cap. 205 mandates that Procuring and Disposing Entities review and update their procurement plans quarterly, as necessary. The inspection found that the Entity's procurement plan absorption rate was 152%, with a budget overrun of UGX 2,985,016,363, representing 52% of the procurement plan. This leads to budget overruns and the creation of domestic arrears.
- 3. Failure to ensure competition.** Section 49 of the PPDA Act, Cap. 205 provides that all procurement and disposal shall be conducted in a manner that maximizes competition and achieves value for money. The inspection revealed that in five procurements worth UGX 2,403,130,350, the Entity received an average of 1.5 bids in response to invitations to bid under both the selective bidding and open bidding procurement methods, an indicator of a lack of confidence by bidders in the Entity's procurement processes. Inadequate competition inhibits the achievement of value for money
- 4. Irregularities at evaluation.** Regulation 5 (1) of the PPDA (Evaluation) Regulation 2023 states that: "The evaluation of bids shall be conducted in accordance with the evaluation criteria specified in the bidding documents". However, the Authority noted that in two procurement transactions worth UGX. 442,723,660, the evaluation committees passed bidders who did not meet the criteria set out in the bidding documents. This is an indicator that members of the Evaluation Committees lacked adequate capacity to review bids or were unethical, which could have compromised fairness and transparency in the evaluation process

5. **Failure to account for money spent under the Uganda Road Fund budget using the force on account mechanism.** Regulation 4 of the PPDA (Force Account Mechanism) Regulations, 2014 states that, *“The Procuring and Disposing Entity shall procure the equipment and supplies required to undertake works using the Force Account Mechanism using procurement rules and methods in the Act.* A review of the Entity’s Uganda Road Fund expenditure for the financial year 2024/2025 for routine manual, mechanized, and periodic maintenance of Amuria District roads revealed that the Entity received UGX 226,060,003. However, supporting documentation for the expenditure of UGX 83,458,917 was not provided. This casts doubt on the transparency and accountability for works undertaken using force account and could compromise the achievement of value for money

In light of the above, the Authority recommends the following:

1. The Accounting Officer should:
 - i. Appoint a task force to establish and operationalize a robust mechanism to track, monitor, and ensure the timely implementation of all audit recommendations in accordance with Section 10(1) (a) of the PPDA Act, Cap. 205;
 - ii. Regularly review or designate individuals to review the implementation of the Entity’s Procurement Plan and update it in accordance with Section 60 (7) of the PPDA Act, Cap 205, to improve absorption of the Entity’s Procurement Plan
 - iii. Address procurement irregularities such as unfairness at evaluation, poor quality bidding documents, among others, that could be responsible for the low bidder participation leading to reduced competition in the Entity, thus affecting value for money in accordance with Section 49 of the PPDA Act, Cap 205.
 - iv. Organize supplier forums to get feedback from bidders on factors that may be hindering competition and get appropriate remedies.
 - v. Implement a mandatory reporting system requiring regular submissions from both the Contractor and the Contract Manager, in strict compliance with Section 52(3)(g) of the PPDA (Contracts) Regulations, 2023, to strengthen contract oversight, monitoring, and accountability
2. The Head Procurement and Disposal Unit should prevail upon the Evaluation Committees to ensure that evaluations are conducted according to the criteria set in the bidding document in accordance with Section 76 (3) of the PPDA Act, Cap 205, and Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023.
3. The Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 46 of the PPDA Act, Cap 205, before approving the evaluation reports
4. The Heads of User Departments should require all Contract managers to submit progress reports in accordance with Regulation 52 (3) (ii) and (g) of the PPDA(Contracts) Regulations, 2023.

A recommended action plan for the Amuria District Local Government is on pages 18 and 19 of this report

CHAPTER ONE: INTRODUCTION

1.1. Background

The Public Procurement and Disposal of Public Assets Authority conducted a compliance inspection of Amuria District Local Government, covering a representative sample of 10 procurement transactions worth UGX 4,561,084,074 for the Financial Year 2024/2025. The inspection reviewed procurement structures, procurement and asset disposal processes, and contract performance in accordance with the PPDA Act, Cap. 205, and the attendant PPDA Regulations.

1.2 Objective of the compliance inspection

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

The specific objectives of the inspection were to:

- a) Establish the Entity's level of compliance with the general provisions of the PPDA Act, Cap. 205, and the PPDA Regulations 2023 regarding the performance of the procurement structures and the conduct of procurement processes;
- b) Assess the extent to which the Entity's disposal process complies with the provisions of the PPDA Act, Cap. 205, and the PPDA Regulations 2023; and
- c) Assess the efficiency and effectiveness of contract implementation, including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process.

1.3. Scope of the compliance inspection

The Authority conducted a procurement and disposal compliance inspection of the Amuria District Local Government from 25th June 2025 to 29th June 2025. The exercise covered a sample of 10 procurement transactions totaling UGX 4,561,084,074 conducted during the Financial Year 2024/2025, a review of procurement structures, and a review of the performance of the procurement plan. The list of sampled transactions is contained in Annex 2.

1.4. Methodology

Amuria District Local Government was notified of the upcoming exercise on June 16, 2025. A sample of 10 procurement transactions was selected through stratified random sampling, using Contracts Committee minutes, the contracts register, and monthly procurement and disposal reports.

Two Senior Performance Monitoring Officers conducted the exercise under the supervision of the Regional Manager for the Eastern Region. During the exercise, the team examined records and documents for each of the 10 sampled procurement transactions and reviewed the procurement plan for the Financial Year 2024/2025.

After data collection was completed, team members met with various stakeholders, including the Accounting Officer, Contracts Committee members, Procurement and Disposal Unit staff, and User Department representatives, to discuss and clarify preliminary findings. A debrief meeting with the Accounting Officer was held on **27th June 2025** to share the preliminary findings.

A management letter was sent to the Entity on **1st October 2025**, requesting a management response by **8th October 2025**. The management response was submitted on **17th October 2025**. The inspection report presents the key findings and conclusions.

CHAPTER TWO: FINDINGS OF THE AUTHORITY

2.1 Compliance by the Entity with the general provisions of the PPDA Act, Cap. 205 and PPDA Regulations 2023 with regard to the performance of the procurement structures and conduct of procurement and disposal processes

2.1.1 Procurement structures

The key players in the procurement structure at Amuria District Local Government include the Chief Administrative Officer as Accounting Officer, the Contracts Committee, the Procurement and Disposal Unit, and the User Departments.

The Authority noted the following regarding the Entity's procurement structures:

i. Accounting Officer

Section 28(1) of the PPDA Act, Cap. 205, gives the Accounting Officer overall responsibility for the successful execution of procurement, disposal, and contract management in the Procuring and Disposing Entity. The Chief Administrative Officer, Ms. Angella Akurut, was designated as the Entity's Accounting Officer for the Financial Year 2024/2025.

ii. Composition of the Contracts Committee

Schedule 4 of the PPDA Act, Cap. 205 requires the Contracts Committee to consist of five members: a chairperson, up to three other members, and a secretary. The Inspection revealed that the Entity's Contracts Committee was fully constituted. The composition of the Contracts Committee during the period is shown in Table 1 below:

Table 1: List of Contracts Committee Members

No	Name	Position	Title	Date of Appointment
1.	Ms. Asello, O. Jessica	SACAO Administration	Chairperson	2 nd October 2023
2.	Mr. Godfrey Kennedy Okello	Ag. District Engineer	Member	2 nd October 2023
3.	Mr. Sunday Odokonyero	Fisheries Officer	Member	2 nd October 2023
4.	Ms. Akello Anne	Senior Production Officer	Secretary	2 nd October 2023
5.	Mr. Elizabeth Amuget	Community Development Officer	Member	2 nd October 2023

iii. Staffing of the Procurement and Disposal Unit

Section 32 of the PPDA Act, Cap. 205, provides that a Procuring and Disposing Entity shall establish a Procurement and Disposal Unit staffed at an appropriate level. The Authority noted that the Entity's Procurement & Disposal Unit was staffed at an appropriate level, consistent with the Entity's structure. Details of the Procurement and Disposal Unit staff are shown in Table 2 below:

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

No	Name	Job Title	Qualifications
1.	Ms. Anne Akol	Senior Procurement Officer	Bachelor's Degree in Procurement and Logistics Management
2.	Mr. Raphael Igelat	Procurement Officer	Bachelor's Degree in Procurement and Logistics Management

2.1.2 Failure to fully implement 45% of the previous audit recommendations

Section 10 (1) (a) of the PPDA Act, Cap. 205, obligates Entities to take corrective action on the recommendations issued by the Authority. It was noted that the Entity had not adequately implemented the recommendations from the Financial Year 2022/2023 audit report issued in September 2024. Of the 20 recommendations, 11 (55%) were fully implemented, 3 (15%) were partially implemented, and 6 (30%) were not implemented, as detailed in Table 3 below.

Table 3: Implementation of previous audit recommendations

No.	Recommendations	Implementation status
1.	The Accounting Officer should:	Not implemented
	i. Ensure that all procurements are conducted in a fair, transparent, and competitive manner in accordance with Sections 45 and 46 of the PPDA Act, Cap 205;	
	ii. Ensure that works undertaken using the force account mechanism are implemented in accordance with circular No. 3 of 2012 to Local Governments on the use of the force account mechanism	
	iii. Strengthen contracts management and prevail over Contract managers to ensure effective contract management in accordance with Regulation 52 (3) of PPDA (Contracts) Regulations, 2023	
	iv. Desist from approving any request for payment for works done in contravention of Clause D (1) of Circular No. 3 of 2019 on the implementation of procurements under the Uganda Intergovernmental Fiscal Transfer Program for Results	
2.	v. Appoint a contract supervisor nominated from the respective user department with appropriate skills and knowledge, or a contract management team to supervise the implementation of various contracts awarded by the entity in accordance with Regulations 50 & 51 of the PPDA (Contract) Regulations No. 105 of 2023.	Not implemented
	The User Departments should:	Partially implemented
i. Plan for disposal of all obsolete assets in accordance with Section 58 (1) of the PPDA Act, Cap 205, and subsequently conduct disposal in accordance with Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023.		
	ii. Always liaise with the Procurement and Disposal Unit and relay copies of contract management to be archived on procurement action files as proof of delivery of items in accordance with	Partially implemented

	Regulation 52 (3) (a) and 52 (3) (g) of the PPDA (Contracts) Regulations, 2023	
	iii. User departments should ensure effective contract management in accordance with Regulation 52 (3) of PPDA (Contracts) Regulations, 2023.	Partially implemented
3.	The Accounting Officer and the District Engineer should be held responsible for failure to account for funds worth UGX. 60,137,011 that were spent under the Force Account Mechanism, which compromises the principles of accountability and value for money.	Not implemented

Implication

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

Management Response

Management acknowledged the observation and stated that the unit was understaffed, making it impossible to audit all departments. An officer had been assigned and would prepare quarterly audits.

Authority's comment

The Authority noted Management's response. However, understaffing does not absolve the Entity of its responsibility to ensure the timely implementation and follow-up of audit recommendations. Implementing audit recommendations is a collective responsibility of all responsible departments and accountable officers, not solely the audit function. The Authority therefore advises the Entity to strengthen internal coordination and monitoring mechanisms, ensure timely action by all responsible officers, and consider acquiring additional staff to support effective monitoring and follow-up of implementation.

Recommendation

The Accounting Officer should appoint a task force to establish and operationalize a robust mechanism to track, monitor, and ensure the timely implementation of all audit recommendations in accordance with Section 10(1)(a) of the PPDA Act, Cap. 205

2.1.3 Procurement plan implementation rate

Section 60 (7) of the PPDA Act, Cap. 205 mandates that Procuring and Disposing Entities review and update their procurement plans quarterly, as necessary. The inspection found that the Entity's procurement plan absorption rate was 152%, with a budget overrun of UGX 2,985,016,363, representing 52% of the procurement plan. Table 4 below summarizes the procurement plan, budget, and fund utilization.

Table 4: Procurement Plan Implementation

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	5,637,489,285
Procurement spend value inclusive of VAT (UGX)	8,622,505,648
Procurement Plan Implementation Rate	152%
Budget variance (UGX)	(2,985,016,363)

Source: Entity's monthly reports for July 2024 to March 2025.

Implication

This leads to budget overruns and the creation of domestic arrears.

Management Response

Management acknowledged the observation and pledged to regularly review the implementation of the procurement plan and update it in accordance with Section 60(7) of the PPDA Act.

Recommendations

The Accounting Officer should regularly review or designate individuals to review the implementation of the Entity's Procurement Plan and update it in accordance with Section 60 (7) of the PPDA Act, Cap 205, to improve absorption of the Entity's Procurement Plan.

2.1.4 Failure to ensure competition

Section 49 of the PPDA Act, Cap. 205 provides that all procurement and disposal shall be conducted in a manner that maximizes competition and achieves value for money. The inspection revealed that in five procurements worth UGX 2,403,130,350, the Entity received an average of 1.6 bids in response to invitations to bid under both the selective bidding and open bidding procurement methods, an indicator of a lack of confidence by bidders in the Entity's procurement processes. The procurements with low bidder participation are indicated in Table 5 below;

Table 5: Procurements with low bidder participation

S/No	Procurement	Amount (UGX)	Bids received	Firms invited
1.	Construction of Two-Classroom Block at Orungo-Olwa Primary School	118,530,600	2	7
2.	Construction of a Theatre in Orungo Health Center III Phase I	77,599,750	2	Advert
3.	Construction of additional facilities for Apeduru Seed School Phase II	983,000,000	2	Advert
4.	Construction of Council Chambers Phase IX	241,000,000	1	6
5.	Construction of facilities for Amolo Seed Secondary School	983,000,000	1	Advert
Total		2,403,130,350	1.6	

Implications

- Inadequate competition inhibits the achievement of value for money
- This could also be a sign of a loss of confidence among bidders in the Entity's procurement processes due to issues within the Entity, such as members of the Evaluation Committees failing to adhere to the set criteria, resulting in a failure to obtain competitive offers.

Management Response

Management noted the observation and stated that the Entity sent out invitation letters to a number of prequalified bidders, including adverts. However, management has no control over bidder response.

Authority's comment

The Authority noted the entity's response. While bidder participation may not be entirely within the Entity's control, the Entity is responsible for creating and maintaining a procurement environment that promotes fair competition, transparency, and bidder confidence.

Recommendation

The Accounting Officer should:

- Address procurement irregularities such as unfairness at evaluation, poor quality bidding documents, among others, that could be responsible for the low bidder participation leading to reduced competition in the Entity, thus affecting value for money in accordance with Section 49 of the PPDA Act, Cap 205.
- Organize supplier forums to get feedback from bidders on factors that may be hindering competition and get appropriate remedies.

2.1.5 Irregularities at evaluation

Regulation 5 (1) of the PPDA (Evaluation) Regulation 2023 states that: "*The evaluation of bids shall be conducted in accordance with the evaluation criteria specified in the bidding documents*". However, the Authority noted that in two procurement transactions worth UGX. 442,723,660, the evaluation committees passed bidders who did not meet the criteria set out in the bidding documents. Details are provided in Table 6 below:

Table 6: Procurements with irregularities at evaluation

No.	Subject of the procurement	Contracts Value (UGX)	Observations
1.	Construction of piped water system, Morungatuny Seed Secondary School	147,723,660	<ul style="list-style-type: none">• Arch Techno Crafts Limited (BEB) did not attach evidence of a minimum annual turnover of UGX.100, 000,000.• Arch Techno Crafts Limited (BEB) did not attach evidence of participation as a contractor, management contractor, or sub-contractor in at least three similar works for the last 3 years.
2.	Construction of facilities for Morungatuny Seed Secondary School	295,000,000	<ul style="list-style-type: none">• JIE Alleluya Enterprises Ltd (BEB) did not attach evidence of a minimum annual turnover of UGX.100, 000,000.• JIE Alleluya Enterprises Ltd (BEB) did not attach evidence of participation as contractor, management contractor, or sub-contractor in at least three similar works for the last 3 years.

No.	Subject of the procurement	Contracts Value (UGX)	Observations
Total		442,723,660	

Implications

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

Management Response

Management noted the observation and pledged to improve in the future.

Recommendations

- The Head Procurement and Disposal Unit should prevail upon the Evaluation Committees to ensure that evaluations are conducted according to the criteria set in the bidding document in accordance with Section 76 (3) of the PPDA Act, Cap 205, and Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023.
- The Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 46 of the PPDA Act, Cap 205, before approving the evaluation reports.

2.1.6 Failure to account for money spent under the Uganda Road Fund budget using the force on account mechanism

Regulation 4 of the PPDA (Force Account Mechanism) Regulations, 2014 states that, “*The Procuring and Disposing Entity shall procure the equipment and supplies required to undertake works using the Force Account Mechanism using procurement rules and methods in the Act.*”

A review of the Entity’s Uganda Road Fund expenditure for the financial year 2024/2025 for routine manual, mechanized, and periodic maintenance of Amuria District roads revealed that the Entity received UGX 226,060,003. However, supporting documentation for the UGX 83,458,917 expenditure was not provided, as detailed in Table 7 below.

Table 7: Use of Force Account mechanism carried out under URF IN FY 2024-2025

No.	Particulars from the Entity’s Performance reports submitted to the Authority during the audit exercise	Value (UGX)
1.	Budget	<i>The estimated unit price and budget for works was not availed to the audit team</i>
2.	Total release; Quarterly releases: Q1: UGX. 35,000,000 Q2: UGX. 107,601,086 Q3: UGX. 83,458,917	226,060,003

3.	Total actual expenditure for all quarters FY2024/2025 as per URF report submitted to the Authority	226,060,003
4.	Unaccounted for expenditure	83,458,917

Implication

This casts doubt on the transparency and accountability for works undertaken using force account and could compromise the achievement of value for money.

Management response

Management did not respond to the finding.

Recommendation

The Accounting Officer and the District Engineer should provide all Force Account documentation and reports for expenditure under the Force Account mechanism to the Authority within one month of receipt of this report. Failure to provide these records shall leave the Authority with no choice but to recommend to the Criminal Investigation Department that an investigation be conducted into this matter, in accordance with Regulations 6(5) of the PPDA (Force Account Mechanism) Regulations No. 15 of 2014.

2.2 Compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap. 205 and PPDA Regulations 2023

2.2.1 Failure to dispose of obsolete items

Regulation 2 of the PPDA (Disposal) Regulations, 2023 requires a Procuring and Disposing Entity to dispose of obsolete assets identified by the Board of Survey. The Authority noted that the Entity prepared a Board of Survey report for the Financial Year 2024/2025 to verify the District's assets for disposal, and that implementation was planned for the Financial Year 2025/2026.

2.3 Efficiency and Effectiveness in contract implementation, including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process

2.3.1 Failure to maintain complete procurement action files

Regulation 52 (3) (a) (vii) of the PPDA (Contracts) Regulations 2023 requires a contract manager to ensure that all contract management records are archived. However, the Authority observed that 10 procurement action files, worth UGX 4,516,806,306, were missing monthly progress reports at the time of the audit. These procurements are detailed in Table 8 below:

Table 8: Procurements with missing records

No.	Subject of Procurement	Missing documents
1.	Construction of Two Classroom Block at Oriebai P/s	Monthly progress reports
2.	Construction of Two-Classroom Block at Orungo-Olwa Primary School	
3.	Construction of a Theatre in Orungo Health Center III Phase I	
4.	Construction of additional facilities for Apeduru Seed School Phase II	

No.	Subject of Procurement	Missing documents
6.	Construction of piped water system Morungatuny Seed Secondary School	
7.	Construction of facilities for Morungatuny Seed Secondary School	
10.	Drilling, Hydro-geological survey	

Implication

The Entity risks having undetected delays, poor workmanship, and deviations from the contract specifications, and potential project failure.

Recommendations

- The Heads of User Departments should require all Contract managers to submit progress reports in accordance with Regulation 52 (3) (ii) and (g) of the PPDA(Contracts) Regulations, 2023.
- The Accounting Officer should implement a mandatory reporting system requiring regular submissions from both the Contractor and the Contract Manager, in strict compliance with Section 52(3)(g) of the PPDA (Contracts) Regulations, 2023, to strengthen contract oversight, monitoring, and accountability.

2.3.2 Delayed completion of works

Regulation 52(1)(b) of the PPDA (Contracts) Regulations, 2023 requires that all contracts be executed and completed within the stipulated contractual period. However, the Construction of Council Chambers Phase IX, valued at UGX 241,000,000, was not completed within the agreed contract timeframe, and no contract extension was made. The contract was signed on 3rd February 2025, with a planned duration of four (4) months and completion scheduled for 7th June 2025. During the physical verification on 27th June 2025, a significant portion of the works remained incomplete.

Specifically, the works were still in the painting stage; staircases had been constructed but lacked handrails; ceiling work for the council hall was still ongoing; and the staff toilets had not yet been fitted with sanitary fixtures.

Implications

- Delayed completion of works may be an indication of weak contract supervision of the contractor by the Entity.
- Delayed completion of works denies service delivery to the intended beneficiaries.

Management response

Management noted the observation and stated that the physical progress of works at the construction of Council Chambers and Apeduru Seed Secondary School was at 95%.

Recommendation

The Accounting Officer and contract manager should provide an explanation for the delay in the completion of works and ensure the contractors meet their contractual obligations as specified in

the contract terms and conditions in accordance with Regulation 52 (l) (b) of the PPDA (Contracts) Regulations, 2023.

2.3.3 Physical verification

The Authority conducted physical verification of four projects worth UGX: 3,521,876,864 as per Table 9 below:

Table 9: Issues noted during physical verification

Subject: Construction of facilities for Amolo Seed Secondary School

Reference number: MoES-Amun/UGIFIT/Wrks/2024-2025/00008

Procurement method: Open bidding

Contractor: Cab Uganda Ltd

Contract signature date: 27th February 2025

Contract value: UGX: 983,000,000

Intended completion date: 27th June 2025

Site possession date: 27th February 2025

Defects Liability Period: 6 months





Observations

- Works were completed at a classroom block at Amoro Seed School Phase; however, the science Lab was at the plastering stage.
- The kitchens have been plastered, waiting for the final painting.

Management response

Management stated that the work was completed

Authority's comment

The entity did not provide evidence for verification.

Subject: Construction of Wera Health Centre III, Lot 2 under UGFT

Reference number: MoES-Amun/UGIFIT/Wrks/2024-2025/00002

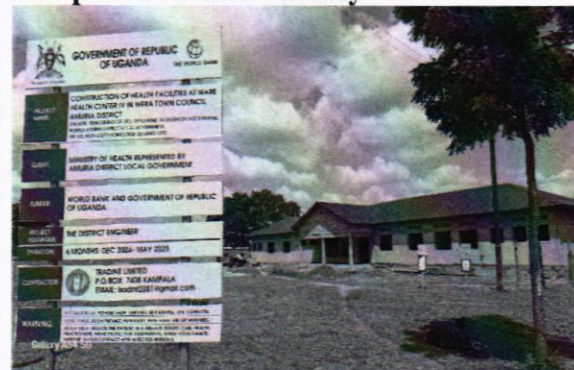
Procurement method: Open bidding

Contractor: Tradint Limited

Contract signature date:

Contract value: UGX: 1,313,978,896

Site post and OPD facility





Theatre



Observations

Work is incomplete across all facilities, and the contractor is still on site.
Please note that the audit team did not ascertain the contract document.

Management Response

Management stated that the work was completed.

Authority's comment

The Entity did not provide evidence supporting this allegation.

Ref Number: Amuria807/WRKS/24-25/00012

Subject of Procurement: Construction of Council Chambers Phase IX

Contract Amount: UGX: 241,000,000

Method of procurement: Open National Bidding

Contractor: CAB Uganda Ltd

Contract sign date: 3rd February 2025

Contract Completion date: 7th June 2025

Defects Liability Period: 6 months



Observations

Delayed completion. It was noted that at the time of physical verification, the works had not been completed as per the intended completion date as at 7th June 2025. The works were as follows:

- The works were at the painting stage.
- The staircases lack rails
- Council hall ceiling is ongoing
- Staff toilets pending installation of toilets.

Implication

Incomplete or poorly managed projects impact the safety, compliance, and overall success of the projects

Authority's comment

Management did not provide evidence for the completion of work.

Recommendations

The Accounting Officer should:

- Task all the contract managers to ensure that the above defects are rectified and status reports on all these projects are provided to the Authority in the Entity's management letter response.
- Task the Head Procurement and Disposal Unit to submit reports every three months on all contracts signed by the Entity and highlight the challenges /problems encountered during execution of the contracts in accordance with Regulation 52 (4) of the PPDA (Contracts) Regulations, 2023.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This Section presents the procurement and disposal audit scores graphically.

3.1 Overall Procurement and Disposal Audit Conclusion

The performance of Amuria District Local Government for the Financial Year 2024/2025 was **moderately satisfactory**, with an overall weighted average risk rating of **37.2%**.

3.2 Entity's Performance

The risk rating was weighted to determine the Entity's overall risk level. The weighting was derived using the average weighted index as detailed in Table 10 below:

Table 10: Risk score

Risk Rating	No.	%No	Value (UGX)	%Value	Weights	Total Weighted Score	
						By No.	By Value
High	0	0	0	0	0.6	0	0
Medium	8	80	3,129,142,778	68.6	0.3	24	20.6
Low	0	0	0	0	0.1	0	0
Satisfactory	2	20	1,431,941,296	31.4	0	0	0
Total	10	100	4,561,084,074	100	1	24	20.6

$$\text{Performance by Number} = \frac{24 \times 100}{60} = 40\%$$

$$\text{Performance by Value} = \frac{20.6 \times 100}{60} = 34.3\%$$

$$\text{The average weighted risk rating} = \frac{40 + 34.3}{2} = 37.15\%$$

Since 37.2% falls within the 31%-70% risk range, the Entity's performance is rated Moderately Satisfactory, as detailed in Table 11 below.

Table 11: Risk Rating

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

Figure 1: Risk Rating by Number

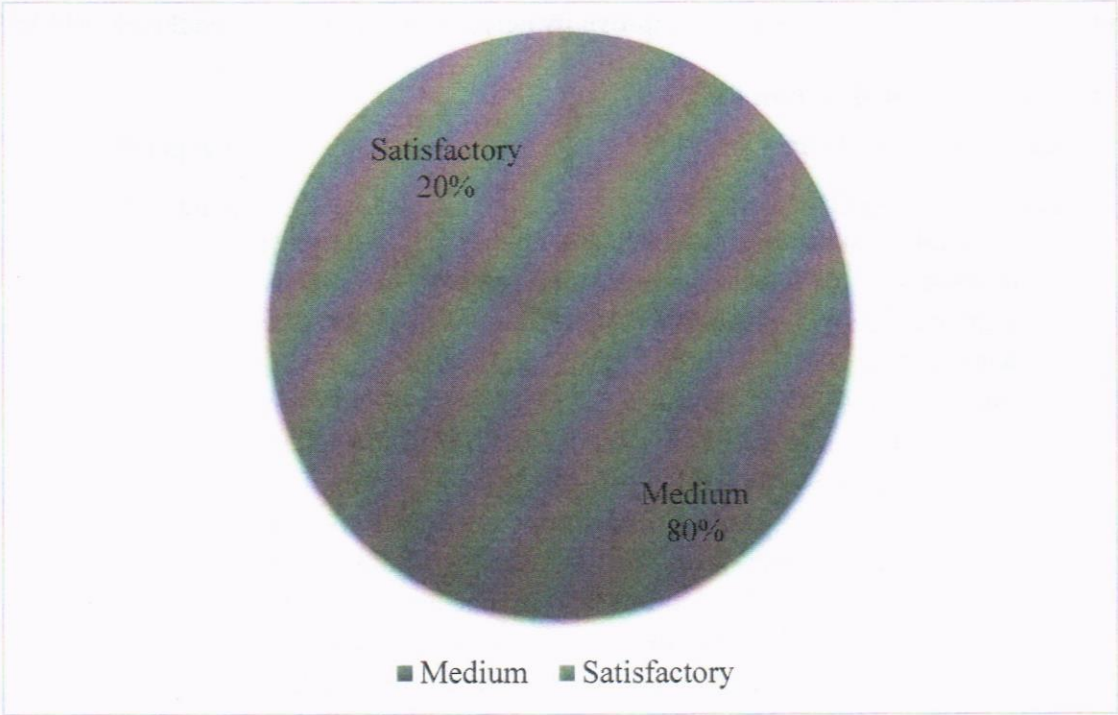
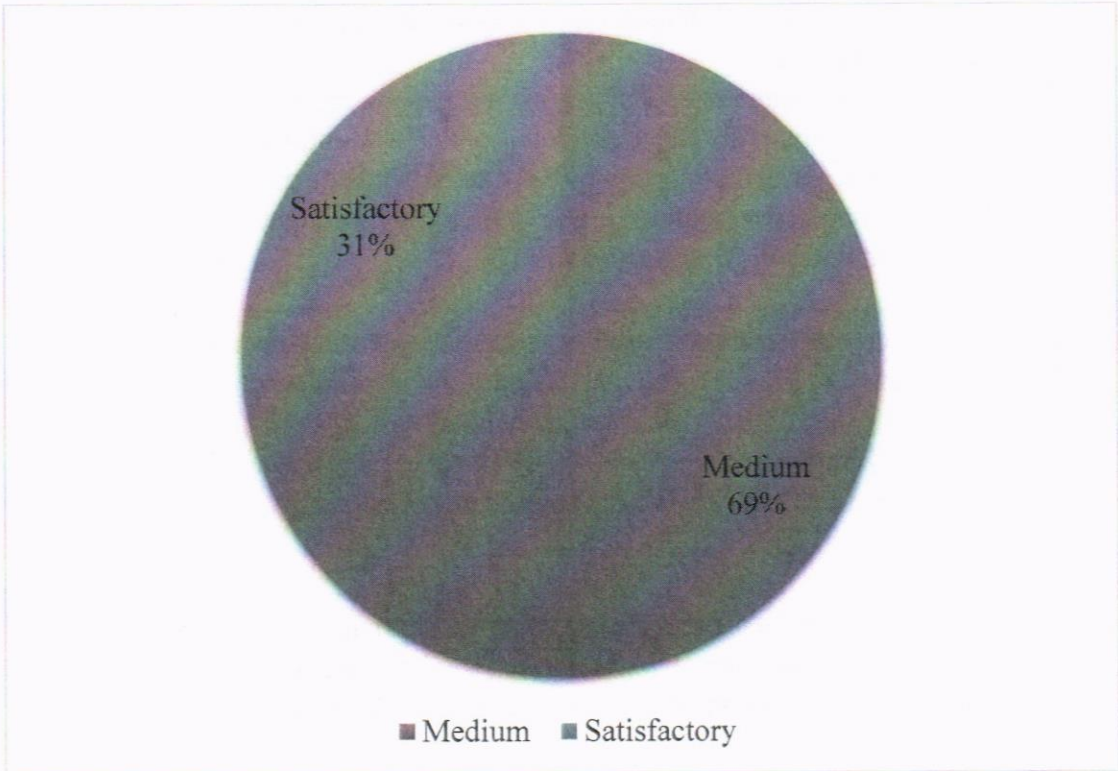


Figure 2: Risk Rating by Value



3.3 Recommended Action Plan

Amuria District Local Government should implement the recommendations in Table 12 below within the time frame given in order to improve its performance in Procurement and Disposal.

Table 12: Recommended Action Plan

No.	Recommended Action	Target Date
1.	<p>The Accounting Officer should:</p> <ul style="list-style-type: none">i. Appoint a task force to establish and operationalize a robust mechanism to track, monitor, and ensure the timely implementation of all audit recommendations in accordance with Section 10(1) (a) of the PPDA Act, Cap. 205;ii. Regularly review or designate individuals to review the implementation of the Entity’s Procurement Plan and update it in accordance with Section 60 (7) of the PPDA Act, Cap 205, to improve absorption of the Entity’s Procurement Planiii. Address procurement irregularities such as unfairness at evaluation, poor quality bidding documents, among others, that could be responsible for the low bidder participation leading to reduced competition in the Entity, thus affecting value for money in accordance with Section 49 of the PPDA Act, Cap 205.iv. Organize supplier forums to get feedback from bidders on factors that may be hindering competition and get appropriate remedies.v. Implement a mandatory reporting system requiring regular submissions from both the Contractor and the Contract Manager, in strict compliance with Section 52(3)(g) of the PPDA (Contracts) Regulations, 2023, to strengthen contract oversight, monitoring, and accountability	June 2026
2.	<p>The Head Procurement and Disposal Unit should prevail upon the Evaluation Committees to ensure that evaluations are conducted according to the criteria set in the bidding document in accordance with Section 76 (3) of the PPDA Act, Cap 205, and Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023.</p>	June 2026
3.	<p>The Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 46 of the PPDA Act, Cap 205, before approving the evaluation reports</p>	

No.	Recommended Action	Target Date
4.	The Heads of User Departments should require all Contract managers to submit progress reports in accordance with Regulation 52 (3) (ii) and (g) of the PPDA(Contracts) Regulations, 2023.	

ANNEX 1: RISK RATING PER CASE

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	<p>Ref Number: AMURI807/WRKS/24-25/00002</p> <p>Subject of Procurement: Construction of Two-Classroom Block at Orungo-Olwa Primary School</p> <p>Method of Procurement: Request For Quotation Bidding</p> <p>Contract Amount: UGX. 118,530,600</p> <p>Contractor: Sure Friends Civil& Agro Inputs Consultants Ltd</p> <p>Contract signing date : 14th January 2025</p> <p>Contract Completion date: 19th June 2025</p> <p>Defects liability period: 180 days</p>	<p>Bidding</p> <p>Low Bidder Participation. There was low bidder participation. It was noted that out of the 7 firms that were invited, only 2 bidders returned bids.</p> <p>Missing records Progress reports</p>
2.	<p>Ref Number: Amuria807/WRKS/24-25/00011</p> <p>Subject of Procurement: Construction of a Theatre in Orungo Health Center III Phase I</p> <p>Contract Amount: UGX. 77,599,750</p> <p>Method of procurement: Open National Bidding</p> <p>Contractor: Manson Consult Ltd</p> <p>Contract sign date: 16th January 2025</p> <p>Contract Completion date: 20th May 2025</p> <p>Defects liability Period: 180 days</p>	<p>Bidding</p> <p>Low Bidder Participation. There was low bidder participation. It was noted that only 2 bidders returned bids under open invitation.</p> <p>Missing records</p> <ul style="list-style-type: none"> • Contract implementation plan • Monthly progress reports

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
3.	<p>Ref Number: Amuria807/UGIFT/WRKS/24-25/00001</p> <p>Subject of Procurement: Construction of additional facilities for Apeduru Seed School Phase II</p> <p>Contract Amount: UGX.983,897,968</p> <p>Method of procurement: Open National Bidding</p> <p>Contractor: B.P Enterprises & Construction Co. Ltd</p> <p>Contract signing date: 28th February 2025</p> <p>Contract Completion date: 28th June 2025</p> <p>Defects Liability Period: 6 months</p>	<p>Bidding</p> <p>Low Bidder Participation. There was low bidder participation. It was noted that only 2 bidders returned bids under open invitation.</p> <p>Contracting</p> <p>Delayed seeking by the Accounting Officer to MOES for no objection The NOBEB expired on 2nd December 2024; however the Accounting Officer sought no objection from the Ministry of Education and Sports on 15th January 2025 that was obtained from the ministry on 25th February 2025 causing a delay of 30 working days.</p> <p>Delay by the Accounting Officer to seek Solicitor General's Officer for clearance of contract.</p> <ul style="list-style-type: none"> • The NOBEB expired on 2nd December 2025, however the Accounting Officer on 15th January 2025 wrote the Solicitor General's Officer seeking clearance of the draft contract that was granted on 25th February 2025 causing a delay of 30 working days. • On 28th February 2025, contract was signed between the Entity and B.P Enterprise Ltd & Construction Company Ltd at a contract price of UGX. 983,897,968 and the site handover on 28th February 2025 and contract completion on 28th June 2025. <p>Missing Records Monthly progress reports</p>
4.	<p>Ref Number: Amuria807/WRKS/24-25/00012</p> <p>Subject of Procurement: Construction of Council Chambers Phase IX</p> <p>Contract Amount: UGX.241,000,000</p> <p>Method of procurement: Open National Bidding</p> <p>Contractor: CAB Uganda Ltd</p> <p>Contract sign date: 3rd February 2025</p> <p>Contract Completion date: 7th June 2025</p>	<p>Bidding</p> <p>Low Bidder Participation. There was low bidder participation. It was noted that out of the 6 firms that were invited, only 1 bidder returned their bid.</p> <p>Missing records</p> <ul style="list-style-type: none"> • Contract implementation plan • Monthly progress reports

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	Defects Liability Period: 6 months	
5.	<p>Subject: Construction of piped water system Morungatuny seed secondary school</p> <p>Reference number: Amun/807/Wrks/2024-2025/00006</p> <p>Procurement method: RFQ</p> <p>Contractor: Arch Techno crafts Limited</p> <p>Contract signature date: 22nd January 2025</p> <p>Contract value: UGX. 147,723,660</p> <p>Intended completion date: 31st May 2025</p> <p>Defects Liability Period: 6 months</p>	<p>Evaluation</p> <ul style="list-style-type: none"> • Arch Techno crafts Limited (BEB) did not attach evidence of a minimum annual turnover of UGX.100, 000,000. • Arch Techno crafts Limited (BEB) did not attach evidence of participation as contractor, management contractor or sub-contractor in at least three in similar works for last 3 years. <p>Missing records Progress reports</p>
6.	<p>Subject: Construction of facilities for Morungatuny Seed Secondary School</p> <p>Reference number: Amun/807/Wrks/2024-2025/0003-2</p> <p>Procurement method: Request for Quotation</p> <p>Contractor: JIE Alleluya Enterprises Ltd</p> <p>Contract signature date: 27TH February 2025</p> <p>Contract value: UGX. 295,000,000</p> <p>Completion date: 28th June 2025</p> <p>Site possession date: 28th February 2025</p> <p>Defects Liability Period: 6 months</p>	<p>Evaluation</p> <ul style="list-style-type: none"> • JIE Alleluya Enterprises Ltd (BEB) did not attach evidence of a minimum annual turnover of UGX.100, 000,000. • JIE Alleluya Enterprises Ltd (BEB) did not attach evidence of participation as contractor, management contractor or sub-contractor in at least three in similar works for last 3 years. <p>Missing records Monthly progress reports</p>
7.	<p>Subject: Construction of facilities for Amolo Seed Secondary School</p> <p>Referencenumber: MoES- Amun/UGIFIT/Wrks/2024-2025/00002</p> <p>Procurement method: Open bidding</p> <p>Contractor: Cab Uganda Ltd</p> <p>Contract signature date: 27th February 2025</p> <p>Contract value: UGX. 983,000,000</p> <p>Intended completion date: 27th June 2025</p> <p>Site possession date: 27th February 2025</p> <p>Defects Liability Period: 6 months</p>	<p>Low bidder participation There was low bidder participation as only one firm returned its bid from Cab Uganda Ltd under open invitation.</p>
8.	<p>Subject of procurement: Drilling, Hydro-geological survey</p> <p>Reference Number: Amua807/Wrks/2024-2025/00005</p> <p>Procurement method: Quotations</p> <p>Contractor: Mama Borewells Africa Limited</p> <p>Contract Amount: UGX. 239,020,800</p>	<p>Bidding Low Bidder Participation. There was low bidder participation. It was noted that out of the 5 firms that were invited, only 2 bidders returned their bid.</p> <p>Evaluation</p>

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	<p>Contract Signature date: 10th February 2025</p> <p>Completion date: 18th June 2025</p> <p>Defects Liability period: 6 months</p>	<ul style="list-style-type: none"> • Mama Borewells Africa Limited (BEB) did not attach evidence of a minimum annual turnover of UGX.100, 000,000. • Mama Borewells Africa Limited (BEB) did not attach evidence of participation as contractor, management contractor or sub-contractor in at least three in similar works for last 3 years. <p>Missing documents Progress reports</p>

No.	SATISFACTORY CONTRACTS	REASONS FOR SATISFACTORY RISK
1.	<p>Ref Number: AMURIA807/WRKS/24-25/00013</p> <p>Subject of Procurement: Construction of Two Classroom Block at Oriebai P/s</p> <p>Method of Procurement: Request For Quotations</p> <p>Contract Amount: UGX. 117,953,400</p> <p>Contractor: Mai Enterprise Ltd</p> <p>Contract signing date : 15th January 2025</p> <p>Contract Completion date: 17th June 2025</p> <p>Defects liability period: 180 days</p>	<p><i>There were no observations.</i></p>
2.	<p>Subject: Construction of Wera Health Centre III, Lot 2 under UGFT</p> <p>Reference number: MoES-Amun/UGIFIT/Wrks/2024-2025/00002</p> <p>Procurement method: Open bidding</p> <p>Contractor: Tradint Limited</p> <p>Contract signature date:</p> <p>Contract value: UGX. 1,313,978,896</p> <p>Intended completion date:</p> <p>Site possession date:</p>	<p><i>There were no observations.</i></p>

ANNEX 2: AMURIA DISTRICT LOCAL GOVERNMENT SAMPLE LIST FOR FINANCIAL YEAR 2024/2025

No.	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk rating
1.	MOES-AMUN/WRKS/2024-2025/00008	Construction of additional Facilities in Amolo Seed School	Open Domestic bidding	Cab Uganda Ltd	983,000,000	Medium
2.	MOES-AMUR/WRKS/2024-2025/00001	Construction of additional facilities in Apeduru Seed School	Open Domestic bidding	B.P Enterprise Ltd	983,897,968	Medium
3.	MOH-UGIFT/WRKS/24-25/00002-2	Construction of Wera Health Center III Lot 2	Open Domestic bidding	Tradint Ltd	1,313,987,896	Satisfactory
4.	AMUN807/WRKS/24-25/00003-2	Construction of facilities for Morungatuny Seed School	Open Domestic bidding	Jie Aleluya Enterprise Ltd	295,000,000	Medium
5.	AMUN807/WRKS/24-25/00012	Construction of Council Chambers Phase IX	Open Domestic bidding	Cab Uganda Ltd	241,000,000	Medium
6.	AMUN807/WRKS/24-25/00005	Drilling hydrogeological Survey & Installation of Deep boreholes and Prod	Request For Quotations	Mama Borewells Africa Ltd	282,390,800	Medium
7.	AMUN807/WRKS/24-5/00013	Construction of Two Classroom Block at Oreiebai Primary School	Request For Quotations	Mai Enterprise Ltd	117,953,400	Satisfactory
8.	AMUN807/WRKS/24-25/00002	Construction of Two Classroom Block at Orungo Primary School	Request For Quotations	Sure Friends Civil & Agro Input Consultants Ltd	118,530,600	Medium
9.	AMUN807/WRKS/24-25/00002	Piped Water System in Morungatuny Seed School	Request For Quotations	Arch Techno Crafts Ltd	147,723,660	Medium
10.	AMUN/807/WRKS/24-25/000011	Construction of a theatre in Orungo HCIII Phase III	Request For Quotations	Manson Consults Ltd	77,599,750	Medium
				TOTAL	4,561,084,074	

ANNEX 3: RISK RATING CRITERIA

RISK	DESCRIPTION	AREA	IMPLICATION
<p>HIGH</p>	<p>Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry a risk to the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management.</p>	<p>Planning: Lack of or failure to procure within the approved plan</p>	<p>This implies emergencies and the use of the direct procurement method which affects competition and value for money.</p>
	<p>Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".</p>	<p>Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals, and usurping the powers of the PDU.</p>	<p>This implies the use of less competitive methods which affects transparency, accountability, and value for money.</p>
		<p>Evaluation: Use of inappropriate evaluation methodologies or failure to conduct an evaluation.</p>	<p>This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend an award to a responsive bidder.</p>
		<p>Record Keeping: Missing procurement files and missing key records on the files namely; solicitation documents, submitted bids, evaluation reports, and contracts.</p>	<p>This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.</p>
		<p>Fraud/forgery: Falsification of Documents</p>	<p>This implies a lack of transparency and value for money.</p>
		<p>Contract Management: Payment for shoddy work or work not delivered.</p>	<p>This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries</p>

RISK	DESCRIPTION	AREA	IMPLICATION
MEDIUM	Procurements that were considered to have weaknesses, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands-on management control and oversight" at an appropriate level of seniority.	Planning: Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		Bidding Process: Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms, and splitting procurement requirements.	This implies a lack of efficiency, standardization, and avoiding competition.
		Procurement Structures: Lack of procurement structures	This implies a lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: 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 amendments and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.

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