



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

"Regulating for Results"

**COMPLIANCE AUDIT REPORT FOR BUGIRI DISTRICT LOCAL
GOVERNMENT FOR THE FINANCIAL YEAR 2024/2025**

MAY 2026

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ACRONYMS

BEB	Best Evaluated Bidder
CC	Contracts Committee
CMS	Contract Monitoring System
CSOs	Civil Society Organizations
ESHS	Environmental, Social, Health and Safety
ESMP	Environmental and Social Management Plan
FY	Financial Year
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
Ltd	Limited
ODB	Open Domestic Bidding
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
RFQ	Request for Quotation
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority conducted a compliance inspection of Bugiri District Local Government, covering a representative sample of six procurement transactions for Financial Year 2024/2025, two of which were escalated by the Busoga Governance and Social Accountability Network regarding the Contract Monitoring System (CMS). The list of sampled transactions and the escalated cases is set out in Annex A of the report.

The overall objective of the audit was to assess and establish the degree of compliance of Bugiri District Local Government's procurement system, process and disposal process 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 audit exercise, Bugiri District Local Government's performance for the Financial Year 2024/2025 was moderately satisfactory, with an overall weighted average risk rating of **50%**. The risk rating was weighted to determine the Entity's overall risk level, as detailed in Chapter 3 of the audit report.

Despite the moderately satisfactory performance, the following exceptions were noted

1. **Failure to fully constitute the Contracts Committee.** Section 27(1) of the PPDA Act, Cap. 205, states that "*a Contracts Committee shall be composed of the members specified in the Schedule 4.*" Schedule 4 of the PPDA Act, Cap. 205, requires that the Contracts Committee consist of a chairperson, a secretary, and three other members appointed by the Accounting Officer. During the audit period, the Entity's Contracts Committee was not fully constituted, as it lacked a member, contrary to the provisions of the PPDA Act, Cap. 205. This may affect the effectiveness and efficiency of the Contracts Committee in carrying out its oversight function.
2. **Failure to fully implement 39% of the previous audit recommendations.** Section 10 of the PPDA Act, Cap. 205, requires Procuring and Disposing Entities to act on the Authority's recommendations. It was noted that the Entity had received its previous audit report for the Financial Year 2021-2022 in May 2023. Of the 13 recommendations, eight (61%) were implemented, one (8%) was partially implemented, and four (31%) were not implemented, contrary to Section 10 of the PPDA Act, Cap. 205, thereby affecting the Entity's performance.
3. **Procuring above budget.** Section 60(7) of the PPDA Act, Cap. 205, requires an Entity to regularly review and update its procurement plan to ensure alignment with prevailing circumstances and available resources. However, the Authority's assessment of the Entity's procurement plan for FY 2024/25 revealed significant over-expenditure, with actual procurement spend amounting to UGX 16,095,623,274 against an approved procurement plan of UGX 6,195,839,694. This resulted in a budget overrun of 160% and a procurement plan absorption rate of 260%, contrary to the requirements of Section 60(7) of the PPDA Act, Cap. 205.

4. **Irregularities during initiation.** Section 36(1) of the PPDA Act, Cap. 205 provides that the User Department of a Procuring and Disposing Entity is responsible for supporting the procurement and disposal process through liaison with and assistance to the Procurement and Disposal Unit. In particular, the User Department is required to initiate procurement and disposal requirements, forward them to the Procurement and Disposal Unit, and provide the necessary technical inputs, including statements of requirements and technical specifications, to ensure that procurement needs are clearly defined and budgeted for. However, the Authority noted irregularities during the initiation of six procurements valued at UGX 1,350,164,600, particularly arising from incomplete or irregular procurement initiation records and the use of brand names in the statement of requirements, contrary to Section 36 of the PPDA Act, Cap. 205.
5. **Low bidder participation;** Section 49 of the PPDA Act, Cap. 205 provides that all procurement and disposal shall be conducted in a manner that maximises competition and achieves value for money. The Authority noted that all sampled procurements, valued at UGX 1,350,164,600, recorded low bidder participation, with the Entity receiving an average of only one bid in response to invitations to bid, contrary to Section 49 of the PPDA Act, Cap. 205. This undermines competition and leads to a failure to achieve value for money.
6. **Delays in the procurement process;** Section 51 of the PPDA Act, Cap. 205 provides that “All procurement and disposal shall be conducted in a manner which promotes economy, efficiency, and value for money.” The Authority noted delays in two procurements worth UGX 503,917,400 at the contracting stage, contrary to Section 51 of the PPDA Act, Cap. 205. These delays create lengthy lead times, which consequently impede timely service delivery.
7. **Failure to Conduct Asset Disposal;** 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 audit found that Bugiri District Local Government disposed of no assets during Financial Year 2024/2025, contrary to Regulation 2 of the PPDA (Disposal) Regulations, 2023. Failure to conduct timely disposal exposes obsolete items to risks of theft, mismanagement, and further depreciation, resulting in potential financial losses.
8. **Absence of ESHS screening and costing in Bills of Quantities.** Section 61 A of the PPDA Act, Cap. 205, states that “A Procuring and Disposing Entity shall for each procurement take into account environmental protection, social inclusion and stimulating innovation.” The Authority noted that there was no evidence of Environmental, Social, Health, and Safety (ESHS) screening across all sampled procurements valued at UGX 1,350,164,600. Consequently, ESHS requirements were neither costed nor customised in the Bills of Quantities at the initiation of these procurements, contrary to the requirements of Section 61 A of the PPDA Act, Cap. 205. This exposes the projects to potential risks, including non-compliance with statutory ESHS standards, environmental degradation, and occupational hazards for contractors’ staff.

9. **Irregularities in contracting and contract execution;** Regulation 52(1) of the PPDA (Contracts) Regulations, 2023 states that “(1) A contract manager shall (a) manage the obligations and duties of the procuring and disposing entity specified in the contract; and (b) make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract.” The Authority observed irregularities in contracting and contract management across all sampled procurements valued at UGX 1,350,164,600, including the contractor’s failure to submit a 10% Performance Security. Failure to prepare contract management plans and reports, obtain performance securities, and maintain evidence of payments exposes the Entity to weak contract supervision, poor implementation, contractor default, and irregular payments.
10. **Missing records;** Section 44(1) of the PPDA Act, Cap. 205, states that “A procuring and disposing entity shall maintain records on its procurement and disposal proceedings for a period of seven years.” Section 33(o) of the PPDA Act, Cap. 205, requires the Head of the Procurement and Disposal Unit to maintain procurement and disposal records and reports on their respective action files. All six sampled procurements, valued at UGX 1,350,164,600, had incomplete files. Incomplete records undermine the audit trail and compromise accountability for public funds.
11. **Irregularities observed during physical verification;** Regulation 52 of the PPDA (Contracts) Regulations, 2023 requires Contract Management Teams (Contract Managers) to closely monitor contractors to ensure contracts are performed in accordance with the terms and conditions specified in the contract. In the procurement for the completion of a maternity ward at Mayuge Health Center III in Bugiri District, worth UGX 265,300,000, the Authority observed the following lapses during physical verification of the project site: there was no evidence that materials had been tested as required in the Bills of Quantities; the project signboard was not displayed on site; and there was vandalism of windows on site. These lapses raise concerns about adherence to contractual requirements and project supervision, contrary to Regulation 52 of the PPDA (Contracts) Regulations, 2023.

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

1. The Accounting Officer should:
 - i. Expedite the appointment of the fifth member of the Contracts Committee to ensure the Committee is fully constituted and staffed with adequate expertise and experience, in compliance with Section 27 of the PPDA Act, Cap. 205;
 - ii. Appoint a task force to implement the Authority’s recommendations to improve the Entity’s performance in accordance with Section 10 of the PPDA Act, Cap. 205. This could include appointing a task force to ensure the full implementation of the Authority’s recommendations.
 - iii. Review and update the Entity’s procurement plan to harmonise it with the existing circumstances on a quarterly basis and, in any other case, wherever necessary, in accordance with Section 60 (7) of the PPDA Act, Cap. 205;

- iv. Implement targeted measures to increase bidder participation, including market surveys, engagement with supplier associations, and bidder sensitisation sessions. These efforts promote competition and ensure value for money in line with Section 49 of the PPDA Act, Cap. 205.
 - v. Conduct all procurements in a manner that promotes economy, efficiency and value for money in accordance with Section 51 of the PPDA Act, Cap. 205;
 - vi. Dispose of obsolete assets in accordance with the Board of Survey report's recommendations and Regulation 2 of the PPDA (Disposal) Regulations, 2023;
 - vii. Instruct the User Departments to always prioritise comprehensive ESHS screening during the initiation phase. Provisions for ESHS requirements should be clearly costed and integrated into the Bills of Quantities, in line with Section 61A of the PPDA Act, Cap. 205, to safeguard compliance, mitigate risks, and promote sustainable project outcomes.
 - viii. Direct the Contract Managers to ensure compliance with Regulation 52 of the PPDA (Contracts) Regulations, 2023 by preparing contract implementation plans before commencement, monitoring contractors' contractual performance, submitting regular progress reports throughout the contract term, and issuing handover or completion certificates upon successful completion of the contract.
2. User Departments should:
- i. Ensure that statements of requirements attached at the initiation of procurement are based on functional and technical specifications, not brand names, to uphold the principle of competition in accordance with Section 49 of the PPDA Act, Cap. 205.
 - ii. Strengthen their responsibility for safeguarding public projects within their jurisdiction.
3. The Head Procurement and Disposal Unit should:
- i. Ensure that documentation is complete and compliant before submitting to the Contracts Committee.
 - ii. Always maintain procurement and disposal records and reports in their respective action files in accordance with Section 33 (o) of the PPDA Act, Cap. 205.
4. The Contracts Committee should not approve incomplete documentation.

A recommended action plan for Bugiri District Local Government is on pages **22-23** of this audit report.

CHAPTER ONE: INTRODUCTION

1.1. Background

The Public Procurement and Disposal of Public Assets Authority conducted a compliance audit of Bugiri District Local Government, covering a representative sample of six procurement transactions for the Financial Year 2024/25. The inspection reviewed procurement structures, procurement and asset disposal processes, and contract performance, in accordance with the Public Procurement and Disposal of Assets Act, Cap. 205, and the attendant PPDA Regulations.

1.2. Objective of the procurement and disposal audit

The overall objective of the compliance audit was to assess and establish the degree of compliance of the Bugiri District Local Government procurement and disposal system 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 compliance audit were to:

- a) Establish the level of compliance by the Entity with the general provisions of the PPDA Act Cap. 205 and the attendant PPDA Regulations regarding the performance of the procurement structures and the conduct of the procurement process;
- b) Assess the extent to which the Entity's disposal process complies with the provisions of the PPDA Act, Cap. 205 and the PPDA (Disposal of Public Assets) Regulations, 2023;
- c) Assess the efficiency and effectiveness of contract implementation, including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process; and
- d) Assess the status of one escalated case by the Busoga Governance and Social Accountability Network on the Contract Monitoring System (CMS).

1.3. Audit Scope

The Authority conducted the procurement and disposal audit of the Bugiri District Local Government from **23rd to 25th July 2025**. The exercise covered a sample of six procurement transactions totalling UGX 1,350,164,600, carried out during FY 2024/2025; a review of procurement structures; and an assessment of the procurement plan's performance. The list of sampled transactions is set out in Annex A.

1.4. Methodology

Bugiri District Local Government was notified of the exercise on **14th July 2025**. A sample of six procurement transactions was selected using stratified random sampling, drawing on the Contracts Committee minutes, the contracts register, and the quarterly 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 six sampled procurement transactions. The team also conducted physical verification of the verifiable procurement transactions and reviewed the procurement plan for the Financial Year 2024/2025.

Following completion of data collection, the team met with various stakeholders, including the Accounting Officer, Contracts Committee members, Procurement and Disposal Unit staff, and User Department representatives, to discuss and clarify some preliminary findings. A management letter was sent to the Entity on **10th October 2025**, requesting submission of the management response by **24th October 2025**. The response was submitted on **4th November 2025**.

Before writing the report, the Regional Manager reviewed the working papers for completeness. The working papers contain a detailed chronology of findings for each sampled transaction. The audit report summarises the key findings and conclusions.

1.5. Reporting

The findings are identified by exception, risk level, and recommendation. The procurements are rated in four categories according to the identified weaknesses: high risk, medium risk, low risk, and satisfactory. The definition of the risk rating is in Annex C.

CHAPTER TWO: FINDINGS OF THE AUTHORITY

2.1 Compliance by the Entity with the general provisions of the PPDA Act, Cap. 205, and the 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 Bugiri District Local Government include the Chief Administrative Officer as Accounting Officer, the Contracts Committee (CC), 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 of the PPDA Act, Cap 205, gives the Accounting Officer overall responsibility for the successful execution of procurement, disposal and contract management within the Procuring and Disposing Entity. Mr Olaro Emmanuel Eugene, the Chief Administrative Officer, served as the designated Accounting Officer of the Entity during the Financial Year 2024-2025.

ii Composition and tenure of the Contracts Committee

Section 27(1) of the PPDA Act, Cap. 205, states that "a Contracts Committee shall be composed of the members specified in the Schedule 4." Schedule 4 of the PPDA Act, Cap. 205, requires that the Contracts Committee be composed of a chairperson, a secretary, and three other members appointed by the Accounting Officer. During the audit period, the Entity's Contracts Committee was not fully constituted, as it lacked one member, contrary to the provisions of the PPDA Act, Cap. 205. At the time of the audit, the Contracts Committee comprised only four members, as shown in Table 1 below:

Table 1: List of Contracts Committee Members

No	Name	Position	Date of appointment	Title
1.	Muhamed Nkwanga	Inspector of Schools	11 th December 2024	Chairperson
2.	Kenneth Okello	District Planner	11 th December 2024	Secretary
3.	Benadet Kauma	District Education Officer	11 th December 2024	Member
4.	Robert Mutumba Musenze	Assistant District Health Officer	11 th December 2024	Member

Implications

- This may affect the effectiveness and efficiency of the Contracts Committee as it conducts its oversight function.
- Failure to fully constitute the Contracts Committee may negatively affect adjudication of recommendations from the Procurement and Disposal Unit as well as award of contracts due to lack of sufficient expertise/ experience.

Management response

Management acknowledged the anomaly and stated that, going forward, the fifth member will be appointed to complete the contracts committee.

Recommendation

The Accounting Officer should expedite the appointment of the third member to ensure the Contracts Committee is fully constituted and staffed with adequate expertise and experience, in compliance with Section 27 of the PPDA Act, Cap. 205.

2.1.2 Failure to fully implement 39% of the previous audit recommendations

Section 10 of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities to act on the Authority's recommendations. It was noted that the Entity had received its previous audit report for the Financial Year 2021-2022 in May 2023. Of the 13 recommendations, eight (61%) were implemented, one (8%) was partially implemented, and four (31%) were not implemented, as detailed in Table 2 below:

Table 2: Implementation of previous audit recommendations

No.	Recommendation	Status	Response
1.	The Accounting Officer should;		
	i. Ensure that the Contracts Committee is fully constituted and inducted in accordance with Section 28 (b) and 29 (2) of the PPDA Act, Cap. 205;	Not implemented	i) Management acknowledged the anomaly and stated that a fresh submission of the fifth member shall be done as soon as possible.
	ii. Formally request the Authority for training of the Internal Audit Department on the procurement and disposal audit procedures and techniques.	Not implemented	ii) Management acknowledged the anomaly and stated that the Entity is budgeting this activity for next financial year.
	iii. Put in place a strong internal mechanism and a dedicated team of staff to follow up and ensure full implementation of audit recommendations so as to improve the Entity's performance;	Partially implemented	iii) Management acknowledged the anomaly.
	iv. Investigate the causes of low bidder participation leading to reduced competition in the Entity, thus affecting value for money, and also formulate strategies to increase the procurement attractiveness in order to build confidence of bidders; and	Not implemented	iv) Management acknowledged the anomaly and stated that the Entity devised a mechanism to mitigate this by holding quarterly meetings with all service providers.
	v. Ensure that all conditions for contract effectiveness, such as submission of a Performance Security and Advance Payment Security, are met promptly upon signing by providers of the contract; otherwise, the contract	Not Implemented	v) Management acknowledged the anomaly and stated that the Entity is ensuring that all bidders submit performance securing declarations that form part of the contract.

No.	Recommendation	Status	Response
	should be cancelled in favour of the next Best Evaluated Bidder.		

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 anomaly and stated that, going forward, the Entity shall ensure that audit recommendations are fully implemented.

Recommendation

The Accounting Officer should appoint a task force to implement the Authority's recommendations to improve the Entity's performance in accordance with Section 10 of the PPDA Act, Cap. 205.

2.1.3 Procuring above budget

Section 60(7) of the PPDA Act, Cap. 205, requires an Entity to regularly review and update its procurement plan to ensure alignment with prevailing circumstances and available resources. However, the Authority's assessment of the Entity's procurement plan for FY 2024/25 revealed significant over-expenditure, with actual procurement spend amounting to UGX 16,095,623,274 against an approved procurement plan of UGX 6,195,839,694. This resulted in a 160% budget overrun and a 260% procurement plan absorption rate, contrary to the requirements of Section 60(7) of the PPDA Act, Cap. 205. Table 3 below highlights the details:

Table 3: Procurement plan implementation

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	6,195,839,694
Total procurement spend value inclusive of VAT (UGX)	16,095,623,274
Procurement plan implementation rate (%)	260%
Implementation variance (UGX)	-9,899,783,580
Budget overrun (%)	160%

Implications

- The over-expenditure of UGX 9,899,783,580 means the Entity is spending well beyond its budgeted funds, which could lead to cash flow shortages and impact other planned activities or obligations.
- Procuring above budget may require reallocating funds from other areas, potentially leading to increased debt or delayed payments, which could affect the Entity's creditworthiness. Such escalations may result from poor planning, underestimation, or poor project management, leading to unanticipated financial burdens.

Management Response

Management acknowledged the anomaly and stated that, going forward, the Entity shall incorporate all funds received under the supplementary budget into the procurement plan.

Recommendation

The Accounting Officer should, on a quarterly basis and whenever necessary, review and update the entity's procurement plan to align it with the entity's current circumstances, in accordance with Section 60(7) of the PPDA Act, Cap. 205.

2.1.4 Irregularities during initiation

Section 36(1) of the PPDA Act, Cap. 205, provides that the User Department of a Procuring and Disposing Entity is responsible for supporting the procurement and disposal process by liaising with and assisting the Procurement and Disposal Unit. In particular, the User Department is required to initiate procurement and disposal requirements, forward them to the Procurement and Disposal Unit, and provide the necessary technical inputs, including statements of requirements and technical specifications, to ensure that procurement needs are clearly defined and budgeted. However, the Authority noted irregularities in initiating six procurements valued at UGX 1,350,164,600, particularly arising from incomplete or irregular procurement initiation records, as shown in Table 4 below:

Table 4: Procurement with irregularities during initiation

No	Procurement	Contract Value (UGX)	Irregularities
1.	Completion of the Maternity Ward at Mayuge Health Center III in Bugiri District	265,300,000	<ul style="list-style-type: none">• The District Engineer, in preparing the Bills of Quantities, irregularly specified brand names in the procurement requirements. The BoQs recommended during the initiation of the procurement on 1st October 2024 contained explicit references to Victron (Netherlands) under item 9.36, Solink under item 9.33, Furse Manufacturer under items 9.26–9.3, Legrand/MK under items 9.14–9.2, and Phillips/Thorn under items 9.12 and 9.13.• The Bills of Quantities prepared by the District Engineer and recommended at the initiation of the procurement on 1st October 2024 irregularly included a sum of UGX 2,800,000 under the provision 'Allow for supervision of the Project by the Engineer.' Such costs ought to be catered for under the administrative budget of the Procuring and Disposing Entity rather than allocated to the contractor.• The name and designation of the Officer who confirmed the availability of funding on the procurement requisition was not specified, as the designated areas were left blank, despite having a signature.
2.	Construction of a 3-classroom block,	199,992,300	<ul style="list-style-type: none">• The funds available section of the procurement requisition was left blank.

No	Procurement	Contract Value (UGX)	Irregularities
	office and store, desks, water tank, two lightening arresters, and wiring at Buwuni Primary School		<ul style="list-style-type: none"> The Bills of Quantities reflected an irregular inclusion of supervision fees amounting to UGX 800,000 for the Project Engineer.
3.	Fencing of Budhaya SEED Secondary School	294,772,400	<ul style="list-style-type: none"> The funds available section of the procurement requisition was left blank. The initiation of the request was made by Mr Nkwanga Mohammed, the Inspector of Schools. However, the request was not approved by the Head of Department, as required. The absence of such confirmation indicates a lapse in the internal control process. The priced Bills of Quantity prepared by the District Engineer were not included or recommended during the initiation of the procurement.
4.	Fencing of Buwunga Senior Secondary School	238,617,400	The priced Bills of Quantity prepared by the District Engineer were neither included nor recommended at the initiation of the procurement.
5.	Construction of a two-classroom block at Mayuge Primary School	82,000,000	
6.	Drilling of 10 deep boreholes Lot 1	269,482,500	The Authority noted that the initiation of the procurement request and its subsequent approval by the Head of Department were both undertaken by Eng. Robert, the District Water Officer. This contravened the prescribed two-stage control process embedded in the requisition form, which requires an independent request and then approval by the Head of Department. The absence of such independent confirmation reflects a lapse in the internal control framework and raises concerns regarding the adequacy of checks and balances in the requisition process
	Total	1,350,164,600	

Implications

- The use of brand names contravenes the principle of open and competitive procurement by restricting competition, potentially leading to supplier bias, reduced value for money, and limiting the participation of alternative eligible providers.

- Failure to initiate procurement transactions with a clear statement of requirements may result in the receipt of non-responsive bids that do not meet the end users' requirements.
- Incomplete information hinders proper decision-making for the Contracts Committee and also affects the audit trail.
- Avoiding steps and controls may compromise accountability and the integrity of the requisition process.
- The provision for supervision fees was inappropriate, as the remuneration of supervision personnel is ordinarily covered under the administrative costs of the Procuring and Disposing Entity, not through project-specific Bills of Quantities. Including such fees inflates the contract price and creates a potential conflict of interest, thereby undermining the principles of accountability and cost transparency.

Management Response

Management acknowledged the anomalies and stated that:

- *Regarding the use of brand names in bills of quantities, going forward the Entity will ensure that all procurements are based on functional and technical specifications rather than brand names.*
- *Regarding the irregularity of "inclusion of a sum of UGX 2,800,000" under the provision 'Allow for supervision of the Project by the Engineer', going forward it shall be handled administratively.*
- *For completeness of Form 5 at the initiation of procurement, the Entity shall ensure that all sections of the form are fully signed by the recommended officers before submission to the Contracts Committee for consideration.*
- *A copy of the priced bills of quantities for the fencing of Buwunga Secondary School was prepared and submitted to the PDU, and is therefore available for review by the Authority.*

Authority's comment

The Authority acknowledges the Entity's response; however, the Priced BoQs for the fencing at Buwunga Secondary School were not submitted for verification, as stated in the management response. Therefore, this query still stands.

Recommendations

- User Departments should ensure that statements of requirements attached at the initiation of procurement are based on functional and technical specifications, not brand names, to uphold the principle of competition in accordance with Section 49 of the PPDA Act, Cap. 205.
- The Procurement and Disposal Unit should ensure that all documentation is complete and compliant before submitting to the Contracts Committee.
- The Contracts Committee should not approve incomplete documentation.
- The remuneration of supervisory personnel should be accounted for under the administrative costs of the Procuring and Disposing Entity, and not through project-specific Bills of Quantities, in accordance with Section 48 of the PPDA Act, Cap. 205.

2.1.5 Low bidder participation

Section 49 of the PPDA Act, Cap. 205, provides that all procurement and disposal shall be conducted in a manner that maximises competition and achieves value for money. The Authority noted that all sampled procurements, valued at UGX 1,350,164,600, recorded low bidder

participation, with the Entity receiving an average of only one bid in response to the invitations to bid, as presented in Table 5 below:

Table 5: Procurements without evidence of bidder invitation

No	Subject of procurement	Contract value (UGX)	Number of invited bidders	Number of bids received
1.	Construction of a 3-classroom block, office and store, desks, water tank, two lightening arresters, and wiring at Buwuni Primary School	199,992,300	7	1
2.	Construction of a two-classroom block at Mayuge Primary School	82,000,000	Open	2
3.	Fencing of Buwunga Senior Secondary School	238,617,400	6	1
4.	Fencing of Budhaya SEED Secondary School	294,772,400	6	1
5.	Completion of Maternity Ward at Mayuge Health Center III in Bugiri District	265,300,000	6	1
6.	Drilling of 10 deep boreholes Lot 1	269,482,500	6	1
	Total	1,350,164,600		1.1

Implication

This encumbers competition, thus leading to failure to achieve value for money.

Management Response

Management acknowledged that we have embarked on extensive engagements with service providers and that quarterly review meetings are held to ensure they understand their mandate regarding public procurement.

Recommendation

The Accounting Officer should implement targeted measures to increase bidder participation, including conducting market surveys, engaging supplier associations, and organising bidder sensitisation sessions. These efforts promote competition and ensure value for money in line with Section 49 of the PPDA Act, Cap. 205.

2.1.6 Delays in the procurement process

Section 51 of the PPDA Act, Cap. 205, states that “*All procurement and disposal shall be conducted in a manner which promotes economy, efficiency, and value for money.*”

The Authority noted an average delay of 61 days at the contracting stage of two procurements worth UGX 503,917,400, as shown in Table 6 below.:

Table 6: Delays in the procurement process

No	Subject of Procurement	Contract Amount (UGX)	Observations
1	Fencing of Buwunga Senior Secondary School	238,617,400	Delayed contracting. The Authority observed delays in the contracting process arising from the late submission of the request for the Solicitor General's clearance. While the Notice of Best Evaluated Bidder was displayed from 21st October 2024 to 1st November 2024, the Entity only sought clearance from the Solicitor General on 21 st January 2025, 82 days later.
2	Completion of the Maternity Ward at Mayuge Health Center III in Bugiri District	265,300,000	Delayed contracting. The Authority observed delays in the contracting process arising from the late submission of the request for the Solicitor General's clearance. While the Notice of Best Evaluated Bidder was displayed from 21st October 2024 to 1st November 2024, the Entity only sought clearance from the Solicitor General on 10 th December 2024, 40 days later.
	TOTAL	503,917,400	

Implication

Delays in the procurement process create lengthy lead times, which in turn impede timely service delivery. Such delays in seeking mandatory approvals prolong the procurement cycle and may adversely affect the timely delivery of services or works.

Management response

Management acknowledged the anomaly and stated that the Entity had not yet received funds from the Central Government. Therefore, seeking clearance from the Solicitor General was delayed because, as an Entity, we couldn't commit Government funds in case of failed releases from the Central Government.

Authority's comment

The Authority notes the Entity's response; however, the delayed availability of funds does not prevent the submission of a request for clearance from the Solicitor General, as advised in the circular issued by the MoFPED, which states that all Accounting Officers should not wait for the commencement of procurement processes until the actual receipt of funds on their respective accounts.

Recommendations

- The Accounting Officer should initiate procurements in time for procurement items that fall under the approved procurement plans and budgets for the financial year or are part of the approved supplementary funding so that by the time funds are received by the Entity, a contract, LPO or letter of acceptance is issued by the Entity, thus ensuring that service delivery is expedited in accordance with the circular issued by the MoFPED.

- The Accounting Officer should ensure that all procurements are conducted in a manner that promotes economy, efficiency and value for money, in accordance with Section 51 of the PPDA Act, Cap. 205.

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

2.2.1 Failure to prepare a disposal plan

Regulation 2(1) of the PPDA (Disposal of Public Assets) Regulations 2023 requires Accounting Officers, in each financial year, to review the public assets of a Procuring and Disposing Entity and identify those to be disposed of in the subsequent financial year. However, the Entity did not prepare a disposal plan for the Financial Year 2024/2025 and, consequently, failed to dispose of obsolete assets.

Implication

The failure to prepare a disposal plan resulted in the Entity failing to dispose of obsolete assets, leading to unnecessary storage that occupies valuable space, reduces operational efficiency, and continues to depreciate in value. This contravenes Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations 2023 and undermines proper asset management.

Management Response

Management acknowledged the anomaly and stated that, going forward, the Entity will request that the Chief Government Valuer and the Chief Mechanical Engineer enable various departments to code the correct costs for the obsolete items within their jurisdictions.

Recommendation

The Accounting Officer should engage the Board of Survey and the User Departments to identify assets for disposal in accordance with Regulation 2(2) of the PPDA (Disposal of Public Assets) Regulations, 2023, and to prepare a disposal plan to ensure efficient asset management.

2.2.2 Failure to Conduct Asset Disposal

Regulation 2 of the PPDA (Disposal) Regulations, 2023 requires a Procuring and Disposing Entity to dispose of obsolete assets as identified by the Board of Survey. The audit found that Bugiri District Local Government did not dispose of any assets during Financial Year 2024/2025, contrary to Regulation 2 of the PPDA (Disposal) Regulations, 2023. Table 7 and the images in Figure 1 below illustrate some of the Entity's assets that were not disposed of:

Table 7: Items identified for disposal in the Board of Survey for 2024/2024

No.	Item description	Quantity	Registration Number
1.	Motor vehicles	1	LG 0003- 013 JMC
		1	UAJ 564 X Pickup
		1	LG 0066- 17
		1	UG 2174 A
OTHER ITEMS			
2.	Chairs	5	Wooden
		3	Leather cushioned
		3	Rotating executive
3.	Type writers	2	Metallic- Facit type
4.	CPU	3	HP
5.	Monitors	2	Dell
		1	HP
6.	Printers	4	HP LaserJet
7.	Photocopiers	1	Olivetti
		1	Brother colored laser printer
8.	Computer UPS	1	HP
9.	Keyboard	2	Dell
10.	Filing cabinets	2	Leeco
		2	Universal
11	Coat Hunger	1	Wooden

Figure 1: Assets due for disposal



Implication

Failure to dispose of items in a timely manner exposes obsolete items to the risks of theft, mismanagement, and further depreciation, resulting in potential financial losses.

Management response

Management acknowledged the anomaly and stated that, going forward, the Entity will request clearances from various ministries, especially for works where the road units fall, and will also request the Chief Government Valuer and the Chief Mechanical Engineer, who will assess all such items and code them to ascertain the valued costs for proper disposal.

Recommendation

The Accounting Officer should dispose of obsolete assets in accordance with the Board of Survey report's recommendations, Regulation 2 of the PPDA (Disposal) Regulations, 2023, and Section 60(2) of the PPDA Act, Cap. 205.

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 Absence of ESHS screening and costing in Bills of Quantities

Section 61 A of the PPDA Act, Cap. 205, states that "A Procuring and Disposing Entity shall for each procurement take into account environmental protection, social inclusion and stimulating innovation." The Authority noted that there was no evidence of Environmental, Social, Health, and Safety (ESHS) screening across all sampled procurements valued at UGX 1,350,164,600. Consequently, ESHS requirements were neither costed nor customised in the Bills of Quantities at the initiation of these procurements, contrary to the requirements of Section 61 A of the PPDA Act, Cap. 205.

Implication

Omitting ESHS screening and associated costing undermines the integration of environmental and social safeguards into project implementation. This exposes projects to risks, including non-compliance with statutory ESHS standards, environmental degradation and occupational hazards for contractors' staff. Additionally, failing to account for these requirements may result in unanticipated project costs and delays if ESHS provisions must be incorporated later.

Management response

Management acknowledged the anomaly and stated that, going forward, ESHS requirements will be costed and customised in the Bills of Quantities at the initiation of all procurements

Recommendation

The Accounting Officer should ensure that all future procurements undergo comprehensive ESHS screening at the initiation phase. ESHS requirements should be clearly costed and incorporated into the Bills of Quantities, in line with Section 61 (A) of the PPDA Act, Cap. 205, to safeguard compliance, mitigate risks, and promote sustainable project outcomes.

2.3.2 Failure to issue a Certificate of Environmental and Social Management Compliance

Section 61 A of the PPDA Act, Cap. 205, states that “A Procuring and Disposing Entity shall, for each procurement, take into account environmental protection, social inclusion and stimulating innovation.” The Authority observed that, in all sampled procurements valued at UGX 1,350,164,600, there was no evidence that the Environment Officer and the Community Development Officer issued a certification confirming that the implemented works complied with the agreed Environmental and Social Management Plan (ESMP).

Implication

The absence of such certification constitutes a lapse in environmental and social safeguards, casting doubt on whether the projects achieved the expected outputs in line with the ESMP. Non-adherence to Environmental, Social, Health and Safety (ESHS) standards exposes the projects to significant risks, including adverse environmental impacts, occupational hazards for contractors’ staff, sustainability challenges, and potential harm to the surrounding communities.

Management response

Management acknowledged the anomaly and stated that, going forward, the Environment Officer and the Community Development Officer shall issue certificates verifying that the implemented works comply with the agreed Environmental and Social Management Plan and that they are carried out by the contractor.

Recommendations

- The Head of Internal Audit and Head of Finance should ensure that no payment is made for the ESHS provisions in the absence of a certificate of environmental and social management compliance to ensure the implementation of ESMPs.
- The Accounting Officer should instruct the Project Manager to always prioritise enforcement of the Environmental, Social, Health and Safety Standards so as to safeguard the environment and the neighbouring community from the negative impacts arising from the projects and to further safeguard the workers on site from the risk of injuries arising from accidents in accordance with Section 61A of the PPDA Act, Cap. 205.

2.3.3 Irregularities during contracting and contract execution

Regulation 52(1) of the PPDA (Contracts) Regulations, 2023 states that “(1) A contract manager shall (a) manage the obligations and duties of the procuring and disposing entity specified in the contract; and (b) make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract.” The Authority observed irregularities in contracting and contract management across all sampled procurements valued at UGX 1,350,164,600, as indicated in Table 8 below.

Table 8: Transactions with irregularities at contracting and contract management

No	Subject of Procurement	Contract value (UGX)	Findings	Management response
1	Construction of a 3-classroom block, office and store, desks, water tank, two lightening	199,992,300	• Failure by the contractor to submit a 10% Performance Security contrary to	<i>The contractor submitted the performance securing declaration form.</i>

No	Subject of Procurement	Contract value (UGX)	Findings	Management response
	arresters, and wiring at Buwuni Primary School		GCC 61.1 of the contract. <ul style="list-style-type: none"> Failure to prepare supervision reports, hence leaving the project status unknown. 	<i>Supervision reports are attached for ease of reference.</i>
2	Construction of a two-classroom block at Mayuge Primary School	82,000,000	Failure to prepare a Contract Management Plan and supervision reports, hence leaving the project status unknown.	<i>The contract management plan is attached for ease of reference</i>
3	Fencing of Buwunga Senior Secondary School	238,617,400	<ul style="list-style-type: none"> Failure to prepare supervision reports, hence leaving the project status unknown. Failure to provide evidence of payment. 	<i>Contract management reports and payment documents are hereby attached for ease of reference</i>
4	Fencing of Budhaya Seed Secondary School	294,772,400		
5	Completion of the Maternity Ward at Mayuge Health Center III in Bugiri District	265,300,000		
6	Drilling of 10 deep boreholes, Lot 1	269,482,500	<ul style="list-style-type: none"> Failure by the contractor to submit a 10% Performance Security contrary to GCC 61.1 of the contract. Failure to prepare a Contract Management Plan. 	<i>The contractor submitted the performance securing declaration in place of the 10% performance guarantee. The contract management plan is hereby attached.</i>
	Total	1,350,164,600		

Implications

- Failure to prepare contract management plans and reports exposes the Entity to weak supervision, poor contract implementation, and a lack of assurance that delivered works, goods, or services meet the specified requirements.
- Failure to obtain Performance Securities and to provide evidence of payments exposes the Entity to risks of contractor default, financial mismanagement, irregular payments, and loss of public funds.

Authority's comment

The Authority noted that some of the documents the Entity said it had attached were not attached, including the performance securing declarations for M/s Hoyo Twins Ltd and M/s Galaxy Agrotech (U) Limited; the contract management plan for Construction of a two-classroom block at Mayuge Primary School and Drilling of 10 deep boreholes, Lot 1; the supervision reports for Construction of a 3-classroom block, office and store, desks, water tank, two lightning arresters, and wiring at Buwuni Primary School; Fencing of Buwunga Senior Secondary School; and Completion of Maternity Ward at Mayuge Health Center III in Bugiri District, plus the payments for M/s Nkabi Investments Ltd and M/s Nabo International (U) Limited.

Recommendations

- The Contract Managers should ensure compliance with Regulation 52 of the PPDA (Contracts) Regulations, 2023 by preparing contract implementation plans prior to commencement, submitting regular progress reports throughout the contract duration, and issuing handover or completion certificates upon successful completion of the contract.
- The Accounting Officer should enforce compliance with Regulation 12 (2) and (3) of the PPDA (Contracts) Regulations, 2023 by ensuring that contractors submit performance securities prior to the commencement of works. In cases where a contractor fails to provide the required security, the Accounting Officer should withhold the bid security, cancel the award, and award the contract to the next-best-evaluated bidder.
- The Head Procurement and Disposal Unit should maintain proper records on each file in line with Section 33 (o) of the PPDA Act, Cap. 205.

2.3.4 Missing records

Section 44 (1) of the PPDA Act, Cap. 205 states that “A procuring and disposing entity shall maintain records on its procurement and disposal proceedings for a period of seven years.” Section 33 (o) of the PPDA Act, Cap. 205 requires the Head Procurement and Disposal Unit to always maintain procurement and disposal records and reports on their respective action files. The following six procurements worth UGX 1,350,164,600 had incomplete files as detailed in Table 9 below:

Table 9: Missing Records

S/no	Subject of Procurement	Contract value (UGX)	Missing records	Management response
1	Construction of a 3-classroom block, office and store, desks, water tank, two lightening arresters, and wiring at Buwuni Primary School	199,992,300	<ul style="list-style-type: none">• Notice of Best Evaluated Bidder.• The bidding document itself was missing.	<i>The notice of the BEB and the bidding document are attached for ease of reference</i>
2	Construction of a two-classroom block at Mayuge Primary School	82,000,000	The Completion certificate and Handover report.	<i>Contract management documents are hereby attached</i>
3	Fencing of Buwunga Senior Secondary School	238,617,400	The payment records (3,4,5)	

S/no	Subject of Procurement	Contract value (UGX)	Missing records	Management response
4	Fencing of Budhaya SEED Secondary School	294,772,400		
5	Completion of the Maternity Ward at Mayuge Health Centre III in Bugiri District	265,300,000		
6	Drilling of 10 deep boreholes Lot 1	269,482,500		
	TOTAL	1,350,164,600		

Implication

Missing records affect the audit trail and compromise accountability for public funds.

Authority's comment

The Authority noted that the documents said to have been attached by the Entity were not attached, including the best-evaluated-bidder notice and the bidding document for the Construction of a 3-classroom block, office and store, desks, water tank, two lightning arresters, and wiring at Buwuni Primary School; the Performance Securing Declaration for M/s Galaxy Agrotech (U) Limited; the contract management plan for Construction of a two-classroom block at Mayuge Primary School and Drilling of 10 deep boreholes, Lot 1; the supervision reports for Construction of a 3-classroom block, office and store, desks, water tank, two lightning arresters, and wiring at Buwuni Primary School; Fencing of Buwunga Senior Secondary School; and Completion of Maternity Ward at Mayuge Health Center III in Bugiri District; plus the payments for M/s Nkabi Investments Ltd and M/s Nabo International (U) Limited.

Recommendation

The Head Procurement and Disposal Unit should always maintain procurement and disposal records and reports on their respective action files in accordance with Sections 44 and 33 (o) of the PPDA Act, Cap. 205.

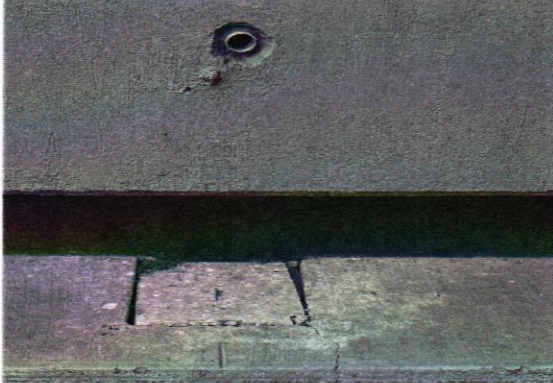


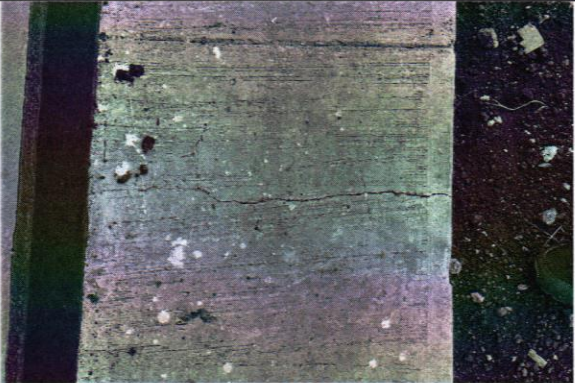

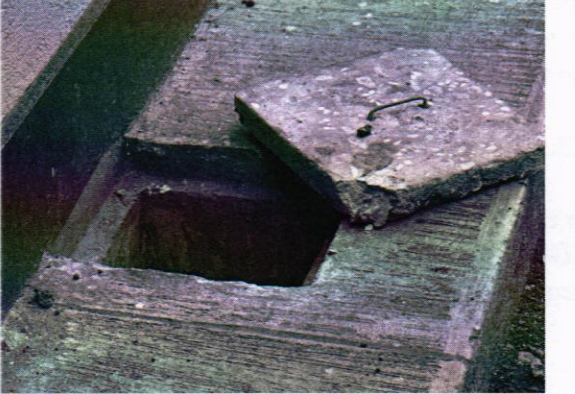
2.3.5 Irregularities at physical verification

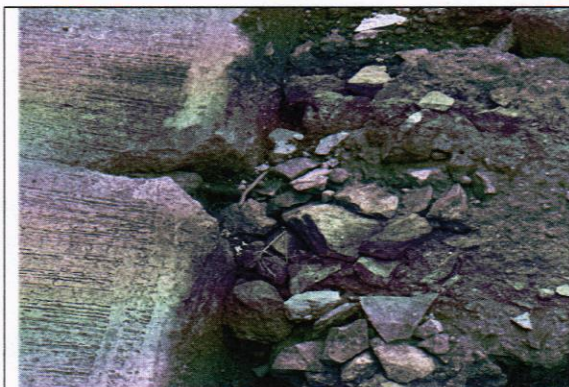
In the Completion of a maternity ward at Mayuge Health Center III in Bugiri District, worth UGX 265,300,000.

Regulation 52 of the PPDA (Contracts) Regulations, 2023 requires Contract Management Teams (Contract Managers) to closely monitor contractors to ensure contracts are performed in accordance with the terms and conditions specified in the contract. The Authority observed the following lapses during physical verification of the project site: (i) there was no evidence that materials were tested as required by the Bills of Quantities; (ii) the project signboard was not displayed on site; and (iii) contractor staff were not present on site. These lapses raise concerns about adherence to contractual requirements and project supervision.

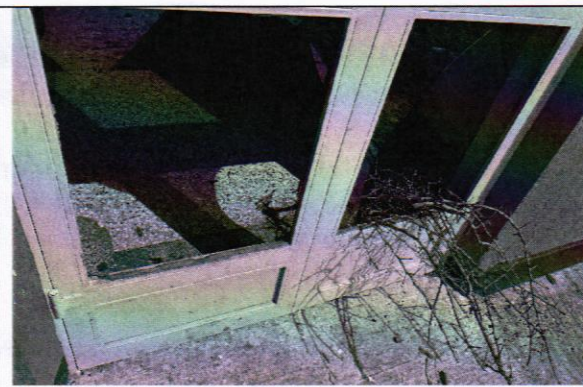
Furthermore, Table 10 highlights the defects that were observed during physical verification:

Table 10: Defects observed during physical verification at Mayuge Health Center III

	
<p>Vandalized pipe work at the front of the ward during physical verification</p>	<p>Hairline cracks observed on part of the front veranda</p>
	
<p>A vandalized emergency door glass during physical verification</p>	<p>Hairline cracks observed on part of the rear veranda</p>
	
<p>A crack on the base of the water tank and vandalized tap for the tank.</p>	<p>Open man hole with a damaged cover.</p>



Exposed electrical wires for the Ward



Two vandalized and broken windows for the alternative door to the Health Centre.

Implication

Failure to execute works in accordance with the agreed contractual terms undermines the attainment of value for money and exposes the Government to the risk of financial loss resulting from non-performance or substandard contract delivery.

Management Response

Management acknowledged the anomaly and stated that going forward, the Entity shall ensure security for projects like this one and also, that material testing is done, the project signboard be displayed on site; and contractor staff be present on site at all times.

Recommendation

The Accounting Officer should task Contract Management teams to closely monitor contractors to perform contracts as per the terms and conditions specified in the Contract in accordance with Regulation 52 of the PPDA (Contracts) Regulations, 2023.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This Section presents graphically the procurement and disposal audit scores.

3.1. Overall Procurement and Disposal Compliance Audit Conclusion

The performance of Bugiri District Local Government for the Financial Year 2023/24 was **moderately satisfactory** with an overall weighted average risk rating of **50%**.

3.2. Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as detailed in Table 12 below:

Table 12: 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	6	100	1,350,164,600	100	0.3	30	30
Low	0	0	0	0	0.1	0	0
Satisfactory	0	0	0	0	0	0	0
Total	6	100	1,350,164,600	100	1	30	30

$$\text{Performance by Number} = \frac{30 \times 100}{60} = 50\%$$

$$\text{Performance by Value} = \frac{30 \times 100}{60} = 50\%$$

$$\text{The average weighted risk rating} = \frac{50 + 50}{2} = 50\%$$

Since 50% falls within the 31% - 70% risk range, the performance of the Entity is rated **Moderately Satisfactory** as detailed in Table 13 below:

Table 13: Risk Rating

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

Figure 2: Risk Rating by Number

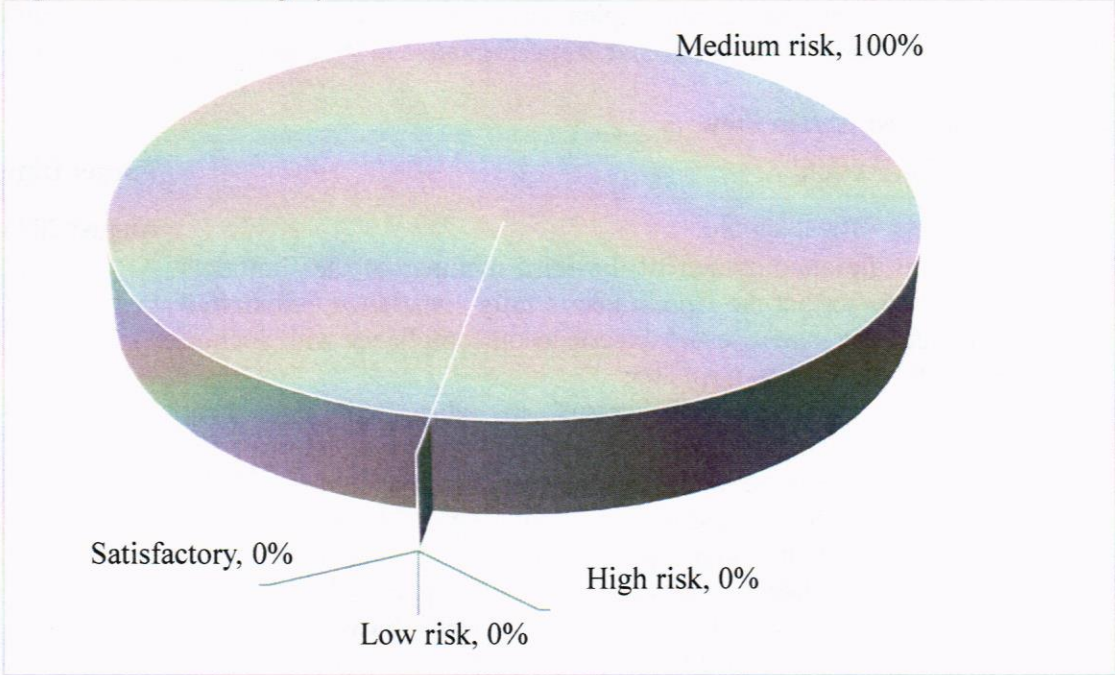
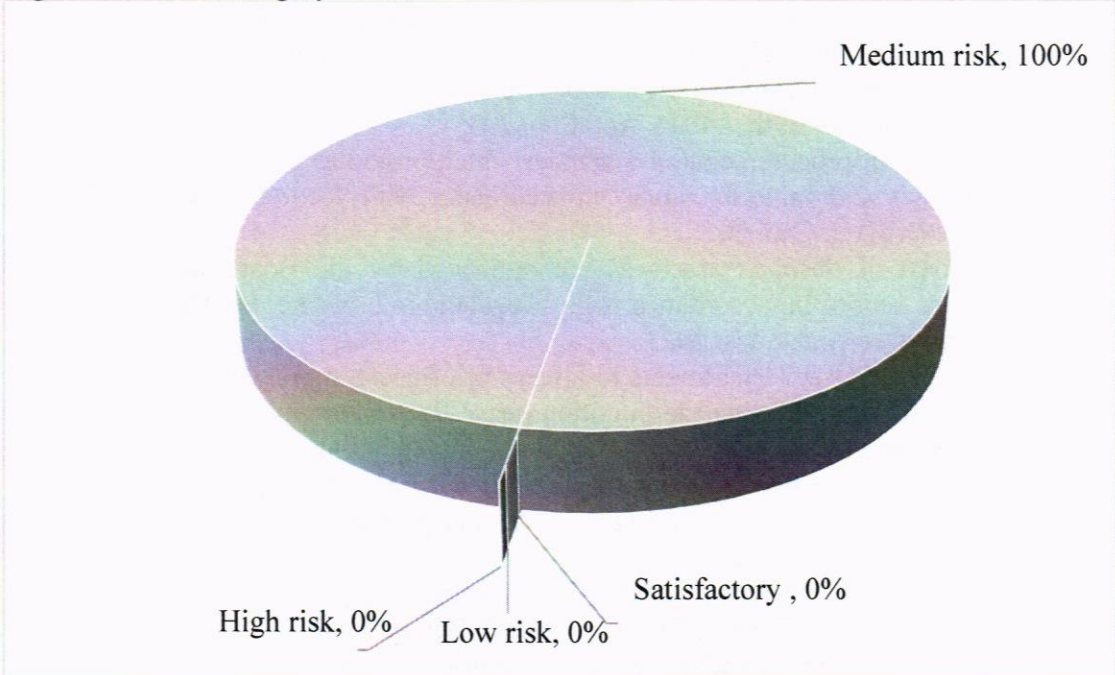


Figure 3: Risk Rating by Value



3.3. Recommended Action Plan

Bugiri District Local Government should implement the recommendations in Table 14 below within the time frame given in order to improve its performance in Procurement and Disposal.

Table 14: Recommended Action Plan

No.	Recommended Action	Target Date
1.	<p>The Accounting Officer should:</p> <ul style="list-style-type: none"> i. Expedite the appointment of the third member of the Contracts Committee so that the Committee is fully constituted and staffed with adequate expertise and experience in compliance with Section 27 of the PPDA Act, Cap. 205; ii. Establish a strong mechanism in place to implement recommendations made by the Authority so as to improve the Entity's performance in accordance with Section 10 of the PPDA Act, Cap. 205. This could include appointing a task force to ensure the full implementation of the Authority's recommendations. iii. Review and update the Entity's procurement plan to harmonise it with the existing circumstances on a quarterly basis and, in any other case, wherever necessary, in accordance with Section 60 (7) of the PPDA Act, Cap. 205; iv. Implement targeted measures to increase bidder participation, including conducting market surveys, engaging supplier associations, and organising bidder sensitisation sessions. These efforts promote competition and ensure value for money in line with Section 49 of the PPDA Act, Cap. 205; v. Conduct all procurements in a manner which promotes economy, efficiency and value for money in accordance with Section 51 of the PPDA Act, Cap. 205; vi. Disposal of obsolete assets as recommended by the Board of Survey report in accordance with Regulation 2 of the PPDA (Disposal) Regulations, 2023; vii. Instruct the User Departments to always prioritise comprehensive ESHS screening during the initiation phase. Provisions for ESHS requirements should be clearly costed and integrated into the Bills of Quantities, in line with Section 61A of the PPDA Act, Cap. 205, to safeguard compliance, mitigate risks, and promote sustainable project outcomes; and viii. Direct the Contract Managers to ensure compliance with Regulation 52 of the PPDA (Contracts) Regulations, 2023, by preparing contract implementation plans prior to commencement, monitoring contractors' contractual performance and submitting regular progress reports throughout the contract duration, and issuing handover or completion certificates upon successful completion of the contract 	August 2026

No.	Recommended Action	Target Date
2.	User Departments should: <ul style="list-style-type: none"> <li data-bbox="300 398 1214 544">i Ensure that statements of requirements attached at the initiation of procurements are based on functional and technical specifications, and not brand names, in order to uphold the principle of competition in accordance with Section 49 of the PPDA Act, Cap. 205. <li data-bbox="300 544 1214 622">ii Strengthen their responsibility in safeguarding public projects within their jurisdiction. 	August 2026
3.	The Contracts Committee should not approve incomplete documents.	August 2026
4.	The Head Procurement and Disposal Unit should: <ul style="list-style-type: none"> <li data-bbox="300 745 1214 824">i Ensure complete and compliant documentation before submitting to the Contracts Committee. <li data-bbox="300 824 1214 929">ii Always maintain procurement and disposal records and reports on their respective action files in accordance with Section 33 (o) of the PPDA Act, Cap. 205. 	August 2026

Annex A: Bugiri District Local Government compliance audit sample list for the Financial Year 2024/2025

No.	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk rating
1.	BUGI813/WRKS/2023-24/00004	Construction of a two-classroom block at Mayuge Primary School	ODB	Cuthbert Engineering Ltd	82,000,000	Medium
2.	BUGI813/WRKS/2024-25/00001	Drilling of 10 boreholes Lot 1	RFQ	Galaxy Agrotech Ltd	269,482,500	Medium
3.	BUGI813/WRKS/2024-25/00015	Completion of maternity ward at Mayuge Health Centre III	RFQ	Nabo International Ltd	265,300,000	Medium
4.	BUGI813/WRKS/2024-25/00014	Construction of a 3-classroom block, office and store, desks, water tank, two lightening arresters, and wiring at Buwuni Primary School	RFQ	HOYO TWINS LTD	199,992,300	Medium
5.	BUGI813/WRKS/2024-25/00012 (c)	Fencing of Buwunga Senior Secondary School	RFQ	Nkabi Investments Ltd	238,617,400	Medium
6.	BUGI813/WRKS/2024-25/00012 (A)	Fencing of Budhaya SEED Secondary School	RFQ	Musaha General Enterprises Ltd	294,772,400	Medium
Total					1,350,164,600	

ANNEX B: Reason for Risk Rating

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	<p>Construction of a two-classroom block at Mayuge Primary School</p> <p>BUGI813/WRKS/2023-24/00004</p> <p>ODB</p> <p>Cuthbert Engineering Ltd</p> <p>82,000,000</p>	<ul style="list-style-type: none"> • The priced Bills of Quantity prepared by the District Engineer were not included or recommended during the initiation of the procurement. • Low bidder participation • Absence of ESHS screening and costing in Bills of Quantities. • Failure to issue a Certificate of Environmental and Social Management Compliance. • Failure to prepare a Contract Management Plan and supervision reports hence leaving the project status unknown. • Missing Completion certificate and Handover report.
2.	<p>Drilling of 10 boreholes Lot 1</p> <p>BUGI813/WRKS/2024-25/00001</p> <p>RFQ</p> <p>Galaxy Agrotech Ltd</p> <p>UGX 269,482,500</p>	<ul style="list-style-type: none"> • The Authority noted that the initiation of the procurement request and its subsequent approval by the Head of Department were both undertaken by Eng. Robert, the District Water Officer. This contravened the prescribed two-stage control process embedded in the requisition form, which requires an independent request and then approval by the Head of Department. The absence of such independent confirmation reflects a lapse in the internal control framework and raises concerns regarding the adequacy of checks and balances in the requisition process. • Low bidder participation • Absence of ESHS screening and costing in Bills of Quantities. • Failure to issue a Certificate of Environmental and Social Management Compliance. • Failure to prepare a Contract Management Plan. • Missing Completion certificate and Handover report.
3.	<p>Completion of maternity ward at Mayuge Health Centre III</p> <p>BUGI813/WRKS/2024-25/00015</p> <p>RFQ</p>	<ul style="list-style-type: none"> • The District Engineer, in preparing the Bills of Quantities, irregularly specified brand names in the procurement requirements. The BoQs recommended during the initiation of the procurement on 1st October 2024 contained explicit references to Victron

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	<p>Nabo International Ltd</p> <p>UGX 265,300,000</p>	<p>(Netherlands) under item 9.36, Solink under item 9.33, Furse Manufacturer under items 9.26–9.3, Legrand/MK under items 9.14–9.2, and Phillips/Thorn under items 9.12 and 9.13.</p> <ul style="list-style-type: none"> • The Bills of Quantities prepared by the District Engineer and recommended at the initiation of the procurement on 1st October 2024 irregularly included a sum of UGX 2,800,000 under the provision ‘Allow for supervision of the Project by the Engineer.’ Such costs ought to be catered for under the administrative budget of the Procuring and Disposing Entity rather than allocated to the contractor. • The name and designation of the Officer that confirmed the availability of funding on the procurement requisition was not specified, as the designated areas were left blank, in spite having a signature. • Low bidder participation. • Delayed contracting. The Authority observed delays in the contracting process arising from the late submission of the request for the Solicitor General’s clearance. While the Notice of Best Evaluated Bidder was displayed from 21st October 2024 to 1st November 2024, the Entity only sought clearance from the Solicitor General on 10th December 2024, 40 days later. • Absence of ESHS screening and costing in Bills of Quantities. • Failure to issue a Certificate of Environmental and Social Management Compliance. • Failure to prepare supervision reports hence leaving the project status unknown. • Missing Completion certificate and Handover report.
4.	<p>BUGI813/WRKS/2024-25/00014</p> <p>Construction of a 3-classroom block, office and store, desks, water tank, two lightening arresters, and wiring at Buwuni Primary School</p> <p>RFQ</p>	<ul style="list-style-type: none"> • The funds available section of the procurement requisition was left blank. • The Bills of Quantities reflected an irregular inclusion of supervision fees amounting to UGX 800,000 for the Project Engineer. • Low bidder participation. • Absence of ESHS screening and costing in Bills of Quantities.

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
	<p>HOYO TWINS LTD</p> <p>UGX 199,992,300</p>	<ul style="list-style-type: none"> • Failure to issue a Certificate of Environmental and Social Management Compliance. • Failure by the contractor to submit a 10% Performance Security contrary to GCC 61.1 of the contract. • Failure to prepare supervision reports hence leaving the project status unknown. • Missing Notice of Best Evaluated Bidder. • Missing Completion certificate and Handover report.
5.	<p>Fencing of Buwunga Senior Secondary School</p> <p>BUGI813/WRKS/2024-25/00012</p> <p>RFQ</p> <p>Nkabi Investments Ltd</p> <p>UGX 238,617,400</p>	<ul style="list-style-type: none"> • The priced Bills of Quantity prepared by the District Engineer were not included or recommended during the initiation of the procurement. • Low bidder participation. • Delayed contracting. The Authority observed delays in the contracting process arising from the late submission of the request for the Solicitor General's clearance. While the Notice of Best Evaluated Bidder was displayed from 21st October 2024 to 1st November 2024, the Entity only sought clearance from the Solicitor General on 21st January 2025, 82 days later. • Absence of ESHS screening and costing in Bills of Quantities. • Failure to issue a Certificate of Environmental and Social Management Compliance. • Failure to prepare supervision reports hence leaving the project status unknown.
6.	<p>BUGI813/WRKS/2024-25/00012</p> <p>Fencing of Budhaya SEED Secondary School</p> <p>RFQ</p> <p>Musaha General Enterprises Ltd</p> <p>UGX 294,772,400</p>	<ul style="list-style-type: none"> • The funds available section of the procurement requisition was left blank. • The initiation of the request was made by Mr. Nkwanga Mohammed, the Inspector of Schools. However, the request was not subjected to approval by the Head of Department, as required. The absence of such confirmation indicates a lapse in the internal control process. • The priced Bills of Quantity prepared by the District Engineer were not included or recommended during the initiation of the procurement. • Low bidder participation

NO	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
		<ul style="list-style-type: none"> • Absence of ESHS screening and costing in Bills of Quantities. • Failure to issue a Certificate of Environmental and Social Management Compliance. • Failure to prepare supervision reports hence leaving the project status unknown. • Missing Completion certificate and Handover report.

ANNEX C: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	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. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	Planning: Lack of or failure to procure within the approved plan	This implies emergencies and the use of the direct procurement method which affects competition and value for money.
		Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals, and usurping the powers of the PDU.	This implies the use of less competitive methods which affects transparency, accountability, and value for money.
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct an evaluation.	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.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation documents, submitted bids, evaluation reports, and contracts.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies a lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries

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>		